



FAR EAST HOSPITALITY TRUST

PROSPECTUS DATED 16 AUGUST 2012

(Registered with the Monetary Authority of Singapore on 16 August 2012)

This document is important. If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser.

FAR EAST HOSPITALITY TRUST

First & Only Singapore-Focused Hotel And Serviced Residence Hospitality Trust

COMPRISING:

FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST	FAR EAST HOSPITALITY BUSINESS TRUST
(a real estate investment trust constituted on 1st August 2012 under the laws of the Republic of Singapore)	(a business trust constituted on 1st August 2012 under the laws of the Republic of Singapore)
managed by FEO Hospitality Asset Management Pte. Ltd.	managed by FEO Hospitality Trust Management Pte. Ltd.

OFFERING OF 329,366,000 STAPLED SECURITIES

(subject to the Over-Allotment Option (as defined herein))

OFFERING PRICE: S\$0.93 PER STAPLED SECURITY

6.0%
Annualised Yield for Forecast Period 2012¹

First & Only Singapore-Focused Hotel And Serviced Residence Hospitality Trust



FEO Hospitality Asset Management Pte. Ltd., as manager (the "REIT Manager") of Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") and FEO Hospitality Trust Management Pte. Ltd., as trustee-manager (the "Trustee-Manager") of Far East Hospitality Business Trust ("Far East H-BT") are making an offering (the "Offering") of 329,366,000 stapled securities in Far East Hospitality Trust ("Far East H-Trust"), and the stapled securities in Far East H-Trust, the "Stapled Securities", which is a hospitality stapled group comprising Far East H-REIT and Far East H-BT. Each Stapled Security comprises a unit in Far East H-REIT ("Far East H-REIT Unit") and a unit in Far East H-BT ("Far East H-BT Unit"). The Offering consists of (i) an international placement of 267,566,000 Stapled Securities to investors, including institutional and other investors in Singapore (the "Placement Tranche"), and (ii) an offering of 61,800,000 Stapled Securities to the public in Singapore (the "Public Offer") of which 11,800,000 Stapled Securities will be reserved for subscription by the directors, management and employees of the Sponsor (as defined herein) and the REIT Manager (the "Reserved Stapled Securities").

The issue price of each Stapled Security under the Offering (the "Offering Price") is S\$0.93 per Stapled Security. The joint financial advisers, global coordinators and issue managers for the Offering are DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (collectively, the "Joint Financial Advisers, Global Coordinators and Issue Managers" or the "Joint Global Coordinators"). The Offering is fully underwritten at the Offering Price by DBS Bank Ltd., Goldman Sachs (Singapore) Pte., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited (collectively, the "Joint Bookrunners and Underwriters" or the "Joint Bookrunners") on the terms and subject to the conditions of the Underwriting Agreement (as defined herein).

The total number of Stapled Securities in issue as at the date of this Prospectus is one Stapled Security (the "Sponsor Initial Stapled Security"). The total number of outstanding Stapled Securities immediately after the completion of the Offering will be 1,603,888,000 Stapled Securities.

Concurrently with, but separate from the Offering, certain Vendors (as defined herein), being members of the Far East Organization group of companies comprising the Vendors and the companies which directly or indirectly hold the pipeline of hospitality properties that fall or may potentially fall within the Far East Orchard ROFR and the Other ROFRs (each as defined herein), namely (i) Far East Organization Centre Pte. Ltd. ("FEOC"), (ii) Far East Organisation Pte. Ltd. ("FEOP"), (iii) Golden Development Private Limited, (iv) Glory Realty Co. Private Ltd., (v) F. E. Holdings Pte. Ltd., (vi) Boo Han Holdings Pte. Ltd., (vii) Lucky Realty Company Pte Ltd, (viii) Orchard Landmark Pte. Ltd., and their respective subsidiaries, including (a) Far East Orchard Limited (formerly known as Orchard Parade Holdings Limited) ("Far East Orchard"), a subsidiary of FEOP, (b) First Choice Properties Pte Ltd, a subsidiary of Far East Orchard, (c) OPH Riverside Pte Ltd, a subsidiary of Far East Orchard, (d) Serene Land Pte Ltd, a subsidiary of Golden Development Private Limited, (e) Oxley Hill Properties Pte Ltd, a subsidiary of Golden Development Private Limited, (f) Far East SOHO Pte. Ltd., a subsidiary of Golden Development Private Limited, (g) Transurban Properties Pte. Ltd., a subsidiary of Glory Realty Co. Private Ltd., (h) Orchard Parkunits Pte Ltd, a subsidiary of Glory Realty Co. Private Ltd., (i) Golden Landmark Pte Ltd, a subsidiary of F. E. Holdings Pte. Ltd., (j) Riverland Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd., (k) Victory Realty Co. Private Ltd., a subsidiary of F. E. Holdings Pte. Ltd., (l) China Classic Pte Ltd, a subsidiary of Victory Realty

Co. Private Ltd. and (m) Dollar Land Singapore Private Limited, a subsidiary of Lucky Realty Company Pte Ltd (the "Sponsor"), will receive an aggregate of 898,177,999 Stapled Securities (together with the Sponsor Initial Stapled Security, the "Sponsor Stapled Securities") on the Listing Date (as defined herein) in part satisfaction of the purchase consideration for these Properties.

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors (as defined herein) has entered into a subscription agreement to subscribe for an aggregate of 376,344,000 Stapled Securities (the "Cornerstone Stapled Securities") at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date (as defined herein).

Prior to the Offering, there has been no market for the Stapled Securities. The offer of Stapled Securities under this Prospectus will be by way of an initial public offering in Singapore. An application has been made to Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to list on the Main Board of the SGX-ST (i) all the Stapled Securities comprised in the Offering, (ii) the Sponsor Stapled Securities, (iii) the Cornerstone Stapled Securities and (iv) all the Stapled Securities which may be issued to the REIT Manager or the Trustee-Manager from time to time in full or in part payment of fees payable to the REIT Manager or the Trustee-Manager. Such permission will be granted when Far East H-Trust has been admitted to the Official List of the SGX-ST (the "Listing Date"). Acceptance of applications for the Stapled Securities will be conditional upon issue of the Stapled Securities and upon permission being granted to list the Stapled Securities. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, DBS Trustee Limited, as trustee of Far East H-REIT (the "REIT Trustee"), the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners.

Far East H-Trust has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) up to 1,785,413,350 Stapled Securities and (ii) the Stapled Securities to be issued to the REIT Manager or the Trustee-Manager from time to time in full or part payment of fees payable to the REIT Manager or the Trustee-Manager. Far East H-Trust's eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or the Stapled Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Stapled Securities.

Far East H-REIT is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Far East H-BT is a registered business trust (Registration Number: 2012005) under the Business Trusts Act, Chapter 31A of Singapore (the "BTA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority" or "MAS") on 3 August 2012 and 16 August 2012 respectively. The MAS assumes no responsibility for the contents of this Prospectus. Lodgement with, or registration by, the MAS of this Prospectus does not imply that the SFA, the BTA or any other legal or regulatory requirement has been complied

with. The MAS has not, in any way, considered the investment merits of the Far East H-REIT Units, the Far East H-BT Units and the Stapled Securities, being offered for investment. This Prospectus will expire on 15 August 2013 (12 months after the date of the registration of this Prospectus).

No Stapled Security shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the MAS.

See "Risk Factors" commencing on page 73 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the Stapled Securities. None of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantee the performance of Far East H-Trust, the repayment of capital or the payment of a particular return on the Stapled Securities.

Investors applying for the Stapled Securities by way of Application Forms or Electronic Applications (both as referred to in Appendix F, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore") will pay the Offering Price per Stapled Security on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason.

In connection with the Offering, the Joint Bookrunners have been granted an over-allotment option (the "Over-Allotment Option") by Golden Development Private Limited (the "Unit Lender"), a company incorporated in Singapore that is a member of the Sponsor, exercisable by DBS Bank Ltd. (the "Stabilising Manager") (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 65,873,000 Stapled Securities, representing 20.0% of the total number of Stapled Securities in the Offering, to undertake stabilising actions. The exercise of the Over-Allotment Option will not increase the total number of Stapled Securities outstanding. In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations.

Nothing in this Prospectus constitutes an offer for securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Stapled Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("Regulation S")). The Stapled Securities are being offered and sold outside the United States in reliance on Regulation S.

¹ The financials for the Forecast Period 2012 is based on the underlying assumptions set out in the Prospectus. Such yield will vary accordingly for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price.

Joint Financial Advisers, Global Coordinators and Issue Managers

Joint Bookrunners and Underwriters





Assets valued
at over
S\$2bil



COMMITTED AND REPUTABLE SPONSOR

The Sponsor is part of the Far East Organization group of companies ("Far East Organization"), Singapore's largest private property developer and a key contributor to the transformation of Singapore's urban landscape. With its leading market share for the mid-tier hotels and serviced residences in Singapore by ownership, Far East Organization has a proven track record in hospitality ownership and operations, and strong capabilities in asset enhancement initiatives to optimise returns from repositioning and redeveloping existing establishments.

As at 31 December 2011, Far East Organization has sold over 42,000 residential units or one in six private homes in Singapore and has more than 10 million square feet of net lettable area across its recurrent income portfolio of investment properties.

Winner of the "Best Developer in South East Asia and Singapore" award at the South East Asia Property Awards 2011, Far East Organization is also a multiple winner of the prestigious FIABCI Prix d'Excellence Awards, underscoring its unique achievements in the international and regional real estate arena. To date, Far East Organization is the only developer in the world to have won seven FIABCI Prix d'Excellence Awards.

ABOUT FAR EAST H-TRUST

Far East Hospitality Trust is the first and only Singapore-focused hotel and serviced residence hospitality trust listed on the SGX-ST. Comprising Far East H-REIT and Far East H-BT, it is Singapore's largest diversified hospitality portfolio comprising hotels and serviced residences by asset value.

The initial portfolio of Far East H-Trust will, on the Listing Date, comprise 11 properties with seven hotels and four serviced residences, strategically located within close proximity to business districts, leisure attractions, MICE facilities and healthcare facilities.

Far East H-BT will be dormant as at the Listing Date.



QUALITY ASSETS IN STRATEGIC LOCATIONS



1

Albert Court Village Hotel

LOCATION: Bugis
NO. OF ROOMS: 210



2

Landmark Village Hotel

LOCATION: Bugis
NO. OF ROOMS: 393



3

The Quincy Hotel

LOCATION: Orchard
NO. OF ROOMS: 108



4

The Elizabeth Hotel

LOCATION: Orchard
NO. OF ROOMS: 256

Initial Portfolio



Properties are well-located within close proximity to business districts, leisure attractions, MICE facilities and healthcare facilities

Easily accessible via key transportation links including expressways and the MRT network



8

Regency House

LOCATION: Orchard
NO. OF UNITS: 90



9

Riverside Village Residences

LOCATION: Robertson Quay
NO. OF UNITS: 72



10

Central Square Village Residences

LOCATION: Havelock
NO. OF UNITS: 128



11

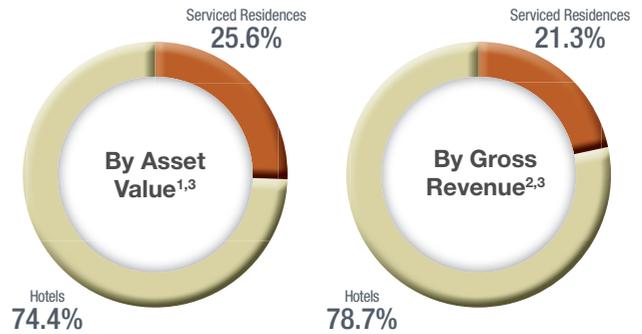
Hougang Village Residences

LOCATION: Hougang
NO. OF UNITS: 78

■ **Exposure to the first and only Singapore-focused hotel and serviced residence stapled group**

- Largest diversified hospitality portfolio comprising hotels and serviced residences in Singapore by asset value
- Balanced and resilient portfolio
- Well-located and high-quality assets providing easy access to business, shopping and cultural districts as well as healthcare facilities and enjoying MRT connectivity through major transport links

Unique Portfolio Comprising Both Hospitality Asset Classes

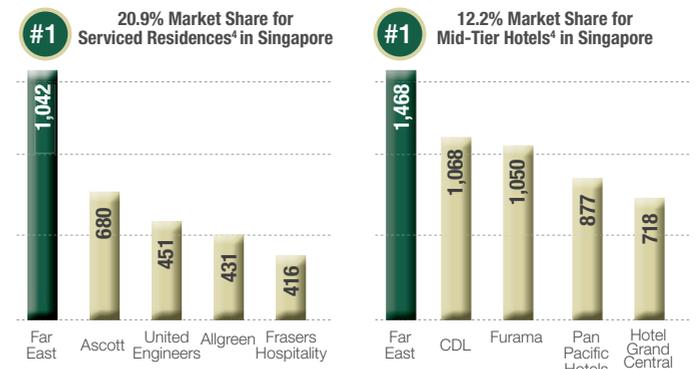


¹ As at 31 March 2012. Based on the average of Knight Frank's and Colliers' valuations
² For Forecast Period 2012 from 1 August 2012 to 31 December 2012, and based on the underlying assumptions set out in the Prospectus
³ Excluded Commercial Premises are included for the respective properties

■ **Committed and reputable Sponsor**

- Singapore's largest private property developer and both owner and operator of hospitality properties
- Strong track record in hospitality asset enhancements and operations
- Leading developer in mixed-use property developments
- Alignment of interest between the Sponsor and Stapled Securityholders

Leading Market Share in Respective Segments



⁴ By Ownership as at 31 December 2011

Source: CBRE Hotels



5

Orchard Parade Hotel

LOCATION: Orchard
NO. OF ROOMS: 388



6

Oasia Hotel

LOCATION: Novena
NO. OF ROOMS: 428



7

Changi Village Hotel

LOCATION: Changi
NO. OF ROOMS: 380

7 Hotels
2,163 rooms

4 Serviced Residences
368 Apartments

Our balanced portfolio of hotels and serviced residences targets the mid-tier to upscale market segments which the REIT Manager believes to be the fastest-growing, most profitable and scalable hospitality market segments



Riverside Village Residences

INVESTMENT HIGHLIGHTS

■ Positioned to benefit from Singapore's economic growth and tourism growth

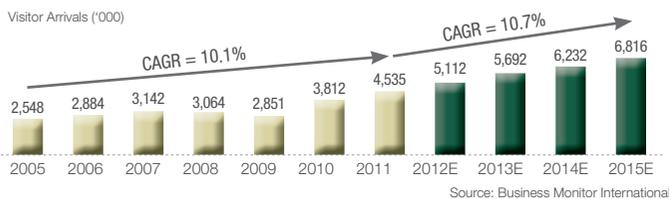
- Rising repute as a key regional financial centre and global MICE destination
- Growth in medical tourism
- Continued development as a premier tourist destination

Strong Expected Growth in Visitor Arrivals

Influx of visitor arrivals is expected to drive tourism



An expected 10.7% CAGR for Business Travellers over the next 4 years



■ Experienced board and management team with proven track record

■ Downside protection through the Master Lease Agreements⁵ with expected rental growth

⁵ "Master Lease Agreements" means the lease agreements entered into by the REIT Manager, the REIT Trustee and the relevant Master Lessees in relation to the Properties (excluding the Excluded Commercial Premises (as defined herein)), on the Listing Date.

Attractive Master Lease Structure: Upside Sharing with Downside Protection

Far East H-Trust fixed & variable rent composition



⁶ Annualised Forecast Period 2012 figures which are based on the underlying assumptions set out in the Prospectus

■ Well-positioned to capitalise on growth opportunities

A. POTENTIAL ORGANIC GROWTH

- Growth in RevPAR⁷ and RevPAU⁸
- Well-aligned with market / industry growth

+

B. ACTIVE ASSET MANAGEMENT AND ENHANCEMENT

- Completed / ongoing refurbishments
- Additional refurbishment programmes to refresh and upgrade the Properties
- Selective optimisation of commercial spaces

+

C. STRONG POTENTIAL PIPELINE

- Sponsor ROFR⁹ properties
- Additional pipeline from future land sites
- 3rd party acquisitions

⁷ Revenue per Available Hotel Room ⁸ Revenue per Available Serviced Residence Unit ⁹ Right of First Refusal

Sponsor ROFR Properties

Significant Room / Unit Growth



¹⁰ Subject to change, pending the finalisation of development plans at the discretion of the Sponsor

¹¹ Based on the assumption that all of the Sponsor ROFR Properties will be injected into Far East H-Trust



KEY FINANCIAL HIGHLIGHTS

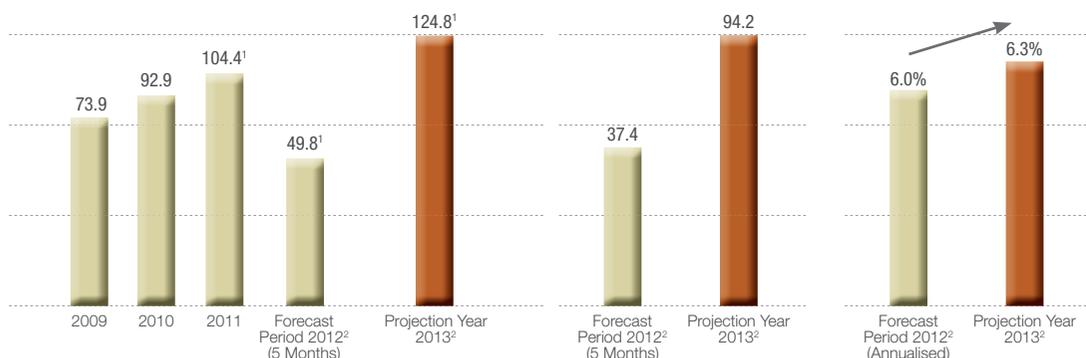
Gross Revenue

Distributable Income and Distribution Yield per Stapled Security ("DPS Yield")

Gross Revenue from 2009 to 2013E (S\$m)

Distributable Income (S\$m)

DPS Yield (%)



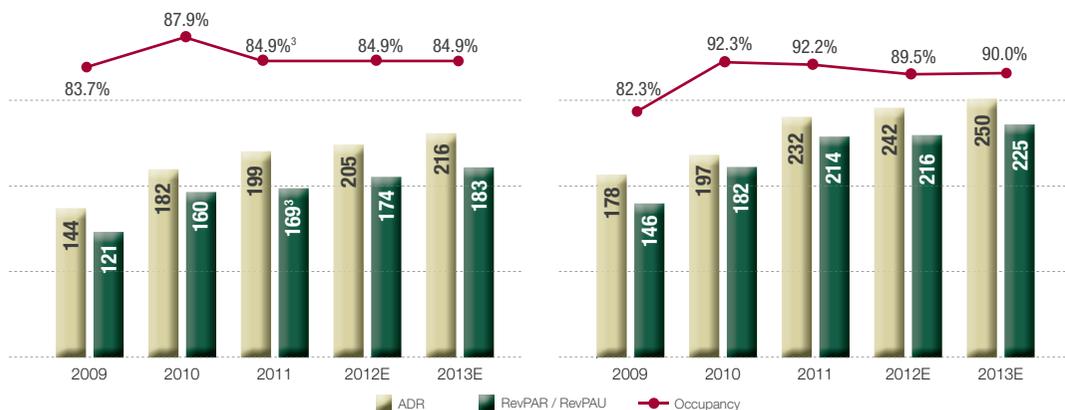
¹ Contribution from Oasia Hotel amounts to S\$4.7m, S\$7.3m and S\$18.2m for 2011, Forecast Period 2012 and Projection Year 2013 respectively.

² Financials for Forecast Period 2012 and Projection Year 2013 are based on the underlying assumptions set out in the Prospectus.

Portfolio Performance

Hotels (S\$)

Serviced Residences (S\$)



³ Excludes Oasia Hotel, which commenced operations only in April 2011 and became fully operational only in October 2011

Notes:
 2012E – For Forecast Period 2012 from 1 August 2012 to 31 December 2012 and based on the underlying assumptions set out in the Prospectus
 2013E – For Projection Year 2013 from 1 January 2013 to 31 December 2013 and based on the underlying assumptions set out in the Prospectus



Sponsor ROFR Property: Orchard Park Suites



Sponsor ROFR Property: Orchard Scotts Residences



Sponsor ROFR Property: Oasia Downtown (Artist's Impression)

INDICATIVE OFFERING TIMETABLE

17 AUGUST 2012 09.00 AM
 Opening date and time for the Public Offer

23 AUGUST 2012 12.00 PM
 Closing date and time for the Public Offer

27 AUGUST 2012 02.00 PM
 Commencement of trading on the SGX-ST

Applications for the Public Offer may be made through:

- ATMs and internet banking websites of DBS (including POSB), OCBC and UOB (and its subsidiary Far Eastern Bank Limited)
- Mobile banking platform of DBS
- Printed application forms which form part of the Prospectus



Oasia Hotel

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation in connection with the Offering not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the delivery of this Prospectus nor any offer, subscription, placement, purchase, sale or transfer made hereunder shall under any circumstances imply that the information contained herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the business, affairs, conditions and prospects of the Stapled Securities, Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Sponsor since the date on the cover of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the REIT Manager and/or the Trustee-Manager will make an announcement of the same to the SGX-ST and, if required, issue and lodge an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 282C, Section 282D, Section 296 or Section 298 of the SFA and take immediate steps to comply with these sections. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes.

None of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers are making any representation or undertaking to any prospective purchaser or subscriber of the Stapled Securities regarding the legality of an investment by such purchaser or subscriber of the Stapled Securities under appropriate legal, investment or similar laws.

In addition, this Prospectus is issued solely for the purpose of the Offering and prospective investors in the Stapled Securities should not construe the contents of this Prospectus as legal, business, financial or tax advice. In making an investment decision, prospective investors must rely upon their own examination of Far East H-Trust, Far East H-REIT and Far East H-BT and the terms of this Prospectus, including the risks involved. Prospective investors should be aware that they are required to bear the financial risks and other risks of an investment in the Stapled Securities, and may be required to do so for an indefinite period of time. Prospective investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Stapled Securities.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.	Goldman Sachs (Singapore) Pte.	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	Oversea-Chinese Banking Corporation Limited
12 Marina Boulevard #46-02, 03 DBS Asia Central @ MBFC Tower 3 Singapore 018982	One Raffles Link #07-01 South Lobby Singapore 039393	21 Collyer Quay #09-02 HSBC Building Singapore 049320	65 Chulia Street OCBC Centre Singapore 049513

and, where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST as well as merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: <http://www.sgx.com>.

The Stapled Securities have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Stapled Securities are being offered and sold in offshore transactions as defined and in reliance on Regulation S.

The distribution of this Prospectus and the offering, subscription, placement, purchase, sale or transfer of the Stapled Securities in certain jurisdictions may be restricted by law. Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators and the Joint Bookrunners require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to any of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators and the Joint Bookrunners. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Stapled Securities in any jurisdiction in which such offer or invitation would be unlawful. Prospective investors are authorised to use this Prospectus solely for the purpose of considering the subscription for the Stapled Securities in the Offering. For a description of certain restrictions on the offer, transfer and sale of the Stapled Securities, see “Plan of Distribution — Distribution and Selling Restrictions”. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. No one has taken any action that would permit a public offering to occur in any jurisdiction other than Singapore.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the Joint Bookrunners, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). Such transactions may commence from the Listing

Date, and, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 65,873,000 Stapled Securities, representing 20.0% of the total number of Stapled Securities in the Offering, to undertake stabilising actions. The exercise of the Over-Allotment Option will not increase the total number of Stapled Securities outstanding.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute forward-looking statements. Statements that are not historical facts, including statements about beliefs and expectations, are forward-looking statements and can generally be identified by the use of forward-looking terminology such as the words “believe”, “expect”, “anticipate”, “plan”, “intend”, “estimate”, “project” and similar words. This Prospectus also contains forward-looking financial information in “Profit Forecast and Profit Projection” and other sections. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager and/or the Trustee-Manager and/or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding present and future business strategies of the REIT Manager and/or the Trustee-Manager and the environment in which Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager and/or the Trustee-Manager will operate in the future. As these statements and financial information reflect current views of the REIT Manager and/or the Trustee-Manager concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any reliance on these forward-looking statements and financial information.

Among the important factors that could cause the actual results, performance or achievements of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the Trustee-Manager or the Sponsor to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions, changes in government laws and regulations affecting Far East H-Trust, competition in the hospitality markets in which Far East H-Trust may operate or invest, industry, interest rates, inflation, relations with service providers, relations with lenders, hostilities (including future terrorist attacks), the performance and reputation of Far East H-Trust’s properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing and integrating acquisitions, changes in the REIT Manager’s and the Trustee-Manager’s (collectively, the “**Managers**”) directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the hospitality markets in which Far East H-Trust may invest and the market price of the Stapled Securities as well as other matters not yet known to the Managers or not currently considered material by the Managers. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”, “Profit Forecast and Profit Projection” and “Business and Properties”. These forward-looking statements and financial information speak only as at the date of this Prospectus. The Managers expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement and financial information contained herein to reflect any change in the expectations of the Managers or the Sponsor with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

Far East H-Trust, Far East H-REIT and Far East H-BT will publish their financial statements in Singapore dollars. In this Prospectus, references to “S\$”, “\$”, “Singapore dollars” and “cents” are to the lawful currency of the Republic of Singapore. Certain monetary amounts set out in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast and projected yields and yield growth are calculated based on the Offering Price and the assumption that the Listing Date is 1 August 2012. Such yields and yield growth will vary accordingly if the Listing Date is not 1 August 2012, or for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Save in the case of figures in square feet (“**sq ft**”) and S\$ which are rounded to the nearest thousand and percentages which are rounded to one decimal place, where applicable, figures are rounded off to the nearest whole number, including all figures on RevPAR, RevPAU and ADR. Measurements in square metres (“**sq m**”) are converted to sq ft and *vice versa* based on the conversion rate of 1.0 sq m = 10.7639 sq ft. References to “Appendix” or “Appendices” are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.

Unless otherwise specified, all information relating to the Properties in this Prospectus are as at 31 March 2012. See “Business and Properties” for details regarding the Properties.

For the purposes of this Prospectus, real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act, Chapter 130 of Singapore (the “**Housing Developers (Control and Licensing) Act**”); and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residences.

MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. The Managers have commissioned CBRE Pte. Ltd. (the “**Independent Market Research Consultant**”, “**CBRE**” or “**CBRE Hotels**”) to prepare the “Independent Hospitality Industry Report”. (See Appendix D, “Independent Hospitality Industry Report” for further details.) While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of Far East H-Trust, Far East H-REIT, Far East H-BT, the Managers, the REIT Trustee, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners make any representation as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

Both the REIT Trustee and the Trustee-Manager have appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“**Colliers**”) and Knight Frank Pte Ltd (“**Knight Frank**”) as the valuers of the Properties (the “**Independent Valuers**”) respectively. (See Appendix C, “Independent Property Valuation Summary Reports” for further details.)

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OVERVIEW

The following overview is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this overview can be found in the Glossary, the Stapling Deed, the Far East H-REIT Trust Deed or the Far East H-BT Trust Deed (each as defined herein). A copy of the Stapling Deed and the Far East H-REIT Trust Deed can be inspected at the registered office of the REIT Manager, which is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213, while a copy of the Stapling Deed and the Far East H-BT Trust Deed can be inspected at the registered office of the Trustee-Manager, which is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213.

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results of Far East H-Trust to differ materially from those forecast or projected (see “Forward-looking Statements” for further details). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Far East H-Trust, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person or that these results will be achieved or are likely to be achieved. Investing in the Stapled Securities involves risks. Prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted and “Risk Factors” to better understand the Offering and Far East H-Trust’s businesses and risks.

INTRODUCTION TO FAR EAST H-TRUST

Far East H-Trust

Far East H-Trust is a hospitality stapled group comprising Far East H-REIT and Far East H-BT.

Far East H-REIT is a Singapore-based real estate investment trust (“**REIT**”) established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

For the purposes of this Prospectus, real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act; and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residences.

The REIT Manager is 67.0% owned by FEO Asset Management Pte Ltd (“**FAMPL**”), which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor.

Far East H-BT is a Singapore-based business trust which will be dormant as at the Listing Date. The Trustee-Manager is 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor.

(See “Structure of Far East H-Trust” for further details.)

Objectives

The Managers’ principal objectives are to deliver regular and stable distributions to the holders of the Stapled Securities (the “**Stapled Securityholders**”) and to achieve long-term growth in distributions per Stapled Security (“**DPS**”) and in the net asset value (“**NAV**”) per Stapled Security, while maintaining an appropriate capital structure.

Initial Portfolio

The initial portfolio of Far East H-Trust (the “**Initial Portfolio**”) will, on the Listing Date, comprise 11 properties consisting of seven hotels (the “**Hotels**”) and four serviced residences (the “**Serviced Residences**”, and together with the Hotels, the “**Properties**”) located in Singapore, namely:

Hotels

Name of Hotel	Market segment	Number of hotel rooms
Albert Court Village Hotel (“ ACVH ”)	Mid-tier	210
Changi Village Hotel (“ CVH ”)	Mid-tier	380
The Elizabeth Hotel (“ TEH ”)	Mid-tier	256
Landmark Village Hotel (“ LVH ”)	Mid-tier	393
Oasia Hotel (“ OH ”)	Mid-tier / Upscale	428
Orchard Parade Hotel (“ OPH ”)	Mid-tier / Upscale	388
The Quincy Hotel (“ TQH ”)	Upscale	108
TOTAL		2,163

Serviced Residences

Name of Serviced Residence	Market segment	Number of serviced residence units ⁽¹⁾
Central Square Village Residences (“ CSV ”)	Mid-tier	128
Hougang Village Residences (“ HVR ”)	Mid-tier	78
Regency House (“ RH ”)	Upscale	90
Riverside Village Residences (“ RVR ”)	Mid-tier	72
TOTAL		368

Note:

(1) Includes serviced residence units designated for house use.

KEY INVESTMENT HIGHLIGHTS OF FAR EAST H-TRUST

The Managers believe that an investment in Far East H-Trust offers the following attractions to Stapled Securityholders:

- Exposure to the first and only Singapore-focused hotel and serviced residence stapled group
 - Largest diversified hospitality portfolio comprising hotels and serviced residences in Singapore by asset value
 - Balanced and resilient portfolio
 - Well-located and high-quality assets providing easy access to business, shopping and cultural districts as well as healthcare facilities and enjoying MRT connectivity through major transport links
- Committed and reputable Sponsor
 - The Sponsor is part of Far East Organization (as defined herein), which is Singapore's largest private property developer and both owner and operator of hospitality properties
 - Strong track record in hospitality asset enhancements and operations
 - Leading developer in mixed-use property developments
 - Alignment of interest between the Sponsor and Stapled Securityholders
- Positioned to benefit from Singapore's economic and tourism growth
 - Rising repute as a key regional financial centre and global MICE destination
 - Growth in medical tourism
 - Continued development as a premier tourist destination
- Well-positioned to capitalise on growth opportunities
 - Embedded organic growth through the improvement of RevPAR and RevPAU (each as defined herein)
 - Opportunities for growth through active asset management and asset enhancement of the Properties
 - Acquisition pipeline through the Sponsor ROFR Properties (as defined herein) and other third party properties
- Experienced board and management team with proven track record
- Downside protection through the Master Lease Agreements¹ with expected rental growth

¹ "Master Lease Agreements" means the lease agreements entered into by the REIT Manager, the REIT Trustee and the relevant Master Lessees in relation to the Properties (excluding the Excluded Commercial Premises (as defined herein)), on the Listing Date.

1. Exposure to the first and only Singapore-focused hotel and serviced residence stapled group

Largest diversified hospitality portfolio comprising hotels and serviced residences in Singapore by asset value

Far East H-Trust will provide investors with an opportunity to invest in a Singapore-focused hospitality portfolio comprising both hotels and serviced residences to take advantage of the buoyant hospitality sector in Singapore. The Singapore hospitality sector is expected to benefit from the strong growth of the Singapore economy and increasing tourist arrivals, with incoming tourism receipts expected to grow at up to a rate of 8.1% from 2011 to 2012 according to CBRE. (See Appendix D, “Independent Hospitality Industry Report” for further details.) Far East H-Trust has 2,163 hotel rooms and 368 serviced residence units in its portfolio, offering investors an opportunity to invest in one of the largest portfolios of hospitality assets in Singapore by asset value.

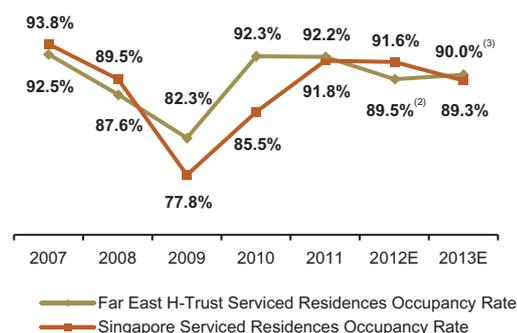
The Initial Portfolio provides an attractive opportunity for investors to benefit from a balanced portfolio of hospitality assets targeting both short-term stays in relation to the Hotels and longer-term stays in relation to the Serviced Residences. The Serviced Residences provide more income stability from corporate customers seeking longer-term accommodation. With a balanced portfolio of hotels and serviced residences, Far East H-Trust would enjoy the potential benefits from both the cyclical nature of the Hotels in a market upswing and the stability of earnings from the Serviced Residences.

The charts below show the occupancy rate trends of the Hotels and the Serviced Residences separately against the overall hospitality market occupancy rate trends in Singapore from the financial year ended 31 December (“FY”) 2007 to the end of the financial year ending 31 December 2013 (estimated) (“FY2013E”):

**Occupancy Rate Trends
for the Hotels
from FY2007 to FY2013E**



**Occupancy Rate Trends
for the Serviced Residences
from FY2007 to FY2013E**



Notes:

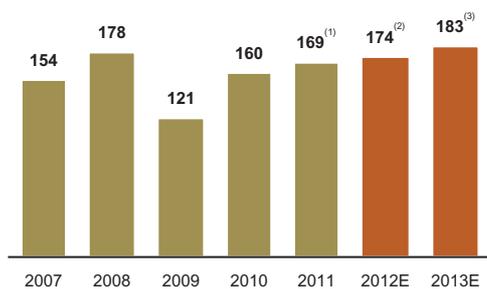
- (1) Excludes Oasia Hotel, which commenced operations only in April 2011 and became fully operational only in October 2011.
- (2) Occupancy rate forecast for the period from 1 August 2012 to 31 December 2012 (“Forecast Period 2012”).
- (3) Occupancy rate forecast for the financial year ending 31 December 2013 (“Projection Year 2013”).

The Hotels experienced a faster recovery than the market average in 2010 after the global financial crisis, with growth in average daily rates (“**ADR**”)¹ of 26.0% as compared to the overall market growth of 14.5%², as well as higher occupancy rates of 83.7% as compared to the overall market occupancy rate of 75.8%² in 2009. This in turn delivered a growth of 32.3% in revenue per available hotel room (excluding house use hotel rooms) (“**Available Hotel Rooms**”) (“**RevPAR**”)³ as compared to the market average of 28.5%² from 2009 to 2010.

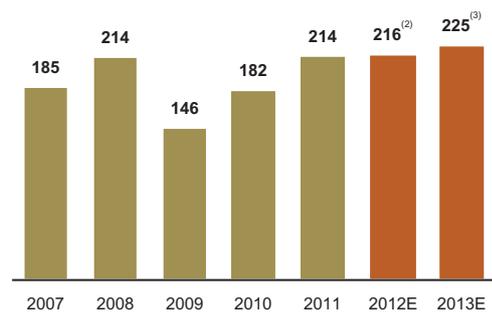
The performance of the Serviced Residences has improved significantly, with ADR recovering close to the peak rates achieved in 2008. From 2009 to 2010, the Serviced Residences had an ADR growth of 10.8%, which outperformed the overall market average of 3.1%. The Serviced Residences also had a higher occupancy rate of 82.3% versus the overall market occupancy rate of 77.8% in 2009. Revenue per available serviced residence unit (excluding house use serviced residence units) (“**Available Serviced Residence Units**”) (“**RevPAU**”)³ of the Serviced Residences increased at a higher rate of 24.3% from 2009 to 2010 as compared to the market average of 13.4%.

The charts below show the RevPAR and RevPAU trends of the Hotels and Serviced Residences respectively from FY2007 to FY2013E:

RevPAR Trends of the Hotels from FY2007 to FY2013E



RevPAU Trends of the Serviced Residences from FY2007 to FY2013E



Notes:

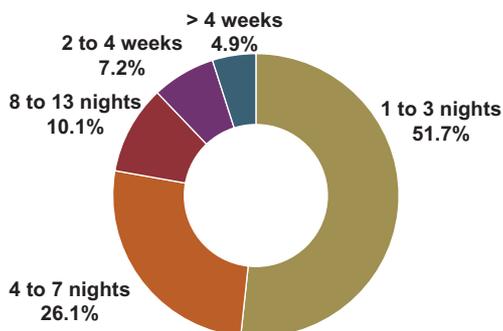
- (1) Excludes Oasia Hotel, which commenced operations only in April 2011 and became fully operational only in October 2011.
- (2) RevPAR/RevPAU forecast for the Forecast Period 2012.
- (3) RevPAR/RevPAU forecast for the Projection Year 2013.

The average length of stay at the Serviced Residences for FY2011 was 29.0 days, while the average length of stay at the Hotels was 2.7 days. Of the total revenue generated by the Serviced Residences, leases with terms longer than three months contributed 54.3% of the total revenue generated for FY2011. This provides a relatively stable and visible income stream, which is further supported by the Master Lease Agreements to provide investors with additional income stability.

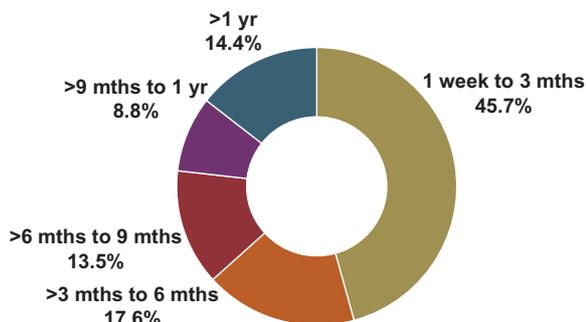
1 “**ADR**” is defined as total room revenue divided by the total number of paid occupied hotel rooms (in relation to the Hotels) or, as the case may be, total serviced residence unit rental revenue divided by the total paid occupied nights of serviced residence units (in relation to the Serviced Residences).
 2 Source: CBRE Hotels.
 3 Calculated based on the product of ADR and the Average Occupancy Rate (as defined herein).

The breakdown of the length of stay for the Properties by hotel room or serviced residence unit nights sold is set out in the charts below:

Length of Stay for the Hotels (FY2011)



Length of Stay for the Serviced Residences (FY2011)



Balanced and resilient portfolio

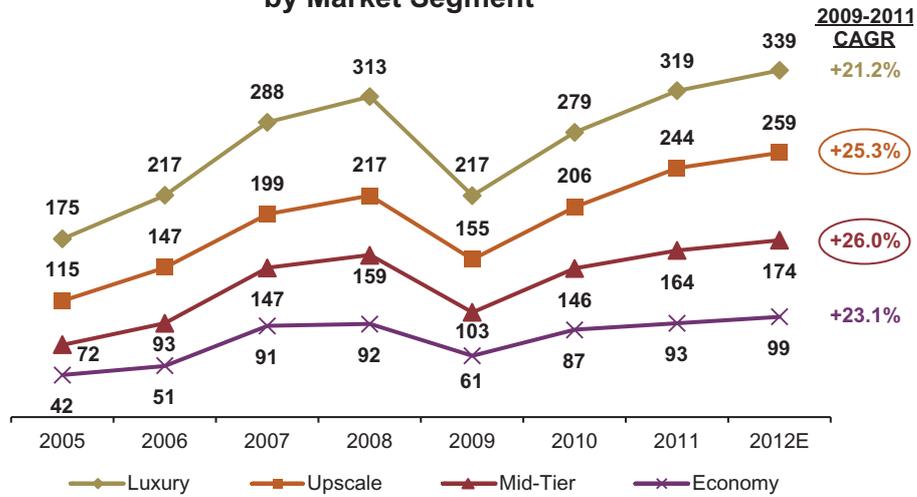
- *Mid-tier and upscale segments targeted*

The Properties are marketed by the operator of the Properties (the “**Hotel and Serviced Residence Operator**”) as primarily mid-tier and upscale hospitality properties and are therefore positioned to capture what the REIT Manager believes to be the fastest-growing, most profitable and scalable hospitality market segments. According to CBRE, the mid-tier and upscale hotel market segments contributed a combined 75.0% of the total existing supply of hotel rooms in Singapore and also enjoyed higher occupancy rates *vis-à-vis* the luxury and economy market segments in 2011. Both segments have historically been supported by strong ADR growth as well as a large customer base due to the higher value proposition of these segments compared to the luxury segment. The mid-tier market segment is able to cater to customers seeking affordable yet well-appointed accommodation. Upscale and mid-tier hospitality properties are more resilient during an economic downturn as corporate customers generally have stricter expense guidelines during such periods. Hospitality properties in both segments also have the flexibility to raise rates and revise marketing strategies to target higher-end tourists during economic upswings and are poised to capitalise on the growing outbound travel markets in Asia given that the demand for mid-tier and upscale hospitality properties from travellers within Asia is strongest.

According to CBRE, the mid-tier and upscale hotel market segments have enjoyed the fastest RevPAR growth over the last three years. Given that RevPAR has only recovered to around pre-crisis levels in 2011, the REIT Manager believes that there is further potential for growth going forward, with the Hotels expected to maintain their growth profile in line with the rest of the market for the next three years. Far East H-Trust is well-positioned to further benefit from the strong growth given its focus on the mid-tier and upscale market segments.

The chart below sets out the RevPAR trends for the four market segments in the Singapore hotel industry from 2005 to 2012 (estimated) (“2012E”):

**Singapore Hospitality RevPAR Trends (\$\$ per night)
by Market Segment**



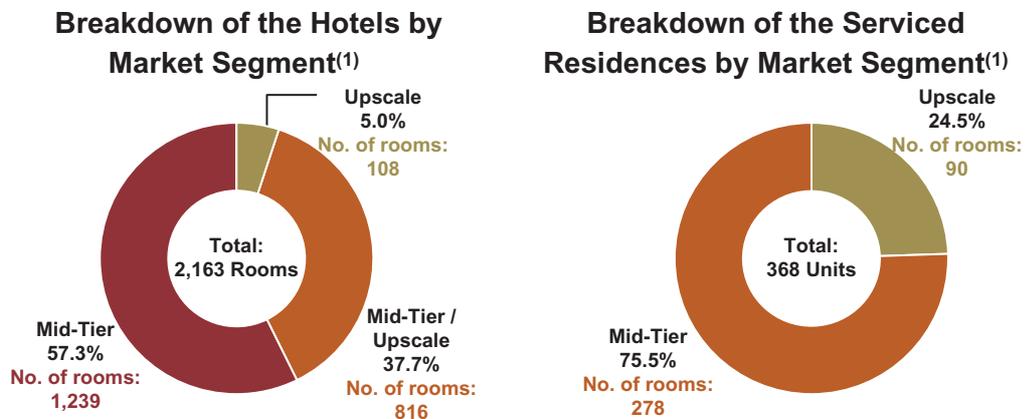
Source: CBRE Hotels.

In addition, the Properties enjoy the benefits of greater economies of scale through shared services.

(See “Certain Agreements relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Shared Services Agreements” for further details on the shared services.)

57.3% of the hotel rooms owned by Far East H-Trust currently belong to the mid-tier segment, 37.7% belong to the mid-tier / upscale segment, and the remaining 5.0% are marketed by the Hotel and Serviced Residence Operator as upscale accommodation. Similarly, 75.5% of the serviced residence units owned by Far East H-Trust currently belong to the mid-tier segment, while the remaining 24.5% are marketed by the Hotel and Serviced Residence Operator as upscale serviced residence accommodation.

The following graphs illustrate the breakdown of the Properties by market segment:



Note:

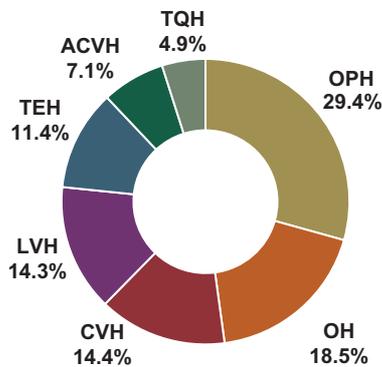
(1) Calculated based on the total number of hotel rooms or, as the case may be, serviced residence units as at Listing Date.

- *Minimal concentration risk*

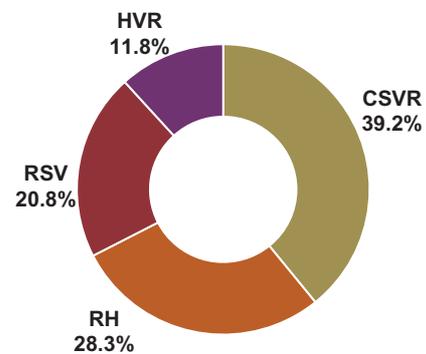
No single Hotel is expected to contribute more than 29.4% of the total Gross Revenue¹ of the Hotels for the period from 1 August 2012 to the end of the financial year ending 31 December 2012 (“**Forecast Period 2012**” or “**FP2012E**”) and no single Serviced Residence is expected to contribute more than 39.2% of the Gross Revenue of the Serviced Residences for FP2012E.

The charts below show separately the breakdown by contribution to the expected Gross Revenue of the Hotels and the Serviced Residences for FP2012E:

Breakdown by Contribution to Gross Revenue of the Hotels (FP2012E)



Breakdown by Contribution to Gross Revenue of the Serviced Residences (FP2012E)



- *Large and diversified customer base*

The scale and nature of the Initial Portfolio allows Far East H-Trust to capture a larger and more diversified customer profile ranging from leisure to corporate customers for both short-term and long-term stays. The diversification of Far East H-Trust’s customer profile provides additional stability to the revenue of the Properties by limiting reliance on any one particular category of customers.

For FY2011, at least 43.6% of hotel customers were corporate customers². Far East H-Trust thus benefits from both the leisure market segment, which provides a steady flow of customers to maintain or grow ADR and occupancy rates given the strong influx of tourists coming to Singapore, and the corporate market segment, with corporate customers typically committing to higher ADR given their preference and propensity to pay for executive-style hotel rooms which command higher room rates. The REIT Manager believes that there is significant room to increase corporate contribution to the revenue of the Hotels and grow the amount of revenue Far East H-Trust derives from the corporate segment given Singapore’s positioning as a key financial centre and business hub in the region. This is supported by Singapore having more than 14,000

1 “**Gross Revenue**” comprises Fixed Rent and Variable Rent from the Properties under the Master Lease Agreements, and commercial rental income from the Excluded Commercial Premises.

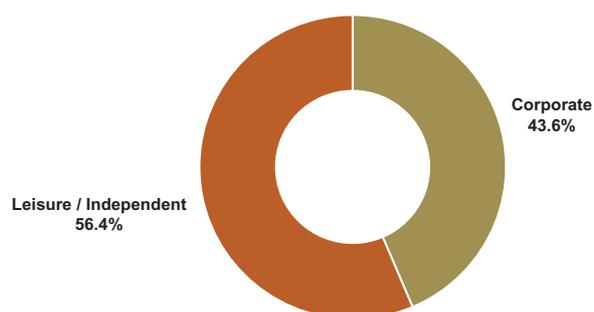
2 Corporate customers refers to customers who made bookings through corporate accounts.

multinational corporations (“MNCs”), 60% of which had established their headquarters in Singapore as at 31 December 2011¹.

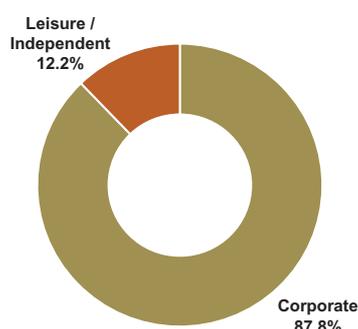
In relation to the Serviced Residences, 87.8% of serviced residence customers are corporate customers. Of these customers, no single industry accounted for more than 27.3% of total serviced residence unit revenue for FY2011 which ensures sufficient diversification across customers and less reliance on the performance of any single industry. Banking and finance represent the largest industry by total serviced residence unit revenue contribution, which positions the Serviced Residences well to capitalise on increasing demand from the growing financial services sector in Singapore, which according to CBRE, grew by 9.1% in 2011.

The charts below show the customer profile for the Hotels and Serviced Residences and a breakdown of the corporate customer profile by industry for the Serviced Residences for FY2011:

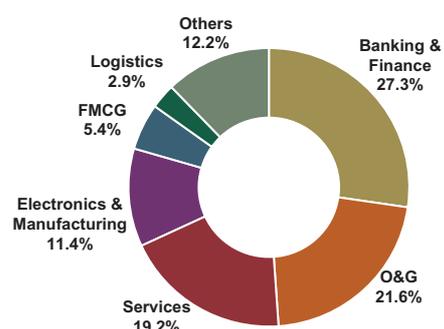
Customer Profile for the Hotels (FY2011)⁽¹⁾



Customer Profile for the Serviced Residences (FY2011)⁽¹⁾



Corporate Customer Profile by Industry for the Serviced Residences (FY2011)⁽²⁾



Notes:

- (1) “**Corporate**” comprises corporate, consortia independent, airline and MICE customers, while “**Leisure / Independent**” comprises leisure, internet customers and others.
- (2) “**Services**” include businesses involved in real estate, education and automotive, “**FMCG**” includes businesses involved in fast moving consumer goods, “**O&G**” includes businesses involved in the oil and gas industry, and “**Others**” include trading companies.

¹ Source: CBRE Hotels.

Well-located and high-quality assets providing easy access to business, shopping and cultural districts as well as healthcare facilities and enjoying MRT connectivity through major transport links

The location of the Properties can be categorised into the following categories, as defined by the Urban Redevelopment Authority (“URA”)¹:

- **Core Central Region:** comprises the Downtown Core, Orchard, Marina East, Marina South, Museum, Newton, Outram, River Valley, Rochor, Singapore River and Straits View planning areas (“**Core Central Region**”)
- **Central Region:** comprises the Core Central Region, as well as other planning areas including Bukit Merah, Bukit Timah, Queenstown, Kallang, Bishan, Marine Parade, Geylang, Toa Payoh, Tanglin, Novena and the Southern Islands (“**Central Region**”)
- **Outside Central Region:** comprises the North, North-East, East and West Regions (“**Outside Central Region**”)

The Properties are primarily located in the Core Central Region, being within the Orchard Road Shopping Belt, the Marina Bay and Singapore River as well as the Civic and Cultural Districts. This enables the Properties to cater to a wide variety of business and leisure customers. A location map of the Properties is set out below:



Source: CBRE Hotels.

1 Source: URA, Master Plan 2008. URA has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

- *Well-located for corporate customers*

The Properties, by virtue of their location, are able to capture their active target markets as well as benefit from ongoing developments and activities taking place in their respective areas.

The location of most of the Properties in the Core Central Region makes them particularly suited for corporate customers, providing convenient access to areas where most of the business and tourist activities occur in Singapore, particularly the Central Business District (“**CBD**”) and the Orchard Road area, which is Singapore’s main shopping district. As the Properties are primarily located in the CBD and Orchard Road area, Far East H-Trust has a competitive edge as it provides a range of hospitality choices for customers. In addition, corporate customers will have convenient access to two main facilities for meetings, incentives, conventions and exhibitions (“**MICE**”), namely Suntec Singapore International Convention & Exhibition Centre and Marina Bay Sands Expo and Convention Center.

The Properties which are located in the Outside Central Region, namely Changi Village Hotel and Hougang Village Residences, also cater largely to corporate customers due to their proximity to the back-office operations of many large institutions.

Hougang Village Residences caters particularly to the aerospace-related businesses in Seletar Aerospace Park and the electronics manufacturing hub in Ang Mo Kio. Changi Village Hotel is located within close proximity to the Singapore Expo, Changi Business Park, Changi International LogisPark and Loyang Industrial Park, with 58.6% of Changi Village Hotel’s room revenue from corporate customers in 2011 coming from contracted corporate clients located in the vicinity of these areas. With the increasing promotion of Singapore as a MICE hub, Changi Village Hotel stands to benefit from the influx of MICE traffic to the Singapore Expo and the continued development of Changi Business Park, Changi International LogisPark and Loyang Industrial Park.

- *Well-located for leisure customers*

The Properties are also well-located for leisure customers. The Properties which are located in the Core Central Region are in close proximity to the Orchard Road area, the Marina Bay Sands Casino and other key tourist attractions.

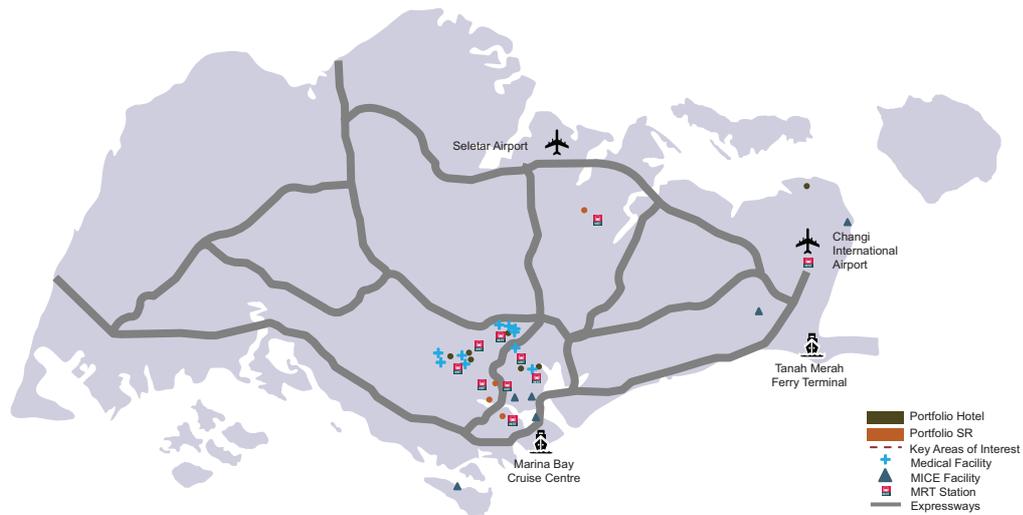
- *Close proximity to healthcare facilities*

Five of the Hotels, namely The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel and The Quincy Hotel, are situated within walking distance of major medical centres and hospitals popular among medical tourists. Oasia Hotel, in particular, is situated in the heart of the Novena area, which has one of the highest concentrations of hospital beds in Singapore.

- *Accessibility to key transportation links*

All of the Properties also offer convenient access to key transportation links, such as major expressways and Mass Rapid Transit (“**MRT**”) stations. All of the Properties located in the Central Region are within walking distance from MRT stations.

The map below shows the Properties' connectivity and access to major MICE facilities, selected leading hospitals catering to medical tourists and key transportation links:



Source: CBRE Hotels.

- **High-quality hospitality assets**

The Properties offer high quality design and services to their customers, providing innovative and stylish accommodation with quality specifications and a wide range of facilities. An example is The Quincy Hotel, which was the winner of the TripAdvisor® Travelers' Choice® awards in 2011 and 2012, and was also the winner of the HA+D Award for Hotel Architecture and the SIA Architectural Design Award in 2011. Another example is Oasia Hotel, which is partly designed in collaboration with internationally-renowned interior design firm Super Potato, which is known for its cutting-edge designs and use of natural elements.

(See "Business and Properties" for further details.)

2. Committed and reputable Sponsor

The Sponsor is part of Far East Organization, which is Singapore's largest private property developer and both owner and operator of hospitality properties

The Sponsor is part of the Far East Organization group of companies ("**Far East Organization**" or "**FEO**"), which, since its establishment in 1960, has grown to become the largest private property developer in Singapore and has been a key contributor to the transformation of Singapore's urban landscape through its pioneering of innovative real estate products and solutions in Singapore. As at 31 December 2011, Far East Organization has developed a full spectrum of real estate products in the residential, hospitality, commercial, medical and industrial sectors, selling over 42,000 residential units or one in six private homes in Singapore. For 2011, Far East Organization sold 2,718 homes in Singapore, the highest ever residential sales number ever achieved by a property developer, approximately double that of its nearest competitor, which sold

1,434 homes¹. Far East Organization is also a leader in introducing Singapore to many of the industry's "firsts" such as:

- Far East Shopping Centre — the first multi-storey retail mall along Orchard Road;
- Far East Plaza — one of the first mixed-use developments with retail, office and residential components; and
- Far East SOHO — a new integrated lifestyle concept.



Far East Organization is the pioneer of innovative real estate products and solutions in Singapore



 <ul style="list-style-type: none"> • Singapore's first homes with turfed rooftop garden – Katong Seaview Palace • Transformation of Bukit Timah area with major development project of 2.3m sq ft – Watten Estate 	 <ul style="list-style-type: none"> • Introduced Singapore's first high-rise retail / office development in Orchard Road – Far East Shopping Centre • Lucky Plaza – first multi-storey retail mall in Orchard Road with observatory lift with airconditioning 	 <ul style="list-style-type: none"> • Far East Plaza – considered "Biggest Tourist Shopping Centre in Southeast Asia" then, also first residential development offering services • Orchard Plaza – built on the first Government land sales site on Orchard Road 	 <ul style="list-style-type: none"> • Bayshore – first development to receive multiple awards including BCA Best Buildable Design and FIABCI Prix d-Excellence (Residential) • Far East Square – unique conservation development that won the FIABCI Prix d-Excellence award (Specialised) 	 <ul style="list-style-type: none"> • ICON – First inner-city living project • Novena Medical Center – First foray into healthcare services • Far East SOHO – Pioneered new integrated lifestyle concept • SOHO at Central – First "live-work-play" project by the Singapore River • Inessence – New ultra luxury development brand • euHabitat – Unique development comprising four exceptional habitats (SOHO-concept homes, suites, condominiums and townhouses)
1960s	1970s	1980s	1990s	2000s and Beyond

In addition, it has more than 10.0 million sq ft of net lettable area ("NLA") across its recurring income portfolio of investment properties. Far East Organization's market share of homes sold in the primary market in Singapore for 2011 was approximately 24.0%. Since the start of 2010, Far East Organization has bid for and won more than 20 land sites including property acquisitions, totalling more than 7.0 million sq ft of gross floor area ("GFA"), valued at more than S\$4.0 billion².

Far East Organization's investment portfolio includes Far East Orchard, a hospitality and property investment company listed on the SGX-ST. As of 31 December 2011, Far East Organization also holds an effective interest of 60.4% in Yeo Hiap Seng Limited, a public-listed industry pioneer with over 100 years' history in the manufacturing and distribution of food and beverage products.

1 URA, DTZ Research. URA and DTZ Research have not provided their consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the reports published by URA and DTZ Research are reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such reports or verified the accuracy of the contents of the relevant information.

2 Including bids entered into through joint ventures.

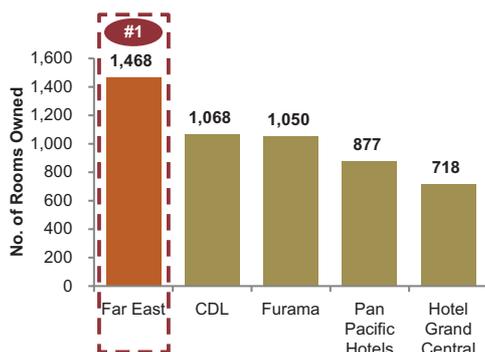
Winner of the “Best Developer in South East Asia and Singapore” award at the South East Asia Property Awards 2011, Far East Organization is also a multiple winner of the prestigious FIABCI Prix d’Excellence Awards, underscoring its unique achievements in the international and regional real estate arena. To date, Far East Organization is the only developer in the world to have won seven FIABCI Prix d’Excellence Awards.

Being both an owner and operator of hospitality properties, Far East Organization is also able to take a longer-term view with regards to its hospitality assets, having control over capital expenditure and asset enhancement initiatives going forward to keep revenue growth from these assets sustainable over the long-term.

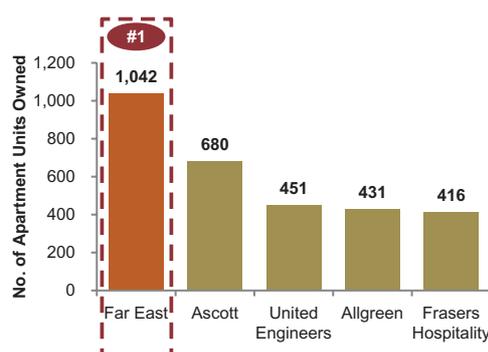
Far East Organization has the largest number of hotel rooms in the mid-tier market segment and the largest number of serviced residence units in Singapore, with a market share of approximately 12.2% and 20.9% respectively.

The following graphs set out the number of mid-tier hotel rooms and serviced residence units Far East Organization owns versus its peers for FY2011:

12.2% Market Share for Mid-Tier Hotels in Singapore⁽¹⁾⁽²⁾ by Ownership (FY2011)



20.9% Market Share for Serviced Residences in Singapore⁽¹⁾⁽³⁾ by Ownership (FY2011)



Source: CBRE Hotels.

Notes:

- (1) Calculated by the number of hotel rooms or, as the case may be, serviced residence units.
- (2) Total number of mid-tier hotel rooms in Singapore for FY2011 was 12,033 rooms.
- (3) Total number of serviced residence units in Singapore for FY2011 was 4,982 units.

(See Appendix D, “Independent Hospitality Industry Report” for further details.)

Strong track record in hospitality asset enhancements and operations

Far East Organization has invested in hospitality properties since the 1980s and established a dedicated hospitality business division in the mid-2000s to focus on the acquisition, development, management and operation of hospitality properties. Far East Organization's total hospitality portfolio (including the Initial Portfolio) of 18 properties is valued at more than S\$3.0 billion as at 31 December 2011. More recently, the hospitality operations also established 3 in-house brands, namely, the Village, Oasia and Quincy brands.



A list of the hospitality properties that Far East Organization has acquired, developed and/or re-developed over the last 25 years is set out below:

	Timeframe		
	1980's	1990's	2000's and Beyond
Far East H-Trust Properties	Orchard Parade Hotel Landmark Village Hotel Changi Village Hotel	The Elizabeth Hotel Albert Court Village Hotel Riverside Village Residences Central Square Village Residences	Hougang Village Residences Regency House The Quincy Hotel Oasia Hotel
Sponsor ROFR Properties		West Coast Village Residences Orchard Parksuites	Orchard Scotts Residences
Others	Far East Plaza ⁽¹⁾	Leonie View Residences ⁽²⁾	Sri Tiara Residences ⁽³⁾ East Village Hotel ⁽⁴⁾

Notes:

- (1) Far East Plaza is a strata title mixed development. In the Sponsor's view, consent from the subsidiary proprietors of Far East Plaza is unlikely to be obtained for the acquisition of common property to upgrade Far East Plaza Residences as full-service serviced residences.
- (2) The Sponsor intends to redevelop Leonie View into residential units for sale.
- (3) Sri Tiara Residences is located in Malaysia and does not fall within Far East H-Trust's investment mandate.
- (4) FEOPL acquired Paramount Hotel (now known as East Village Hotel) as well as certain adjoining land parcels. The intention is for the Sponsor to operate the hotel for the medium term. Thereafter, the Sponsor will explore redevelopment plans for the entire site.

Far East Organization's track record in planning and rejuvenating hospitality properties is best demonstrated through its capabilities in optimising available hotel room or serviced residence unit space in each of the Properties and strategic upgrading of hotel rooms or, as the case may be, serviced residence units through refurbishments to command higher ADR. In addition, Far East Organization has also demonstrated strong capabilities in optimising returns from repositioning and redeveloping old

establishments. Examples of successful asset enhancement works are illustrated below:

- *Conversion and capital works*

Far East Organization undertook the successful conversion of an old residential block into the existing The Quincy Hotel, which opened in 2009. A total of 108 new hotel rooms were added. The Quincy Hotel is a testament to Far East Organization's ability to transform an underperforming asset into an award winning hotel as shown below:

Conversion from Residential Block to The Quincy Hotel

Before



After

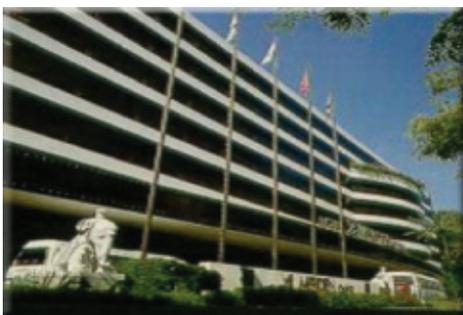


- *Asset enhancement and repositioning*

In 2002, Far East Organization assumed management over the then-Le Meridien Changi and undertook asset enhancement initiatives to reposition the property as Changi Village Hotel, an "urban resort hotel", which opened in 2004. Significant upgrades included the addition of a new wing, increasing hotel room count from 280 to 380, and increasing NLA by approximately 1.6 times from 9,941 sq m to 15,765 sq m. A complete makeover of the facade of the building was also undertaken, as shown below:

Transformation of Le Meridien Changi to Changi Village Hotel

Before



After



Between 2003 and 2004, Far East Organization also undertook asset enhancement initiatives at Albert Court Village Hotel which included the conversion of retail space into additional hotel rooms, adding an additional 74 hotel rooms to make it into a 210-room hotel.

- *Room upgrading*

Far East Organization completed refurbishments for 100 executive rooms in The Elizabeth Hotel (out of a total inventory of 256 hotel rooms) in the second half of 2011 (“2H2011”) with a view to reposition and rebrand the executive wing of the Hotel as an attractive choice for higher-yield corporate customers, so as to optimise the Property’s value in being located in the prime Orchard/Mount Elizabeth district.

The full benefits of the refurbishments are expected to be realised from 2012 onwards, and especially during the strong corporate months between May and November. This growth is largely attributable to the ability of the Hotel to command higher room rates post-refurbishment.

Given Far East Organization’s experience in ownership and management of hospitality assets coupled with its in-depth knowledge and understanding of the Initial Portfolio, Far East H-Trust can leverage on Far East Organization’s knowledge and expertise in various support functions, in addition to tapping into Far East Organization’s broader hospitality network.

The key support functions from Far East Organization include:

- The Hotel and Serviced Residence Operator
 - In addition to the front-line staff at the Properties, the Hotel and Serviced Residence Operator (which is wholly-owned by Far East Organization as of the date of this Prospectus) has close to 100 employees providing centralised support functions such as sales and marketing, reservation, housekeeping, engineering and other services. Key decision makers of the Hotel and Serviced Residence Operator have on average more than 15 years of experience in the hospitality industry.
- The Far East Projects Team
 - The Far East Projects Team, which is a business division within Far East Organization, has 57 employees as at 31 March 2012. The Far East Projects Team sources and acquires properties and development projects for Far East Organization. The Far East Projects Team is also responsible for design and conceptualisation and overall project management. Key decision makers of the Far East Projects Team have on average between 15 and 25 years of experience in the real estate industry.

Leading developer in mixed-use property developments

Since the 1960s, Far East Organization has established a strong track record in acquiring land, building and developing premium quality residential, commercial, hospitality and mixed-use developments. Far East Organization’s key area of expertise is in its ability to create new innovative developments and experiences to capture key target markets. With a strong knowledge of the Singapore property market, Far East Organization has been able to successfully accumulate one of the largest landbanks in Singapore and has been a key contributor to the urban landscape of modern Singapore. A recent mixed-use development showcasing Far East Organization’s

experience in this area is Oasia Hotel, part of a mixed-use development that houses the Novena Specialist Center and Square 2 Mall. Far East Organization was the master planner and developer of the integrated development from land acquisition, conceptualisation and development to launch. Far East Organization had successfully bid for and acquired the land in January 2007, and Oasia Hotel was opened in April 2011 and became fully operational in October 2011. Far East Organization's expertise in mixed-use development is showcased by its success in integrating different concepts including hospitality, retail and healthcare facilities in the Novena district.

<p align="center">Far East Organization's Footprint in the Novena District</p>	
	<p>Between 2002 and 2007, Far East Organization acquired the land required for the development of Square 2 Mall, Novena Medical Center, Novena Specialist Center and Oasia Hotel. Square 2 Mall and Novena Medical Center were opened in January 2007 and August 2007 respectively, while Oasia Hotel and Novena Specialist Center were opened in April 2011.</p>

Recent government land sales have been increasingly geared towards mixed-use developments, and Far East Organization has been actively involved in various bidding processes for such sites. Mixed-use developments generally have pre-determined allocations for commercial, retail, residential and/or hospitality components, with occasionally a “white” component (depending on the location of the site) which gives the developer full flexibility on the use of that land allocation. Far East Organization's successful track record in bidding for such sites will provide future pipeline projects for Far East H-Trust through the Sponsor ROFRs (as defined herein).

Mixed-use developments in the pipeline that are part of the Sponsor ROFR Properties include:

- Oasia Downtown Hotel;
- Oasia West Residences; and
- The Outpost Hotel.

Alignment of interest between the Sponsor and Stapled Securityholders

The Sponsor is committed to supporting and growing Far East H-Trust over the long-term. The Sponsor will, immediately following the completion of the Offering, be the largest Stapled Securityholder, investing in an aggregate of 56.0% of the total number of Stapled Securities expected to be in issue (assuming the Over-Allotment Option is not exercised) or 51.9% of the total number of Stapled Securities expected to be in issue (assuming the Over-Allotment Option is exercised in full), demonstrating alignment of its interest with those of the Stapled Securityholders.

FEOC, Golden Development Private Limited and F. E. Holdings Pte. Ltd. has each also entered into a lock-up arrangement during the period commencing from the Listing Date until the date falling 180 days after the Listing Date (both dates inclusive) (the “**Lock-up Period**”) in respect of their effective interest in the relevant Stapled Securities held by them on the Listing Date, directly (in the case of FEOC and Golden Development Private Limited) and/or indirectly ((i) in the case of Golden Development Private Limited, through Oxley Hill Properties Pte Ltd and (ii) in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd) (collectively, the “**Lock-up Stapled Securities**”).

(See “Plan of Distribution — Lock-up Arrangements” for further details.)

3. Positioned to benefit from Singapore’s economic and tourism growth

The Managers believe that an investment in Far East H-Trust offers Stapled Securityholders exposure to the growing economy and the buoyant hospitality sector in Singapore, being the first Singapore-focused hospitality stapled group to own a diversified portfolio of hotels and serviced residences.

In the view of the Managers, Far East H-Trust’s Singapore-focused strategy will benefit from the strength of Singapore’s economy. Singapore remains one of the world’s most vibrant business and tourism destinations, with multiple demand drivers and solid growth prospects. The Managers believe that the three main drivers of growth for the hospitality market in Singapore are:

- (i) Business travel, given Singapore’s rising repute as a key regional financial centre and its increased profile as a global MICE destination;
- (ii) The tourism industry, which experienced a growth of 58.4% in tourist arrivals and a growth of 126.5% in tourism receipts between 2004 and 2011, with 2011 being a record year for Singapore’s tourism and hospitality sector with 13.2 million visitors; and
- (iii) Medical tourism, which is one of the fastest-growing industries in Singapore and is expected to attract 1.0 million medical tourists by the end of 2012, a 37.9% growth from 2010.

(See Appendix D, “Independent Hospitality Industry Report” for further details.)

Rising repute as a key regional financial centre and global MICE destination

The Properties are well-positioned to benefit from Singapore’s status as a leading financial centre and global MICE destination, and there is significant potential to grow

its corporate customer segment to leverage on the growing demand from business travellers.

- *Growing number of MNCs*

Singapore's stature as a key financial centre in Asia and globally, as well as the presence of many regional offices of major global corporations in Singapore, ensure that there are a large number of business visitors to Singapore. According to CBRE, as of 31 December 2011, there are approximately 14,000 MNCs in Singapore, including 8,400 MNCs with their regional headquarters in Singapore. This number is expected to grow as Singapore continues to attract international companies and international talent.

- *Growth of business travellers and the MICE sector*

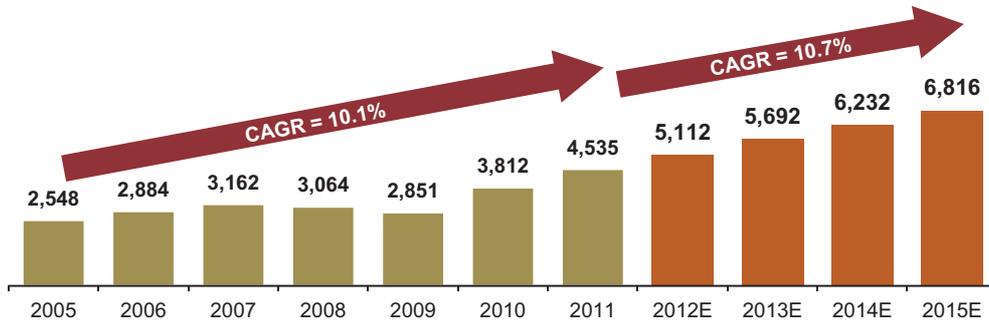
According to Business Monitor International, growth in the arrival of business travellers to Singapore increased by 19.0% in 2011, consistent with the Singapore government's initiatives to promote Singapore as a financial and high value-add services hub. Singapore is also a leading hub for the oil and gas and IT sectors, which are two industries that generate a significant amount of project-based work. The share of business travellers as a percentage of total visitors to Singapore increased rapidly from 28.5% in 2005 to 34.4% in 2011, and is expected to reach 40.1% by 2015¹.

Singapore is a premier global convention destination and has received multiple awards in recent years, including Asia's Top Convention City for the past 10 years (ICCA Global Rankings 2011), Top International Meeting City for the fourth consecutive year and Asia's Top Country and City for Meetings for 28 consecutive years (Union of International Associations 2011). According to CBRE, hotels in Singapore with high room capacity would benefit from this increase in business traveller arrivals. (See Appendix D, "Independent Hospitality Industry Report" for further details.)

1 Source: Business Monitor International. Business Monitor International has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by Business Monitor International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

The following diagram sets out the historical and forecast business traveller arrivals in Singapore for 2005 to 2015 (estimated) (“2015E”):

Historical and Forecast Business Traveller Arrivals in Singapore (‘000)



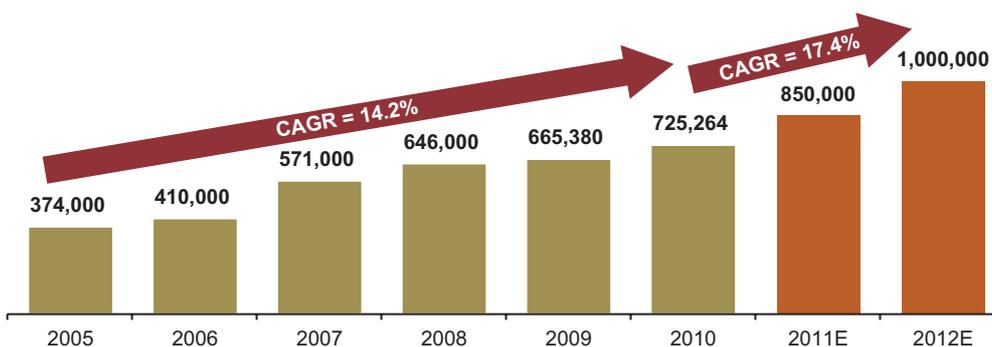
Source: Business Monitor International.¹

Growth in medical tourism

The Singapore government developed the Singapore Medicine Initiative in 2003 to promote Singapore as a destination for medical tourism, which is targeted at strengthening Singapore’s position as Asia’s leading medical hub, and promoting Singapore as a world-class destination for advanced patient care. Some of the Properties, being strategically located near various reputable private hospitals such as Mount Elizabeth Hospital, Gleneagles Hospital and Novena Medical Center, are expected to be able to greatly benefit from the growing number of medical tourists going forward. According to CBRE, Singapore aims to attract one million medical tourists by the end of 2012, representing a compound annual growth rate (“CAGR”) of 17.4% from 2010.

The following diagram sets out the historical and forecast foreign patient arrivals in Singapore for 2005 to 2012 (estimated) (“2012E”):

Medical Tourist Arrivals in Singapore



Source: CBRE Hotels.

1 Business Monitor International has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by Business Monitor International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

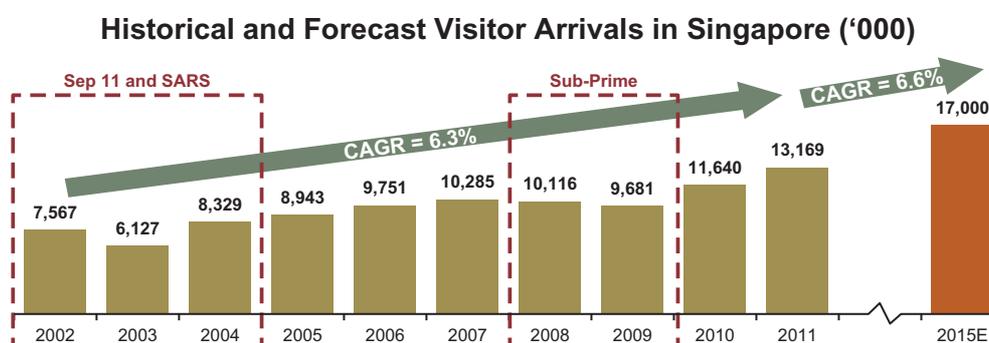
Continued development as a premier tourist destination

According to STB, the Singapore government continues to actively enhance the business and tourism landscape of Singapore to meet STB's target of 17.0 million tourist arrivals and S\$30 billion in tourism revenue by 2015¹.

STB reported that preliminary tourism receipts for 2011 were estimated at S\$22.3 billion, a 17.8% growth over 2010. International visitor arrivals for 2011 stood at 13.2 million, charting a new high and exceeding the year's forecast range of 12.0 to 13.0 million after achieving a 20.2% year-on-year increase in 2010¹. All major components of tourism receipts posted double-digit growth in 2011. Accommodation, shopping, sightseeing and entertainment made up approximately 44.1% of tourism receipts for 2011.

In 2011, the top five countries by visitor arrivals, namely Indonesia, China, Malaysia, Australia and India, contributed to 54.2% of all international visitors arriving in Singapore. The strength of economies in the Asia-Pacific region has supported the growth in visitors from these countries, coupled with their enhanced ability to travel due to rising levels of affluence. In FY2011, 57.8% of Far East H-Trust's hotel customers originated from Asian countries², with the majority electing to stay in mid-tier to upscale hospitality accommodation for their travels. The Managers believe that Far East H-Trust will be able to benefit from the growth in arrivals from these regions.

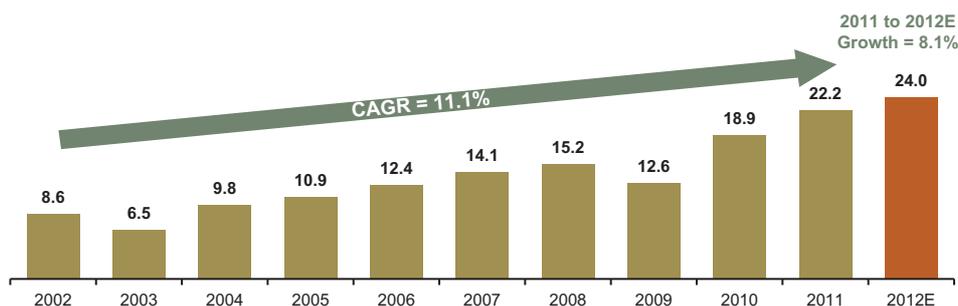
The following graphs show the growth of visitor arrivals for 2002 to 2015E and tourism receipts in Singapore for 2002 to 2012E:



Source: CBRE Hotels.

- 1 Source: STB, Tourism Performance Report — Quarter Four and Full Year 2011, Tourism Sector Performance for 2011. STB has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.
- 2 Including Indonesia, China (including the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong")), Malaysia, India, Singapore, Taiwan, South Korea, Japan, Thailand and Vietnam.

Historical Tourism Receipts (S\$ billion)

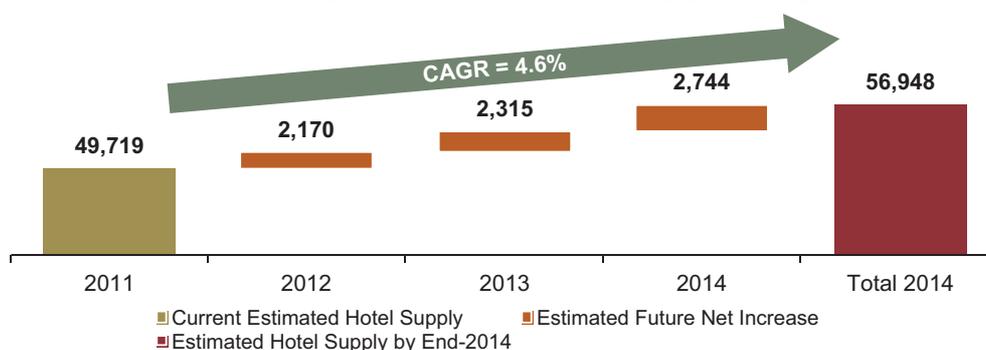


Source: CBRE Hotels.

The REIT Manager believes that the strong growth in projected tourism arrivals will be more than sufficient to meet the projected increase in the number of hotel rooms over the next three years.

The following graph shows the current and expected hotel room supply in Singapore for 2011 to 2014 (estimated) (“2014E”):

Current and Expected Hotel Room Supply in Singapore



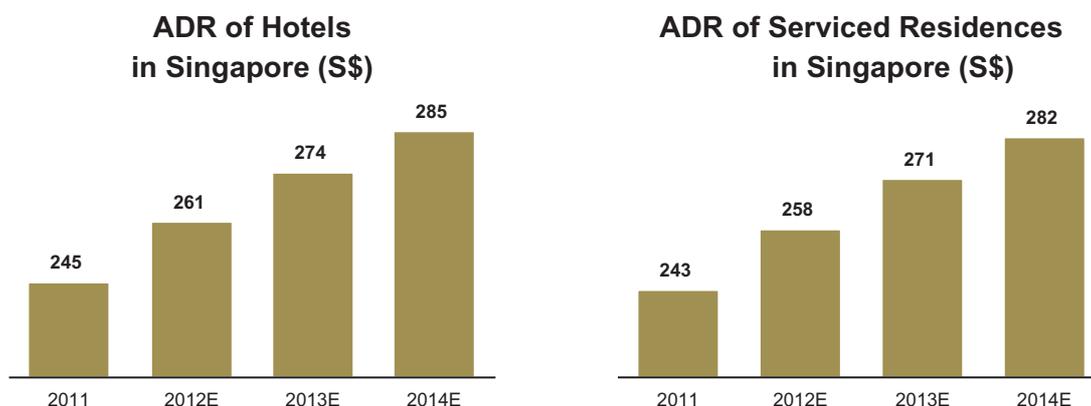
Source: CBRE Hotels.

4. Well-positioned to capitalise on growth opportunities

Embedded organic growth through the improvement of RevPAR and RevPAU

Far East H-Trust’s average RevPAR and RevPAU for the Hotels (excluding Oasia Hotel) and the Serviced Residences respectively in FY2011 are S\$169 and S\$214 per night respectively. According to CBRE, ADR for Singapore hotels are expected to grow from 2011 to 2014 for both hotels and serviced residences at a CAGR of more than 5.0%. The REIT Manager believes that the Initial Portfolio’s performance will grow in line with that of the market.

The following charts show the industry average forecast ADR for hotels and serviced residences in Singapore from 2011 to 2014E:



Source: CBRE Hotels.

The REIT Manager has also identified below certain key drivers of growth for the following Hotels and Serviced Residences.

- *Oasia Hotel*
 - o Oasia Hotel opened in April 2011 and became fully operational only in October 2011. Performance of Oasia Hotel is expected to fully benefit from (i) the stabilisation of operations for Mount Elizabeth Novena Hospital in 2013; (ii) ramping up of occupancy levels or sales at Novena Specialist Center and (iii) active brand marketing to create awareness for the “Oasia” Brand.
- *Landmark Village Hotel*
 - o Landmark Village Hotel is expected to be one of the key beneficiaries of the increased level of MICE activities given its close proximity to the Marina Bay Sands Expo and Suntec Singapore. Future developments within the vicinity such as the South Beach development and the M+S Pte Ltd projects in Marina South and Ophir-Rochor district (a joint venture project between the Singapore and Malaysia governments) are also expected to contribute to business activity in the area. In addition, the planned room refurbishments in 2013 are expected to enable the hotel to command higher ADR post-refurbishment.
- *Orchard Parade Hotel*
 - o Orchard Parade Hotel is located in the prime Orchard Road belt. Given the limited supply of new hospitality assets in the area, the hotel is expected to benefit from the expected increase in tourist arrivals. There are also planned refurbishments which include upgrading of guest rooms, the swimming pool, as well as meeting facilities. The REIT Manager also plans to actively increase focus on capturing the more lucrative corporate customers segment.

- *Regency House*
 - o Regency House is in a prime location within close proximity to Orchard Road. It has historically had a strong corporate following given its prime location and service quality. There are potential opportunities to optimise the use of commercial space which currently accounts for approximately 40.0% of the property's GFA.

Opportunities for growth through active asset management and asset enhancement of the Properties

The Managers will adopt a dedicated strategy to actively manage and enhance the Initial Portfolio. The Managers' strategy for organic growth will be to actively manage the Properties and the Managers intend to work with the Hotel and Serviced Residence Operator, which as at the Listing Date is Jelco Properties Pte Ltd ("**Jelco**"), a wholly-owned subsidiary of Far East Orchard, through the master lessees of the Properties¹ (the "**Master Lessees**") to conduct refurbishment programmes on selected Properties which will be aimed at improving the image and attractiveness of the Properties to increase patronage as well as the Properties' RevPAR and RevPAU.

The Sponsor has commenced refurbishment works in May 2012 to upgrade Landmark Village Hotel in phases, with 213 superior and deluxe hotel rooms to be upgraded, and the refurbishment works are expected to be completed in March 2013. The Sponsor also plans to carry out major refurbishment works to upgrade Orchard Parade Hotel over two phases, with 40 hotel rooms being upgraded between August 2012 and September 2012, and another 61 hotel rooms being upgraded between December 2012 and February 2013. After the refurbishment, the ADR of the refurbished hotel room categories is expected to improve.

Minor refurbishment works for two of the Serviced Residences, namely Central Square Village Residences and Riverside Village Residences, are ongoing and expected to be completed in 2H2012. The upgrading exercise involves 127 serviced residence units in Central Square Village Residences and 71 serviced residence units in Riverside Village Residences.

The refurbishment works mentioned above for Landmark Village Hotel, Orchard Parade Hotel, Central Square Village Residences and Riverside Village Residences will be fully funded by the respective Vendors. Going forward, the cost of any acquisition and replacement of the furniture, fixtures and equipment ("**FF&E**") for each of the Properties will be borne by the respective Master Lessee under the terms of the relevant Master Lease Agreements, while other capital improvement expenditure (such as improvement works on the physical structures of the Properties) will be borne by Far East H-Trust.

The REIT Manager believes that there is potential within the Initial Portfolio to further identify development works to optimise the use of the commercial spaces. This may be done by improving tenant mix and by repositioning the commercial spaces for alternative uses for other income-generating opportunities, so as to potentially improve returns to Stapled Securityholders.

¹ Excluding the specific commercial areas in the relevant Properties (the "**Excluded Commercial Premises**").

Acquisition pipeline through the Sponsor ROFR Properties and other third party properties

Each of the following members of the Sponsor, namely (i) FEOC, (ii) FEOPL, (iii) Golden Development Private Limited, (iv) Glory Realty Co. Private Ltd., (v) F. E. Holdings Pte. Ltd., (vi) Boo Han Holdings Pte. Ltd., (vii) Lucky Realty Company Pte Ltd and (viii) Orchard Landmark Pte. Ltd., has granted a right of first refusal to the REIT Trustee and the Trustee-Manager (the “**Other ROFRs**”), subject to certain conditions. Far East Orchard has separately granted a right of first refusal to Far East H-Trust, subject to certain conditions (the “**Far East Orchard ROFR**”, and together with the Other ROFRs, the “**Sponsor ROFRs**”). Collectively, the Sponsor ROFRs will provide Far East H-Trust with access to future acquisition opportunities of income-producing properties located in Singapore which are primarily used for hospitality and/or hospitality-related purposes.

As at 31 December 2011, the Sponsor has identified seven¹ Sponsor ROFR Properties which could potentially be offered to Far East H-Trust as hotels or, as the case may be, serviced residences, under the Sponsor ROFRs. For the purposes of this Prospectus, properties which fall or may potentially fall within the Sponsor ROFRs are referred to as the “**Sponsor ROFR Properties**”.

The following location map sets out the location of these seven Sponsor ROFR Properties:



Notes:

- (1) To be converted from the existing Far East Square.
- (2) This picture is an artist's impression of the property and may differ from the actual view of the property.

1 Excluding Leonie View, which the Sponsor intends to redevelop into residential units for sale, and excluding Far East Plaza Residences which, in the Sponsor's view, consent from the subsidiary proprietors of Far East Plaza is unlikely to be obtained for the acquisition of common property to upgrade Far East Plaza Residences as full-service serviced residences.

Selected details of the seven Sponsor ROFR Properties identified as at 31 December 2011, which could potentially be offered to Far East H-Trust as hotels or, as the case may be, serviced residences, under the Sponsor ROFRs are set out in the table below:

Name of Sponsor ROFR Property	Market segment	Hospitality segment	Expected completion date ⁽¹⁾	Estimated number of hotel rooms / serviced residence units
Completed				
Orchard Parksuites	Upscale	Serviced Residence	Completed	225
Orchard Scotts Residences	Upscale	Serviced Residence	Completed	207
West Coast Village Residences	Mid-tier	Serviced Residence	Completed	51
Completed Total				483
Under Development				
The Amoy Hotel	Boutique Upscale	Hotel	1H2013 ⁽²⁾	37
Oasia Downtown Hotel	Mid-tier / Upscale	Hotel	2H2015 ⁽³⁾	314
Oasia West Residences	Mid-tier / Upscale	Serviced Residence	2H2015 ⁽³⁾	116
The Outpost Hotel	Mid-tier / Upscale	Hotel	1H2016 ⁽⁴⁾	292
Under Development Total				759
Total estimated number of hotel rooms				643
Total estimated number of serviced residence units				599
Total estimated number of hotel rooms and serviced residence units				1,242

Notes:

(1) Subject to change, pending the finalisation of development plans at the discretion of the Sponsor.

(2) "1H2013" means the first half of 2013.

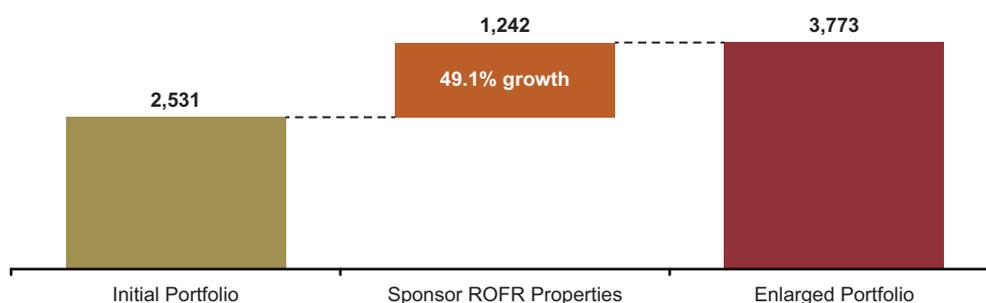
(3) "2H2015" means the second half of 2015.

(4) "1H2016" means the first half of 2016.

Far East H-Trust is expected to benefit from the large identified pipeline of Sponsor ROFR Properties which could potentially be acquired from the Sponsor if the Sponsor chooses to divest them at the appropriate time.

The following graph illustrates the potential for growth of Far East H-Trust's portfolio based on the seven Sponsor ROFR Properties:

**Potential for 49.1% Increase in Portfolio Size
(by Number of Hotel Rooms / Serviced Residence Units)**



The seven Sponsor ROFR Properties, totalling approximately 643 hotel rooms and 599 serviced residence units, provide a visible pipeline for Far East H-Trust, offering potential acquisition opportunities for portfolio growth. Assuming Far East H-Trust proceeds with the acquisition of the seven Sponsor ROFR Properties, the total number of hotel rooms and serviced residence units owned by Far East H-Trust will increase by 29.7% and 162.8% respectively, resulting in a total portfolio size increase of approximately 49.1%. In addition, Far East H-Trust is also expected to benefit from the pipeline arising from future land sites the Sponsor is successful in bidding for.

The Managers will therefore be able to leverage on and benefit from the Sponsor's network for a future pipeline of assets that Far East H-Trust could potentially acquire, where these assets meet Far East H-Trust's investment criteria. This will in turn further enhance Far East H-Trust's strong position in the Singapore hospitality market.

5. Experienced board and management team with proven track record

The REIT Manager believes that Stapled Securityholders will benefit from the experience of key executive officers of Far East H-REIT in the Singapore hospitality property market, as well as the vast experience of Far East H-REIT's directors in the real estate, corporate management, accountancy, investment and hospitality-related sectors. The REIT Manager has employed experienced professionals who have a prior track record in property development, investment, management, marketing and leasing and finance, complemented by their familiarity with the dynamics of the Singapore hospitality market.

(See "Management and Corporate Governance — The REIT Manager Board — Experience and Expertise of the Boards of the Managers" and "Management and Corporate Governance — Executive Officers of the REIT Manager" for further details.)

6. Downside protection through the Master Lease Agreements with expected rental growth

One of the primary objectives of Far East H-Trust is to provide Stapled Securityholders with regular, stable and growing distributions on a quarterly basis. Far East H-Trust's policy is to distribute 100.0% of its income chargeable to tax under the Income Tax Act,

Chapter 134 of Singapore (the “**Income Tax Act**”) after deduction of allowable expenses and applicable tax allowances (but excluding gains on sale of real properties which are determined to be trading gains) (“**Taxable Income**”) for the Forecast Period 2012 and the Projection Year 2013 and at least 90.0% of its Taxable Income thereafter.

The Properties¹ will be leased to the Master Lessees pursuant to the Master Lease Agreements. The initial terms of each of the Master Lease Agreements is 20 years from the Listing Date, with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments required due to any change in law. The long tenure of the Master Lease Agreements is expected to provide Far East H-Trust with a long-term stream of quality rental income.

The rental payments pursuant to the Master Lease Agreements comprise a Fixed Rent and a Variable Rent (each as defined herein). The Fixed Rent component provides downside protection to Far East H-Trust as it provides for a minimum rental payment regardless of the performance of the Master Lessee. This mitigates any risk on income caused by uncertainty and volatility of global economic conditions.

The actual proportion of Taxable Income distributed to Stapled Securityholders may be greater than 90.0% to the extent that the Managers believe it to be appropriate, having considered Far East H-Trust’s funding requirements, other capital management considerations and the overall stability of distributions. The actual level of distribution will be determined at the Managers’ discretion.

The table below set out the Managers’ forecast and projected distribution yields for the Forecast Period 2012 and the Projection Year 2013:

	Distribution Yield (%)
	Based on the Offering Price
Forecast Period 2012	6.0% ⁽¹⁾ (annualised)
Projection Year 2013	6.3%
Growth⁽²⁾	4.6%

Notes:

- (1) Annualised by extrapolating the Forecast Period 2012 figures for a year.
- (2) The growth in DPS for the Projection Year 2013 over the annualised DPS for the Forecast Period 2012.

(See “Profit Forecast and Profit Projection” for further details.)

Such yields will vary accordingly if the Listing Date is not 1 August 2012, or for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price. The forecast and projected results for Forecast Period 2012 and Projection Year 2013 (the “**Profit Forecast and Profit Projection**”)

1 Excluding the Excluded Commercial Premises.

from which this information is extracted are based on the various assumptions set out in the section titled “Profit Forecast and Profit Projection”. There can be no assurance that the Profit Forecast and Profit Projection will be met and the actual yields per Stapled Security may be materially different from the forecast and projected amounts.

(See “Risk Factors — Risks Relating to an Investment in the Stapled Securities — The actual performance of Far East H-Trust and the Properties could differ materially from the forward-looking statements in this Prospectus” for further details.)

KEY STRATEGIES

Far East H-REIT’s Strategies

The REIT Manager plans to achieve its objectives through the following key strategies:

- **Acquisition Growth Strategy Supported by Acquisition Opportunities in respect of the Sponsor ROFR Properties and Other Third Party Properties** — The REIT Manager will source for and pursue asset acquisition opportunities which provide attractive cash flows and yields and which satisfy the REIT Manager’s investment mandate for Far East H-REIT to enhance the returns to Stapled Securityholders and improve potential opportunities for future income and capital growth.
- **Active Asset Management and Enhancement Strategy** — The REIT Manager will implement pro-active measures to enhance the Properties and to improve their operational performance, so as to optimise the cash flow and value of the Properties. Through such active management, the REIT Manager seeks to enhance the efficiency of the Properties to improve occupancy rates and average RevPAR and RevPAU, as well as to create a better lodging experience for its clientele.
- **Capital and Risk Management Strategy** — The REIT Manager will endeavour to maintain a strong balance sheet, employ an appropriate mix of debt and equity in financing acquisitions of properties, secure diversified funding sources to access both financial institutions and capital markets, optimise its cost of debt financing and utilise interest rate hedging strategies, where appropriate, in order to reduce exposure to market volatility.

(See “Strategy” for further details.)

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information with respect to each of the Hotels as at 31 March 2012:

	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Location	180 Albert Street, Singapore 189971	1 Netheravon Road, Singapore 508502	24 Mount Elizabeth, Singapore 228518	390 Victoria Street, Singapore 188061	8 Sinaran Drive, Singapore 307470	1 Tanglin Road, Singapore 247905	22 Mount Elizabeth, Singapore 228517	N.A.
Completion Date	3 October 1994	30 January 1990 ⁽²⁾	3 May 1993	19 October 1988	2 June 2011 ⁽¹⁾	20 June 1987 ⁽²⁾	27 November 2008	N.A.
Market Segment	Mid-tier	Mid-tier	Mid-tier	Mid-tier	Mid-tier / Upscale	Mid-tier / Upscale	Upscale	N.A.
Leasehold Tenure⁽³⁾	Leasehold of 75 years commencing from Listing Date	Leasehold of 65 years commencing from Listing Date	Leasehold of 75 years commencing from Listing Date	Leasehold of 66 years commencing from Listing Date	Leasehold of 92 years commencing from Listing Date	Leasehold of 50 years commencing from Listing Date	Leasehold of 75 years commencing from Listing Date	N.A.
Approximate GFA / Strata Area⁽⁴⁾ (sq m)	11,426	22,826	11,723	21,676 ⁽⁵⁾	22,457 ⁽⁶⁾	34,072	4,810	128,990⁽⁵⁾⁽⁶⁾
Retail and Office NLA (sq m)	Retail: 1,002	Retail: 778	Retail: 595	Retail: 1,164	N.A.	Retail: 3,694 Office: 2,509	N.A.	Retail: 7,233 Office: 2,509
Number of Available Rooms	210	380	256	393	428	388	108	2,163
Carpark Lots	65	107	97	217 ⁽⁷⁾	148 ⁽⁷⁾	176	N.A. ⁽⁸⁾	810
RevPAR (FY2011) (\$)	142	153	167	148	117 ⁽⁹⁾	203	229	150⁽¹⁰⁾
Appraised Value by Colliers (as at 31 March 2012) (\$'m)	126.0	257.0	193.0	227.0	322.0	419.0	84.0	1,628.0
Appraised Value by Knight Frank (as at 31 March 2012) (\$'m)	107.3	228.0	186.6	217.0	324.9	409.0	83.4	1,556.2
Purchase Price (based on the Offering Price) (\$'m)	120.7	238.5	186.7	218.4	318.2	412.5	82.3	1,577.3
Fixed Rent (per annum) (\$'m)	3.5	7.5	5.5	7.0	8.0 ⁽¹¹⁾	10.0	2.5	44.0

	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Variable Rent (per annum)	33% of Gross Operating Revenue and 25% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 24% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 34% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 29% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 28% of Gross Operating Profit less Fixed Rent	33% of Gross Operating Revenue and 37% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 23% of Gross Operating Profit less the Fixed Rent	N.A.
Pro Forma Variable Rent (FY2011) (S\$m)	2.3	5.3	4.1	5.3	1.7 ⁽¹¹⁾	9.8	2.1	30.6
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽¹²⁾ (FY2011) (%)	39.9	41.6	42.9	43.2	36.4 ⁽¹¹⁾	49.5	45.3	44.0
Vendor and Master Lessee⁽¹³⁾⁽¹⁴⁾	First Choice Properties Pte Ltd	Far East Organization Centre Pte. Ltd.	Golden Development Private Limited	Golden Landmark Pte Ltd	Transurban Properties Pte. Ltd.	Far East Orchard Limited	Golden Development Private Limited	N.A.
Term of Master Lease (years)	20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)							

Notes:

- (1) The temporary occupation permit (“TOP”) for the entire development comprising Oasia Hotel was issued on 2 June 2011. An earlier TOP for the said development, excluding water features and landscape planters at certain parts of the development, was issued on 7 March 2011.
- (2) Date of acquisition by Sponsor, as property is not developed by Sponsor.
- (3) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreements.
- (4) For Landmark Village Hotel and Oasia Hotel.
- (5) In addition, Landmark Village Hotel also includes accessory lots with an aggregate area of 85 sq m.
- (6) In addition, Oasia Hotel also includes an accessory lot with an area of 30 sq m.
- (7) These carpark lots belong to the MCST and will not be acquired by Far East H-REIT.
- (8) Guests at The Quincy Hotel may use the carpark lots at The Elizabeth Hotel.
- (9) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.
- (10) The weighted average RevPAR of the Hotels. The weighted average RevPAR of the Hotels excluding Oasia Hotel would be S\$169.
- (11) As Oasia Hotel’s operations have yet to be stabilised, the total rental income of Oasia Hotel under the relevant Master Lease Agreement is subject to a minimum guarantee of S\$7.3 million and S\$18.2 million for Forecast Period 2012 and Projection Year 2013 respectively. As Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011, the pro-rated pro forma Fixed Rent for Oasia Hotel in FY2011 was assumed to be S\$3 million.
- (12) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.
- (13) The Properties being leased to the respective Master Lessees excludes the Excluded Commercial Premises.
- (14) The Vendors are members of the Sponsor.

The table below sets out certain information with respect to each of the Serviced Residences as at 31 March 2012:

	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Location	20 Havelock Road, Singapore 059765	1 Hougang Street 91, Singapore 538692	121 Penang Road, Singapore 238464	30 Robertson Quay, Singapore 238251	N.A.
Completion Date	19 February 1998	30 December 1999	24 October 2000	12 July 1996	N.A.
Market segment	Mid-tier	Mid-tier	Upscale	Mid-tier	N.A.
Leasehold Tenure⁽¹⁾	Leasehold of 80 years commencing from Listing Date	Leasehold of 81 years commencing from Listing Date	Leasehold of 81 years commencing from Listing Date	Leasehold of 78 years commencing from Listing Date	N.A.
Approximate GFA / Strata Area⁽²⁾ (sq m)	17,858	14,635	10,723	10,570 ⁽³⁾	53,786⁽³⁾
Retail and Office NLA (sq m)	Retail: 2,213 Office: 1,474 Serviced Office: 696	N.A.	Retail: 539 Office: 2,322	Retail: 1,179	Retail: 3,931 Office: 3,796 Serviced Office: 696
Number of Serviced Residence Units	128	78	90	72	368
Carpark Lots	205	364	102	87	758
RevPAU (FY2011) (S\$)	208	191	223	240	214⁽⁴⁾
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	208.0	66.0	170.0	117.0	561.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	187.6	65.5	168.3	113.1	534.5
Purchase Price (based on the Offering Price) (S\$m)	183.3	64.7	166.4	113.2	527.6
Fixed Rent (per annum) (S\$m)	3.5	1.5	2.5	2.5	10.0
Variable Rent (per annum)	33% of Gross Operating Revenue and 41% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 38% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent	N.A.
Pro Forma Variable Rent (FY2011) (S\$m)	2.8	1.6	2.1	1.4	7.9

	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽⁵⁾ (FY2011) (%)	44.8	52.3	45.1	35.2	44.1
Vendor and Master Lessee⁽⁶⁾⁽⁷⁾	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Oxley Hill Properties Pte Ltd	Riverland Pte Ltd	N.A.
Term of Master Lease	20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)				

Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreements.
- (2) For Hougang Village Residences and Riverside Village Residences.
- (3) In addition, Riverside Village Residences also includes an accessory lot with an area of 22 sq m.
- (4) The weighted average RevPAU of the Serviced Residences.
- (5) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.
- (6) The Properties being leased to the respective Master Lessees excludes the Excluded Commercial Premises.
- (7) The Vendors are members of the Sponsor.

OPERATIONAL DATA OF THE PROPERTIES

The weighted average ADR, weighted average occupancy rate and weighted average RevPAR for the Hotels for FY2009, FY2010 and FY2011 are set out below:

Weighted Average	FY2009	FY2010	FY2011	
			Including Oasia Hotel ⁽¹⁾	Excluding Oasia Hotel ⁽¹⁾
ADR ⁽²⁾ (S\$)	144	182	198	199
Occupancy Rate ⁽³⁾ (%)	83.7	87.9	75.4	84.9
RevPAR ⁽⁴⁾ (S\$)	121	160	150	169

Notes:

- (1) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.
- (2) Weighted by the total number of hotel rooms sold at the Hotels for the relevant period.
- (3) Weighted by the total number of Available Hotel Rooms of the Hotels for the relevant period.
- (4) Computed based on total room revenue of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant period.

The weighted average ADR, weighted average occupancy rate and weighted average RevPAU for the Serviced Residences for FY2009, FY2010 and FY2011 are set out below:

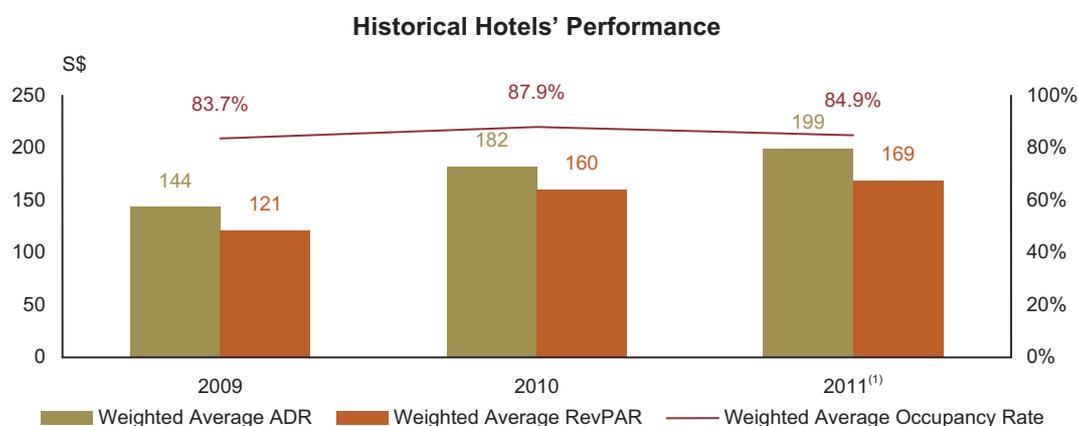
Weighted Average	FY2009	FY2010	FY2011
ADR ⁽¹⁾ (S\$)	178	197	232
Occupancy Rate ⁽²⁾ (%)	82.3	92.3	92.2
RevPAU ⁽³⁾ (S\$)	146	182	214

Notes:

- (1) Weighted by the total number of serviced residence units sold at the Serviced Residences for the relevant period.
- (2) Weighted by the total number of Available Serviced Residence Units at the Serviced Residences for the relevant period.
- (3) Computed based on total rental revenue of the Serviced Residences divided by the total number of available serviced residence units for the relevant period.

Operational Data of the Hotels

The graph below shows the weighted average ADR, weighted average occupancy rate and weighted average RevPAR of the Hotels for FY2009, FY2010 and FY2011:

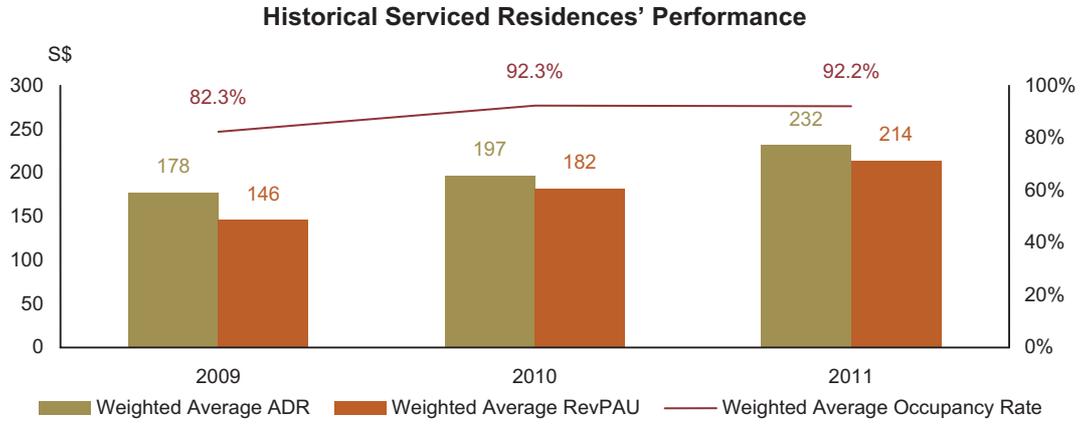


Note:

- (1) Excluding Oasia Hotel, which commenced operations only in April 2011 and became fully operational only in October 2011.

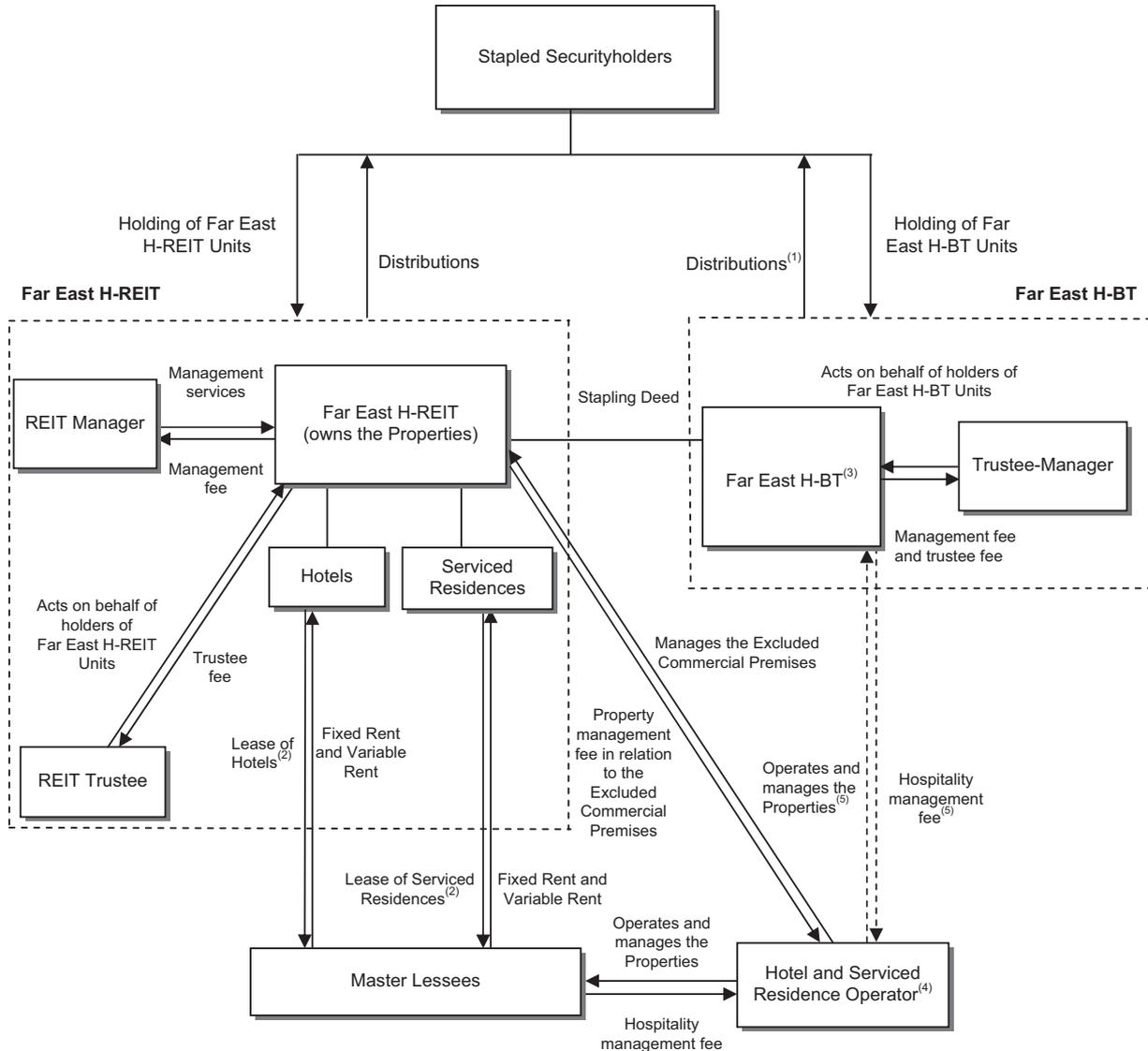
Operational Data of the Serviced Residences

The graph below shows the weighted average ADR, weighted average occupancy rate and weighted average RevPAU of the Serviced Residences for FY2009, FY2010 and FY2011:



STRUCTURE OF FAR EAST H-TRUST

The following diagram illustrates the relationship between, among others, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Master Lessees and Stapled Securityholders as at the Listing Date:



Notes:

- (1) Distributions (if any) to be made by Far East H-BT, when activated, will be determined by the board of directors of the Trustee-Manager (the "Trustee-Manager Board") at its sole discretion.
- (2) Excludes the Excluded Commercial Premises. Far East H-REIT will receive income directly from the Excluded Commercial Premises.
- (3) Dormant as at the Listing Date. In the event that Far East H-BT is appointed as master lessee of any of the Properties, the Trustee-Manager intends to appoint the Hotel and Serviced Residence Operator to manage and operate the Property.
- (4) The Hotel and Serviced Residence Operator as at the Listing Date is Jelco, a wholly-owned subsidiary of Far East Orchard.
- (5) Only activated when Far East H-BT is appointed as master lessee.

Far East H-Trust

The Far East H-REIT Units and Far East H-BT Units are stapled together under the terms of the stapling deed dated 1 August 2012 entered into between the REIT Manager, the REIT

Trustee and the Trustee-Manager (the “**Stapling Deed**”) and cannot be traded separately. Far East H-Trust is regulated by the Stapling Deed, the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed (collectively, the “**Deeds**”) as well as any legislation and regulations governing Far East H-Trust, Far East H-REIT and Far East H-BT.

Far East H-REIT

Far East H-REIT is constituted by a trust deed dated 1 August 2012 (the “**Far East H-REIT Trust Deed**”). It is principally regulated by the SFA, the Code on Collective Investment Schemes issued by the MAS (“**CIS Code**”), including Appendix 6 of the CIS Code (the “**Property Funds Appendix**”), other relevant regulations as well as the Stapling Deed and the Far East H-REIT Trust Deed.

Far East H-BT

Far East H-BT is constituted by a trust deed dated 1 August 2012 (the “**Far East H-BT Trust Deed**”). It is principally regulated by the BTA, the SFA, and other relevant legislation and regulations, as well as the Stapling Deed and the Far East H-BT Trust Deed.

As at the Listing Date, Far East H-BT will be dormant. It will, however, become active if any of the following occurs:

- it is appointed by Far East H-REIT, in the absence of any other master lessee(s) being appointed, as a master lessee of one of the Properties. Far East H-BT exists primarily as “a master lessee of last resort”;
- Far East H-REIT acquires hotels or serviced residences in the future, and, if there are no other suitable master lessees, Far East H-REIT will lease these acquired hotels or serviced residences to Far East H-BT. Far East H-BT will then become a master lessee for that hotel or serviced residence and will appoint a professional manager to manage that hotel or serviced residence; or
- it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for Far East H-REIT, such as:
 - activities which Far East H-BT is required to carry out under any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body;
 - the lending or use of the initial S\$30,000 working capital raised from the Offering; and
 - equity fund-raising activities and issue of Far East H-BT Units carried out in conjunction with Far East H-REIT which are solely for the purposes of funding Far East H-REIT’s business activities.

When Far East H-BT becomes active, the Trustee-Manager intends, where appropriate, to manage the exposure arising from adverse market movements in interest rates through appropriate hedging strategies. Far East H-REIT will not guarantee any debt of Far East H-BT, and *vice versa*. This will help to shield each entity from the other’s financial obligations because each entity’s creditors will not have recourse to the other.

The Sponsor

The Sponsor is a group of companies under Far East Organization comprising the vendors from whom Far East H-REIT will acquire the Properties (the “**Vendors**”) and companies which directly or indirectly hold the pipeline of hospitality properties that fall or may potentially fall within the Sponsor ROFRs, namely:

- (i) FEOC, the Vendor of Changi Village Hotel and the owner of Far East Plaza Residences;
- (ii) FEOPL;
- (iii) Golden Development Private Limited, the Vendor of The Quincy Hotel and The Elizabeth Hotel and also holds Orchard Scotts Residences, a potential pipeline property under the Sponsor ROFRs;
- (iv) Glory Realty Co. Private Ltd.;
- (v) F. E. Holdings Pte. Ltd.;
- (vi) Boo Han Holdings Pte. Ltd., which holds Oasia West Residences, a potential pipeline property under the Sponsor ROFRs;
- (vii) Lucky Realty Company Pte Ltd; and
- (viii) Orchard Landmark Pte. Ltd., which holds Leonie View,

and their respective subsidiaries, including:

- (a) Far East Orchard, a subsidiary of FEOPL and the Vendor of Orchard Parade Hotel;
- (b) First Choice Properties Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Albert Court Village Hotel;
- (c) OPH Riverside Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Central Square Village Residences;
- (d) Serene Land Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Hougang Village Residences;
- (e) Oxley Hill Properties Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Regency House;
- (f) Far East SOHO Pte. Ltd., a subsidiary of Golden Development Private Limited, which holds Oasia Downtown Hotel, a potential pipeline property under the Sponsor ROFRs;
- (g) Transurban Properties Pte. Ltd., a subsidiary of Glory Realty Co. Private Ltd. and the Vendor of Oasia Hotel;
- (h) Orchard Parksuites Pte Ltd, a subsidiary of Glory Realty Co. Private Ltd., which holds Orchard Parksuites, a potential pipeline property under the Sponsor ROFRs;
- (i) Golden Landmark Pte Ltd, a subsidiary of F. E. Holdings Pte. Ltd. and the Vendor of Landmark Village Hotel;
- (j) Riverland Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd. (which is in turn a subsidiary of F. E. Holdings Pte. Ltd.) and the Vendor of Riverside Village Residences;
- (k) Victory Realty Co. Private Ltd., a subsidiary of F. E. Holdings Pte. Ltd.;

- (l) China Classic Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd., which holds The Amoy Hotel and The Outpost Hotel, two potential pipeline properties under the Sponsor ROFRs; and
- (m) Dollar Land Singapore Private Limited, a subsidiary of Lucky Realty Company Pte Ltd, which holds West Coast Village Residences, a potential pipeline property under the Sponsor ROFRs.

The Sponsor's hospitality assets in Singapore include seven hotels and nine serviced residences with a combined inventory of approximately 3,200 units, and are valued at more than S\$3.0 billion as at 31 December 2011.

The Sponsor includes Far East Orchard, a company listed on the SGX-ST with core businesses in hospitality, investment holding and property investment. As at 31 December 2011, the Sponsor has a total net asset value exceeding S\$2.0 billion.

Far East Organization is the largest private property developer in Singapore and both owner and operator of hospitality properties. Since its establishment in 1960, Far East Organization has developed a full spectrum of real estate products in the residential, hospitality, commercial, medical and industrial sectors, including over 42,000 or one in six private homes in Singapore.

Winner of the "Best Developer in South East Asia and Singapore" award at the South East Asia Property Awards 2011, Far East Organization is also a multiple winner of the prestigious FIABCI Prix d'Excellence Awards, underscoring its unique achievements in the international and regional real estate arena.

Recent government land sales have been increasingly geared towards mixed-use developments, and Far East Organization has been actively involved in various bidding processes for such mixed-use developments either alone or through joint ventures. Since the start of 2010, Far East Organization has bid for and won more than 20 land sites including property acquisitions, totalling more than 7.0 million sq ft of GFA, valued at more than S\$4.0 billion. Far East Organization's successful bidding track record has potential to provide future pipeline projects for Far East H-Trust.

Examples of hospitality properties within the mixed-use projects currently being developed by Far East Organization are:

- *Oasia Downtown Hotel*: Oasia Downtown Hotel is part of a mixed-use development comprising a 314-room hotel with approximately 100 commercial small offices / home offices ("**SOHOs**"). Oasia Downtown Hotel is designed by award-winning Singapore-based architecture practice, WOHA, and Spanish interior designer Patricia Urquiola. The expected date of obtaining TOP is 2H2015.
- *Oasia West Residences*: Oasia West Residences is slated to be part of a mixed-use residential and serviced residence development. Upon completion and subject to approval of URA, the development is expected to have more than 170 residential units comprising SOHO units, condominium units and townhouses, as well as 116 serviced residence units. The expected date of obtaining TOP is 2H2015.

(See "The Sponsor" for further details.)

The REIT Manager: FEO Hospitality Asset Management Pte. Ltd.

The REIT Manager is incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) on 28 January 2011. As at 26 July 2012 (the “**Latest Practicable Date**”), it has an issued and paid-up capital of S\$2,110,000 and its registered office is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. The REIT Manager is 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor. Save as aforementioned, the REIT Manager is not, directly or indirectly, owned or controlled, whether severally or jointly, by any person or government.

The REIT Manager has been issued a capital markets services licence for REIT management (the “**CMS Licence**”) pursuant to the SFA on 10 August 2012.

The REIT Manager has general powers of management over the assets of Far East H-REIT. The REIT Manager’s main responsibility is to manage Far East H-REIT’s assets and liabilities for the benefit of the holders of Far East H-REIT Units. The REIT Manager will set the strategic direction of Far East H-REIT and give recommendations to the REIT Trustee on the acquisition, divestment, development and/or enhancement of the assets of Far East H-REIT in accordance with its stated investment strategy.

(See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT” for further details.)

The REIT Trustee: DBS Trustee Limited

The trustee of Far East H-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act 2005, Chapter 336 of Singapore (the “**Trust Companies Act**”). It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S\$2.5 million. The REIT Trustee has its place of business in Singapore at 12 Marina Boulevard, #44-01 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982.

The REIT Trustee acts as trustee of Far East H-REIT and, in such capacity, holds the assets of Far East H-REIT on trust for the benefit of the holders of Far East H-REIT Units, safeguards the rights and interests of the holders of Far East H-REIT Units and exercises all the powers of a trustee and the powers accompanying ownership of the properties in Far East H-REIT.

(See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT” for further details.)

The Trustee-Manager: FEO Hospitality Trust Management Pte. Ltd.

The Trustee-Manager is incorporated in Singapore under the Companies Act on 30 April 2012. It has an issued and paid-up capital of S\$100 and its registered office is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. The Trustee-Manager is 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC,

FEOPL and Far East Orchard are all members of the Sponsor. Save as aforementioned, the Trustee-Manager is not, directly or indirectly, owned or controlled, whether severally or jointly, by any person or government.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of Far East H-BT Units, and managing the business conducted by Far East H-BT. The Trustee-Manager has general powers of management over the business and assets of Far East H-BT and its main responsibility is to manage Far East H-BT's assets and liabilities for the benefit of the holders of Far East H-BT Units as a whole.

(See "The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT" for further details.)

The Vendors and Master Lessees

The following entities are the Vendors of the Properties, and as at the Listing Date, will be Master Lessees of the Properties¹:

Hotel	Vendor / Master Lessee
Albert Court Village Hotel	First Choice Properties Pte Ltd
Changi Village Hotel	Far East Organization Centre Pte. Ltd.
The Elizabeth Hotel	Golden Development Private Limited
Landmark Village Hotel	Golden Landmark Pte Ltd
Oasia Hotel	Transurban Properties Pte. Ltd.
Orchard Parade Hotel	Far East Orchard Limited
The Quincy Hotel	Golden Development Private Limited
Serviced Residence	Vendor / Master Lessee
Central Square Village Residences	OPH Riverside Pte Ltd
Hougang Village Residences	Serene Land Pte Ltd
Regency House	Oxley Hill Properties Pte Ltd
Riverside Village Residences	Riverland Pte Ltd

The leasehold interests in the Properties to be acquired by Far East H-REIT are in respect of a shorter leasehold period than the length of the leasehold titles or (as the case may be) freehold titles held by the Vendors (see "Certain Agreements relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Property Sale and Purchase Agreements" for further details on the reversionary interest in the Properties held by the Vendors).

Upon expiry of the leasehold interests to be held by Far East H-REIT, title to the Properties will revert back to the Vendors.

The REIT Trustee, as master lessor of the Properties (the "**Master Lessors**"), will receive rental payment for each Property from the relevant Master Lessee comprising (i) a Fixed Rent and (ii) a Variable Rent. For each Property, a Master Lease Agreement will be entered into between the REIT Trustee and the relevant Master Lessee on the Listing Date.

¹ Excluding the Excluded Commercial Premises.

Each of the Master Lease Agreements has an initial term of 20 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions (save for amendments required due to any change in law).

(See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Master Lease Agreements” for further details on the Master Lease Agreements.)

The Hotel and Serviced Residence Operator

As at the Listing Date, the Hotel and Serviced Residence Operator is Jelco. Jelco is a company incorporated in Singapore on 6 October 1989. Jelco will purchase the entire hospitality management business of Far East Hospitality Services Pte Ltd, the current operator of the hospitality assets in Far East Organization, and such purchase will be completed on the completion date of the acquisition of the Properties. The hospitality management business to be acquired by Jelco will include the transfer of employees employed by Far East Hospitality Services Pte Ltd in connection with the hospitality management business, the transfer of all hospitality management agreements to which Far East Hospitality Services Pte Ltd is a party as the operator of the 18 completed hospitality assets in Far East Organization (including the Properties to be owned by Far East H-REIT) and the transfer of licences for the use of certain information technology systems and computer software as well as certain intellectual property used and/or owned by Far East Hospitality Services Pte Ltd in connection with its hospitality management business. These include hospitality brands “Oasia”, “Village” and “Quincy”. In addition, the REIT Manager has engaged Jelco to be the property manager of the Excluded Commercial Premises, which will not be subject to any master lease arrangement upon acquisition by Far East H-REIT.

Jelco will run the day-to-day operations, management and marketing of the Properties. In addition, Jelco will also be responsible for identifying and capitalising on opportunities to enhance and improve the operating performance of the Properties, through active operational improvements and asset enhancements. Its registered address is 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. As at 31 March 2012, Jelco has an issued and paid-up capital of approximately S\$396.1 million. Jelco is currently a wholly-owned subsidiary of Far East Orchard.

Jelco will be engaged by the Master Lessees under management contracts as the Hotel and Serviced Residence Operator for a period of 20 years from the Listing Date, with an option exercisable by Jelco to renew the contract for a further 20 years on the same terms and conditions (save for amendments required due to any change in law). It will provide, among others, the following services for the Properties¹:

- hotel and serviced residence management services such as the daily running and managing of each Property and related activities (e.g. the management of hotel rooms or serviced residence units, banquet and function rooms, food and beverage (“**F&B**”) services, laundry services etc.);

¹ Excluding the Excluded Commercial Premises.

- marketing services, including the planning, preparation and conduct of marketing, advertising, promotion, public relations, publicity and related activities for the purpose of promoting the business and enhancing the reputation of each Property;
- sales and distribution activities, including signing corporate accounts, running a central reservation system, managing a booking engine on the internet, contracting with online travel agents and wholesalers, and signing up with a global distribution system to make the hotel rooms available to agents worldwide;
- development of programmes and policies to maximise patronage of the facilities of each Property;
- collecting charges, rents and other amounts due from hotel guests, patrons and tenants;
- employing, supervising and training the hospitality employees and staff required to operate, manage, market and maintain the Properties in accordance with the annual budget agreed with each Master Lessee;
- establishing the details of the refurbishment plans for each Property, with the approval of each Master Lessee;
- purchasing all FF&E for the Properties in accordance with capital refurbishment programmes or the approved annual budget for the Properties;
- preparing the annual business plans of the Properties, including the annual budget and marketing strategy;
- negotiating new or renewed lease / licence agreements;
- establishing the cash management and banking arrangements for the Properties;
- establishing each Property's policy regarding its association with any credit card system; and
- allowing its existing brands to be used on the Properties.

Jelco will also be engaged by Far East H-REIT under management contracts as the property manager of the Excluded Commercial Premises for a period of 20 years from the Listing Date. Six months prior to expiry of the initial term of the management contracts, Jelco may request to extend its appointment for a further 20 years on the same terms and conditions, except for revision of all fees payable to Jelco to revised rates determined by the REIT Trustee on the recommendation of the REIT Manager, having regard to prevailing market rates. Jelco will provide property management services, lease management services, property tax services and marketing coordination services in relation to the Excluded Commercial Premises.

CERTAIN FEES AND CHARGES

The following is a summary of the amounts of certain fees and charges payable by Stapled Securityholders in connection with their subscription for the Stapled Securities (so long as the Stapled Securities are listed):

	Payable by Stapled Securityholders directly	Amount payable
(a)	Subscription fee or preliminary charge	N.A. ⁽¹⁾
(b)	Realisation fee	N.A. ⁽¹⁾
(c)	Switching fee	N.A. ⁽¹⁾
(d)	Any other fee	Investors in the Placement Tranche may be required to pay brokerage of up to 1.0% of the Offering Price. For trading of the Stapled Securities, investors will pay prevailing brokerage commissions (if applicable) and CDP clearing fee for trading of the Stapled Securities on the SGX-ST at the rate of 0.04% of the transaction value, subject to a maximum of S\$600.00 per transaction and Goods and Services Tax (“ GST ”) chargeable thereon.

Note:

(1) As the Stapled Securities will be listed and traded on the SGX-ST, and Stapled Securityholders will have no right to request the REIT Manager or the Trustee-Manager to redeem their Stapled Securities (or, for that matter, any corresponding Far East H-REIT Units and Far East H-BT Units) while the Stapled Securities are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Stapled Securities.

The following is a summary of certain fees and charges payable by Far East H-REIT in connection with the establishment and ongoing management of the operations of Far East H-REIT (see “Management and Corporate Governance” for further details):

	Payable by Far East H-REIT	Amount payable
(a)	The REIT Manager’s management fees	<p>Base Fee</p> <p>0.3% per annum of the value of gross assets of Far East H-REIT, including all the Authorised Investments (as defined in the Far East H-REIT Trust Deed and the Stapling Deed) of Far East H-REIT for the time being held or deemed to be held by Far East H-REIT under the Far East H-REIT Trust Deed (the “Far East H-REIT Deposited Property”).</p>

	Payable by Far East H-REIT	Amount payable
		<p>Performance Fee</p> <p>4.0% per annum of the Net Property Income¹ of Far East H-REIT in the relevant financial year.</p> <p>At least 80.0% of the Base Fee and Performance Fee will be paid in Stapled Securities or, as the case may be, Far East H-REIT Units with the remainder to be paid in cash for Forecast Period 2012 and Projection Year 2013, and thereafter at the discretion of the REIT Manager.</p> <p>For the purpose of calculating the Base Fee and Performance Fee, if Far East H-REIT holds only a partial interest in (i) any Far East H-REIT Deposited Property, or (ii) any investment from which any Net Property Income of Far East H-REIT is derived, such Far East H-REIT Deposited Property or Net Property Income of Far East H-REIT shall be pro-rated in proportion to the partial interest held.</p>
(b)	The REIT Trustee's fee	<p>The REIT Trustee's fee is presently charged on a scaled basis of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property, subject to a minimum of S\$20,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee will also be paid a one-time inception fee of S\$50,000.</p> <p>Under the Far East H-REIT Trust Deed, the maximum fee which the REIT Trustee may charge is 0.02% per annum of the Far East H-REIT Deposited Property. Any increase in the REIT Trustee's fee beyond the current scaled basis of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property shall be approved by an Extraordinary Resolution of the holders of Far East H-REIT Units duly convened and held in accordance with the Far East H-REIT Trust Deed.</p>

1 **"Net Property Income" or "NPI"** means the gross revenue of a Property (comprising the rental payment under the respective Master Lease Agreements, which consists of a Fixed Rent and a Variable Rent from the Properties under the Master Lease Agreements, and commercial rental income from the Excluded Commercial Premises) ("**Gross Revenue**") less (i) property tax for hospitality properties, (ii) insurance expenses on each Property, (iii) Sinking Fund Contributions (as defined herein) and (iv) other property expenses (collectively, "**Property Expenses**").

	Payable by Far East H-REIT	Amount payable
(c)	Any other substantial fee or charge (<i>i.e.</i> 0.1% or more of the value of the Far East H-REIT Deposited Property)	
	(i) Acquisition fee (payable to the REIT Manager)	<p>0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as maybe determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):</p> <p>(i) the acquisition price of any real estate purchased by Far East H-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more special purpose vehicles (“SPVs”), plus any other payments¹ in addition to the acquisition price made by Far East H-REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of Far East H-REIT’s interest);</p> <p>(ii) the underlying value² of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by Far East H-REIT whether directly or indirectly through one or more SPVs (plus any other payments¹ made by Far East H-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable to the proportion of Far East H-REIT’s interest); or</p> <p>(iii) the acquisition price of any investment purchased by Far East H-REIT, whether directly or indirectly through one or more</p>

1 “**other payments**” refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Far East H-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Far East H-REIT as purchase price and any debt of the special purpose company.

	Payable by Far East H-REIT	Amount payable
		<p>SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.</p> <p>No acquisition fee is payable for the acquisition of the Properties.</p> <p>The acquisition fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-REIT Units (as the REIT Manager may elect) provided that in respect of any acquisition of real estate assets from Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, Far East H-REIT Units at prevailing market price(s) instead of cash.</p> <p>The Stapled Securities or, as the case may be, Far East H-REIT Units issued to the REIT Manager as its acquisition fee should not be sold within one year from the date of their issuance.</p> <p>Any payment to third party agents or brokers in connection with the acquisition of any assets of Far East H-REIT shall be paid to such persons out of the Far East H-REIT Deposited Property or the assets of the relevant entity and not out of the acquisition fee received or to be received by the REIT Manager.</p>
	(ii) Divestment fee (payable to the REIT Manager)	<p>0.5% of each of the following as is applicable (subject to there being no double-counting):</p> <p>(i) the sale price of any real estate sold or divested by Far East H-REIT, whether directly or indirectly through one or more SPVs, plus any other payments¹ in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of Far East H-REIT's interest);</p> <p>(ii) the underlying value² of any real estate which is taken into account when computing the sale</p>

1 "other payments" refer to additional payments to Far East H-REIT or its SPVs for the sale of the real estate, for example, where Far East H-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Far East H-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by Far East H-REIT as sale price and any debt of the special purpose company.

	Payable by Far East H-REIT	Amount payable
		<p>price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by Far East H-REIT, whether directly or indirectly through one or more SPVs, plus any other payments¹ received by the Far East H-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of Far East H-REIT's interest); or</p> <p>(iii) the sale price of the investment sold or divested by Far East H-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.</p> <p>The divestment fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-REIT Units (as the REIT Manager may elect) provided that in respect of any sale or divestment of real estate assets to Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, Far East H-REIT Units at prevailing market price(s) instead of cash.</p> <p>The Stapled Securities or, as the case may be, Far East H-REIT Units issued to the REIT Manager as its divestment fee should not be sold within one year from the date of their issuance.</p> <p>Any payment to third party agents or brokers in connection with the divestment of any assets of Far East H-Trust shall be paid to such persons out of the Far East H-REIT Deposited Property or the assets of the relevant entity and not out of the divestment fee received or to be received by the REIT Manager.</p>
	(iii) Development management fee (payable to the REIT Manager)	The REIT Manager is entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (each as defined herein) undertaken by the REIT Manager on behalf of Far East H-REIT. Far East H-REIT will only undertake development activities within the limits of the Property Funds Appendix

	Payable by Far East H-REIT	Amount payable
		<p>(which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments).</p> <p>“Development Project”, in relation to Far East H-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Far East H-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix shall be complied with for the purposes of such development.</p> <p>When the estimated Total Project Costs are greater than S\$100.0 million, the REIT Trustee and the REIT Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager’s view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of Far East H-REIT.</p> <p>For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project.</p>
	(iv) Property management fee in relation to the Excluded Commercial Premises (payable to the Hotel and Serviced Residence Operator)	<p>Under the property management agreement dated 3 August 2012 between the REIT Trustee and the Hotel and Serviced Residence Operator in relation to the Excluded Commercial Premises (the “Property Management Agreement”), the Hotel and Serviced Residence Operator will provide property management services, lease management services, property tax services and marketing coordination services in relation to the Excluded Commercial Premises. The Hotel and Serviced Residence Operator is entitled to a fee of 3.0% per annum of</p>

	Payable by Far East H-REIT	Amount payable
		the Net Property Income of the Excluded Commercial Premises (calculated before accounting for the property management fee in that financial period).

The following is a summary of certain fees and charges payable by Far East H-BT in circumstances where Far East H-BT becomes active:

	Payable by Far East H-BT	Amount payable
(a)	The Trustee-Manager's management fees	<p>10.0% of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year). For the purpose of calculating the management fee, if Far East H-BT holds only a partial interest in an investment from which such profit is derived, such profit shall be pro-rated in proportion to the partial interest held.</p> <p>The management fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-BT Units (as the Trustee-Manager may elect).</p>
(b)	The Trustee-Manager's trustee fee	<p>0.1% per annum of the value of the Trust Property (as defined in the BTA) of Far East H-BT (the "Far East H-BT Trust Property"), subject to a minimum fee of S\$10,000 per month, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million.</p> <p>For the purpose of calculating the trustee fee, if Far East H-BT holds only a partial interest in any of the Far East H-BT Trust Property, such Far East H-BT Trust Property shall be pro-rated in proportion to the partial interest held.</p>
(c)	Any other substantial fee or charge (<i>i.e.</i> 0.1% or more of the value of Far East H-BT Trust Property)	
	(i) Acquisition fee (payable to the Trustee-Manager)	<p>0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):</p> <p>(i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased</p>

	Payable by Far East H-BT	Amount payable
		<p>by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments¹ in addition to the acquisition price made by Far East H-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of Far East H-BT's interest);</p> <p>(ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value² of such real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments¹ made by Far East H-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of Far East H-BT's interest); or</p> <p>(iii) the acquisition price of any investment purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.</p> <p>The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.</p>

1 "other payments" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Far East H-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Far East H-BT as purchase price and any debt of the special purpose company.

	Payable by Far East H-BT	Amount payable
	(ii) Divestment fee (payable to the Trustee-Manager)	<p>0.5% of any of the following as is applicable (subject to there being no double-counting):</p> <ul style="list-style-type: none"> (i) the sale price of any real estate sold or divested by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments¹ in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of Far East H-BT's interest); (ii) the underlying value² of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments¹ received by the Far East H-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of Far East H-BT's interest); or (iii) the sale price of the investment purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate. <p>The divestment fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.</p>

1 "other payments" refer to additional payments to Far East H-BT or its SPVs for the sale of the real estate, for example, where Far East H-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Far East H-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by Far East H-BT as sale price and any debt of the special purpose company.

	Payable by Far East H-BT	Amount payable
	(iii) Development management fee (payable to the Trustee-Manager)	<p>The Trustee-Manager is entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (as defined herein) undertaken by the Trustee-Manager on behalf of Far East H-BT.</p> <p>“Development Project”, in relation to Far East H-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Far East H-BT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works.</p> <p>When the estimated Total Project Costs are greater than S\$100.0 million, the Trustee-Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager’s view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of Far East H-BT.</p> <p>For the avoidance of doubt, no acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project.</p>

THE OFFERING

Far East H-Trust	Far East Hospitality Trust, a hospitality stapled group comprising Far East H-REIT and Far East H-BT.
Far East H-REIT	Far East Hospitality Real Estate Investment Trust, a real estate investment trust constituted by the Far East H-REIT Trust Deed.
Far East H-BT	Far East Hospitality Business Trust, a business trust constituted by the Far East H-BT Trust Deed.
The REIT Manager	FEO Hospitality Asset Management Pte. Ltd.
The REIT Trustee	DBS Trustee Limited
The Trustee-Manager	FEO Hospitality Trust Management Pte. Ltd.
The Sponsor	<p>The following Far East Organization group of companies comprising the vendors from whom Far East H-REIT will acquire the leasehold titles to the Properties (the “Vendors”) and companies which directly or indirectly hold the pipeline of hospitality properties that fall or may potentially fall within the Sponsor ROFRs:</p> <ul style="list-style-type: none">(i) FEOC, the Vendor of Changi Village Hotel and the owner of Far East Plaza Residences;(ii) FEOPL;(iii) Golden Development Private Limited, the Vendor of The Quincy Hotel and The Elizabeth Hotel and also holds Orchard Scotts Residences, a potential pipeline property under the Sponsor ROFRs;(iv) Glory Realty Co. Private Ltd.;(v) F. E. Holdings Pte. Ltd.;(vi) Boo Han Holdings Pte. Ltd., which holds Oasia West Residences, a potential pipeline property under the Sponsor ROFRs;(vii) Lucky Realty Company Pte Ltd; and(viii) Orchard Landmark Pte. Ltd., which holds Leonie View, and their respective subsidiaries, including:<ul style="list-style-type: none">(i) Far East Orchard, a subsidiary of FEOPL and the Vendor of Orchard Parade Hotel;(ii) First Choice Properties Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Albert Court Village Hotel;(iii) OPH Riverside Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Central Square Village Residences;

- (iv) Serene Land Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Hougang Village Residences;
- (v) Oxley Hill Properties Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Regency House;
- (vi) Far East SOHO Pte. Ltd., a subsidiary of Golden Development Private Limited, which holds Oasia Downtown Hotel, a potential pipeline property under the Sponsor ROFRs;
- (vii) Transurban Properties Pte. Ltd., a subsidiary of Glory Realty Co. Private Ltd. and the Vendor of Oasia Hotel;
- (viii) Orchard Parksuites Pte Ltd, a subsidiary of Glory Realty Co. Private Ltd., which holds Orchard Parksuites, a potential pipeline property under the Sponsor ROFRs;
- (ix) Golden Landmark Pte Ltd, a subsidiary of F. E. Holdings Pte. Ltd. and the Vendor of Landmark Village Hotel;
- (x) Riverland Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd. (which is in turn a subsidiary of F. E. Holdings Pte. Ltd.) and the Vendor of Riverside Village Residences;
- (xi) Victory Realty Co. Private Ltd., a subsidiary of F. E. Holdings Pte. Ltd.;
- (xii) China Classic Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd., which holds The Amoy Hotel and The Outpost Hotel, two potential pipeline properties under the Sponsor ROFRs; and
- (xiii) Dollar Land Singapore Private Limited, a subsidiary of Lucky Realty Company Pte Ltd, which holds West Coast Village Residences, a potential pipeline property under the Sponsor ROFRs.

(See also “Overview — Key Investment Highlights of Far East H-Trust” for further details on the Sponsor ROFR Properties as at 31 December 2011.)

The Offering

329,366,000 Stapled Securities offered under the Placement Tranche and the Public Offer, subject to the Over-Allotment Option.

The Placement Tranche

267,566,000 Stapled Securities offered by way of an international placement to investors, including institutional and other investors in Singapore other than the Cornerstone Investors and Golden Development Private Limited, pursuant to the Offering.

The Stapled Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S). The Stapled Securities are being offered and sold outside the United States in reliance on Regulation S.

**The Public Offer
(including Reserved
Stapled Securities)**

61,800,000 Stapled Securities offered by way of a public offer in Singapore including the Reserved Stapled Securities (as defined herein).

Stapled Securities

Stapled Securities of Far East H-Trust, each Stapled Security consisting of one unit in Far East H-REIT and one unit in Far East H-BT. The units are stapled together such that the units cannot be issued, transferred, traded, or otherwise dealt with separately.

**Clawback and
Re-allocation**

The Stapled Securities may be re-allocated between the Placement Tranche and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Managers), in the event of an excess of applications in one and a deficit in the other.

**Reserved Stapled
Securities**

11,800,000 Stapled Securities reserved for subscription by the directors, management and employees of the Sponsor and the REIT Manager.

In the event that any of the Reserved Stapled Securities are not fully subscribed for, they will be made available to satisfy excess applications (if any) under the Public Offer and/or the Placement Tranche.

Sponsor Stapled Securities

Concurrently with, but separate from the Offering, an aggregate of 898,177,999 Stapled Securities will be issued to certain Vendors at the Offering Price on the Listing Date in part satisfaction of the purchase price for the Properties.

**Subscription by the
Cornerstone Investors**

Concurrently with, but separate from the Offering, each of Aberdeen Asset Management Asia Limited (“**Aberdeen Asia**”), AIA Group Limited and its subsidiaries (collectively, “**AIA**” or “**the Group**”), APG Strategic Real Estate Pool (“**APG Pool**”), Havenport Asset Management Pte. Ltd., Hwang Investment Management Berhad (“**HwangIM**”), Indus Pacific Opportunities Master Fund, Ltd. and Indus Asia Pacific Master Fund, Ltd. (collectively, “**Indus**”), JF

Asset Management Limited (“**JFAM**”), Lion Global Investors Limited, Myriad Asset Management Limited and NTUC Income Co-operative Limited (“**NTUC Income**”) (the “**Cornerstone Investors**”) has entered into a subscription agreement to subscribe for an aggregate of 376,344,000 Stapled Securities at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the date on which the Stapled Securities are issued as settlement under the Offering (the “**Settlement Date**”).

(See “Ownership of the Stapled Securities — Subscription by the Cornerstone Investors — Information on the Cornerstone Investors” for further details.)

Offering Price

S\$0.93 per Stapled Security.

Subscription for Stapled Securities in the Public Offer

Investors applying for the Stapled Securities by way of Application Forms or Electronic Applications (both as referred to in Appendix F, “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore”) will pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where:

- an application is rejected or accepted in part only; or
- the Offering does not proceed for any reason.

For illustrative purposes, an investor who applies for 1,000 Stapled Securities by way of an Application Form or, as the case may be, an Electronic Application under the Public Offer will have to pay S\$930, which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), upon the occurrence of any of the foregoing events.

The minimum initial subscription is for 1,000 Stapled Securities. An applicant may subscribe for a larger number of the Stapled Securities in integral multiples of 1,000.

Investors in Singapore must follow the application procedures set out in Appendix F, “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore”. Subscriptions under the Public Offer must be paid for in Singapore dollars. No fee is payable by applicants for the Stapled Securities, save for an administration fee for each application made through automated teller machines (“**ATMs**”) and the internet

banking websites of the Participating Banks (as defined herein) and the mobile banking interface of DBS Bank Ltd..

The Unit Lender

Golden Development Private Limited

Over-Allotment Option

In connection with the Offering, the Joint Bookrunners have been granted the Over-Allotment Option by the Unit Lender. The Over-Allotment Option is exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 65,873,000 Stapled Securities, representing 20.0% of the total number of Stapled Securities in the Offering, to undertake stabilising actions. Unless indicated otherwise, all information in this document assumes that the Joint Bookrunners do not exercise the Over-Allotment Option. (See “Plan of Distribution” for further details.)

The total number of Stapled Securities in issue immediately after the close of the Offering will be 1,603,888,000 Stapled Securities. The exercise of the Over-Allotment Option will not increase this total number of Stapled Securities in issue.

Lock-ups

FEOC, Golden Development Private Limited and F. E. Holdings Pte. Ltd. has each agreed to a lock-up arrangement during the Lock-up Period in respect of its effective interest in the relevant Lock-up Stapled Securities held by it on the Listing Date, directly (in the case of FEOC and Golden Development Private Limited) and/or indirectly ((i) in the case of Golden Development Private Limited, through Oxley Hill Properties Pte Ltd and (ii) in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd), subject to certain exceptions.

The Managers have also undertaken not to offer, issue or contract to issue any Stapled Securities, and the making of any announcements in connection with any of the foregoing transactions, during the Lock-up Period, subject to certain exceptions.

(See “Plan of Distribution — Lock-up Arrangements” for further details.)

Capitalisation

S\$1,491,615,840

(See “Capitalisation and Indebtedness” for further details).

Use of Proceeds

See “Use of Proceeds” and “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties” for further details.

Listing and Trading

Prior to the Offering, there has been no market for the Stapled Securities. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST:

- all the Stapled Securities comprised in the Offering;
- all the Sponsor Stapled Securities;
- all the Cornerstone Stapled Securities; and
- all the Stapled Securities which may be issued to the Managers from time to time in full or part payment of fees payable to the Managers. (See “Management and Corporate Governance — Far East H-REIT — Fees Payable to the REIT Manager” and “Management and Corporate Governance — Far East H-BT — Fees Payable to the Trustee-Manager” for further details.)

Such permission will be granted when Far East H-Trust is admitted to the Official List of the SGX-ST.

The Stapled Securities will, upon their issue, listing and quotation on the SGX-ST, be traded in Singapore dollars under the book-entry (scripless) settlement system of the Central Depository (Pte) Limited (“CDP”). The Stapled Securities will be traded in board lot sizes of 1,000 Stapled Securities.

Stabilisation

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the Joint Bookrunners, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action.

Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). Such transactions may commence from the Listing Date, and, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising

Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 65,873,000 Stapled Securities, representing 20.0% of the total number of Stapled Securities in the Offering, to undertake stabilising actions.

(See “Plan of Distribution — Over-Allotment and Stabilisation” for further details.)

No Redemption

Stapled Securityholders have no right to request the REIT Manager or the Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed on the SGX-ST. Stapled Securityholders may only deal in their listed 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.

Distribution Policy

Distributions from Far East H-Trust comprise distributions from Far East H-REIT and Far East H-BT.

Far East H-REIT’s distribution policy is to distribute 100.0% of Far East H-REIT’s Taxable Income for the Forecast Period 2012 and Projection Year 2013 and at least 90.0% of its Taxable Income thereafter. The distribution will be made on a quarterly basis for the three-month periods ending 31 March, 30 June, 30 September and 31 December. Distributions, when paid, will be in Singapore dollars. (See “Distributions” for further details.)

Far East H-BT will be dormant as at the Listing Date and no distributions will be made during the period that Far East H-BT remains dormant. It is assumed that Far East H-BT will have no revenue for the Forecast Period 2012 and Projection Year 2013. In the event that Far East H-BT becomes active and profitable, Far East H-BT’s distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by Far East H-BT will be at the sole discretion of the Trustee-Manager. There is no assurance that Far East H-BT would make any distributions to Stapled Securityholders.

Tax Considerations

For Singapore income tax purposes, the components making up a Stapled Security are recognised separately, *i.e.* as one Far East H-REIT Unit and one Far East H-BT Unit. Accordingly, distributions from Far East H-Trust are recognised separately as distributions from Far East H-REIT and distributions from Far East H-BT for the purpose of determining the applicable Singapore tax treatment.

Distributions by Far East H-REIT

The Inland Revenue Authority of Singapore (“IRAS”) has issued an advance ruling on the taxation of Far East H-REIT and Stapled Securityholders (the “**Tax Ruling**”).

The Tax Ruling grants tax transparency to Far East H-REIT on its Taxable Income. Under the tax transparency treatment, Far East H-REIT will not be taxed on its Taxable Income to the extent of the amount distributed to Stapled Securityholders. Instead, Stapled Securityholders will be subject to tax on the distributions made out of such Taxable Income, either directly or by way of tax deduction at source, or exempt from tax, depending on their own individual tax status.

The tax transparency treatment is subject to the condition that Far East H-REIT distributes at least 90.0% of its Taxable Income in the year in which the income is derived.

Distributions by Far East H-BT

Any distribution made by Far East H-BT to Stapled Securityholders will be exempt from Singapore income tax in the hands of Stapled Securityholders, regardless of whether they are individuals or non-individuals.

(See “Taxation” and Appendix E, “Independent Taxation Report” for further information on the Singapore income tax consequences of the purchase, ownership and disposition of the Stapled Securities.)

Unstapling

Far East H-Trust can be terminated when stapling becomes unlawful or prohibited by the listing manual of the SGX-ST (the “**Listing Manual**”), or when either Far East H-REIT or Far East H-BT is terminated or wound up respectively. Termination can also occur if Extraordinary Resolutions (as defined herein) from the holders of Far East H-REIT Units and the holders of Far East H-BT Units are obtained and with prior approval from the SGX-ST for such unstapling.

Termination

Far East H-REIT may, under certain circumstances specified in the Far East H-REIT Trust Deed, be terminated by either the REIT Manager or the REIT Trustee. (See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — Far East H-REIT — Termination of Far East H-REIT” for further details.)

Far East H-BT may, under certain circumstances specified in the Far East H-BT Trust Deed, be wound up by the Trustee-Manager. (See “The Formation and Structure of Far

East H-Trust, Far East H-REIT and Far East H-BT — The Formation and Structure of Far East H-BT — Winding-up” for further details.)

Governing Law

The Stapling Deed, the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed, pursuant to which Far East H-Trust, Far East H-REIT and Far East H-BT are respectively constituted, are governed by Singapore law.

Underwriting, Selling and Management Commission Payable by Far East H-Trust to the Joint Bookrunners

The REIT Manager, on behalf of Far East H-REIT, and the Trustee-Manager, on behalf of Far East H-BT, have agreed to pay the Joint Bookrunners for their services in connection with the offering of the Stapled Securities under the Offering and Cornerstone Stapled Securities, an underwriting, selling and management commission (including incentive fees) of up to S\$21.5 million excluding GST based on the Offering Price of S\$0.93 per Stapled Security.

(See “Plan of Distribution — Issue Expenses” for further details.)

Risk Factors

Prospective investors should carefully consider certain risks connected with an investment in the Stapled Securities, as discussed under “Risk Factors”.

INDICATIVE TIMETABLE

An indicative timetable for the Offering and trading in the Stapled Securities is set out below for the reference of applicants for the Stapled Securities:

Date and time	Event
17 August 2012, 9.00 a.m.	: Opening date and time for the Public Offer.
23 August 2012, 12.00 noon	: Closing date and time for the Public Offer.
24 August 2012	: Balloting of applications under the Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants and commence returning or refunding of application monies to successful applicants for the amount paid in excess of the Offering Price, if necessary.
27 August 2012, at or before 2.00 p.m.	: Completion of the acquisition of the Properties.
27 August 2012, 2.00 p.m.	: Commence trading on a “ready” basis.
30 August 2012	: Settlement Date for all trades done on a “ready” basis on 27 August 2012.

The above timetable is only indicative and is subject to change. It assumes:

- that the closing of the application list for the Public Offer (the “**Application List**”) is 23 August 2012;
- that the Listing Date is 27 August 2012,
- compliance with the SGX-ST’s Stapled Securities holding spread requirement; and
- that the Stapled Securities will be issued and fully paid up prior to 2.00 p.m. on 27 August 2012.

All dates and times referred to above are Singapore dates and times.

Trading in the Stapled Securities on a “ready” basis is expected to commence at 2.00 p.m. on 27 August 2012 (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Stapled Securities on a “ready” basis have been fulfilled), as the completion of the acquisition of the Properties is expected to take place at or before 2.00 p.m. on 27 August 2012. (See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties” for further details.)

If Far East H-REIT is terminated, or Far East H-BT is wound up, or the Stapled Securities are unstapled under the circumstances specified in the Far East H-REIT Trust Deed, Far East H-BT Trust Deed and the Stapling Deed respectively prior to, or if the acquisition of the Properties is not completed by, 2.00 p.m. on 27 August 2012 (being the time and date of commencement of trading in the Stapled Securities), the Offering will not proceed and the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any right or claim against Far

East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners). (See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — The Formation and Structure of Far East H-REIT — Termination of Far East H-REIT” for further details.)

In the event of an early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Managers will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: <http://www.sgxnet.sgx.com>; and
- in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

Investors should consult the SGX-ST announcement on the “ready” trading date on the internet (at the SGX-ST website: <http://www.sgx.com>), or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

The Managers will provide details and results of the Public Offer through SGXNET and in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

The Managers reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Stapled Securities, without assigning any reason for it, and no enquiry and/or correspondence on the decision of the Managers will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Stapled Securities to a reasonable number of applicants with a view to establishing an adequate market for the Stapled Securities.

Where an application is rejected or accepted in part only or if the Offering does not proceed for any reason, the full amount or, as the case may be, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners.

Where an application is not successful, the refund of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, is expected to be completed, at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F, “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore”).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days¹ after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the

1 “Market Day” means any day on which the SGX-ST is open for trading in securities.

procedures set out in Appendix F, “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore”).

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days¹ after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F, “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore”).

¹ “**Market Day**” means any day on which the SGX-ST is open for trading in securities.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following tables are only an extract from, and should be read together with, "Unaudited Pro Forma Financial Information" and the report set out in Appendix B, "Independent Accountants' Report on the Examination of the Unaudited Pro Forma Financial Information".

The unaudited pro forma financial information for Far East H-REIT, based on the Offering Price, assuming that the Over-Allotment Option is fully exercised, is as follows:

Unaudited Pro Forma Statements of Total Return of Far East H-REIT

	FY2009	FY2010	FY2011	1Q2011	1Q2012
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Total Gross Revenue	73,922	92,895	104,396	24,370	28,722
Property Expenses	(8,475)	(8,945)	(9,709)	(2,309)	(2,755)
Net Property Income	65,447	83,950	94,687	22,061	25,967
REIT Manager's management fees ⁽¹⁾	(9,047)	(9,796)	(10,254)	(2,492)	(2,656)
REIT Trustee's fees ⁽¹⁾	(429)	(429)	(431)	(107)	(108)
Other trust expenses	(18,028) ⁽²⁾	(1,040)	(1,082)	(270)	(281)
Finance costs (net) ⁽³⁾	(16,288)	(16,360)	(16,508)	(4,101)	(4,160)
Net income before tax and fair value change	21,655	56,325	66,412	15,091	18,762
Fair value change in investment properties	34,897	-	-	-	-
Net income before tax	56,552	56,325	66,412	15,091	18,762
Income tax expense	-	-	-	-	-
Net income after tax	56,552	56,325	66,412	15,091	18,762
Add / (Less): Non-tax (chargeable) / deductible items (net) ⁽⁴⁾	(9,553)	8,916	9,284	2,264	2,395
Income available for distribution to holders of Far East H-REIT units	46,999	65,241	75,696	17,355	21,157

Notes:

- (1) Computed on the assumption that capital expenditure incurred for the respective periods was capitalised as part of the value of the relevant Property and, as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and trustee fees payable to the REIT Trustee.
- (2) Other trust expenses for FY2009 include one-off non-capitalised issuance costs.
- (3) Computed on the assumption that capital expenditure incurred for the respective periods was funded by borrowings.
- (4) "Non-tax (chargeable) / deductible items" comprise the REIT Manager's management fees paid or payable in Stapled Securities, the REIT Trustee's fees, amortisation of upfront debt financing costs, fair value change in investment properties and non-capitalised issuance costs.

Unaudited Pro Forma Balance Sheets of Far East H-REIT

	As at 31 December 2011	As at 31 March 2012
	(S\$'000)	(S\$'000)
Non-current assets		
Investment properties	2,139,850	2,139,850
Current assets		
Cash and cash equivalents	5,527	5,527
Total assets	<u>2,145,377</u>	<u>2,145,377</u>
Current liabilities		
Rental deposits	4,557	4,557
Non-current liabilities		
Borrowings (net of upfront debt financing costs)	647,150	647,150
Total liabilities (excluding net assets attributable to holders of Far East H-REIT Units)	<u>651,707</u>	<u>651,707</u>
Net assets attributable to holders of Far East H-REIT Units	<u>1,493,670</u>	<u>1,493,670</u>
Number of Far East H-REIT Units in issue ('000)	<u>1,603,888</u>	<u>1,603,888</u>
Net asset value per Far East H-REIT Unit (S\$)	<u>0.93</u>	<u>0.93</u>

Unaudited Pro Forma Cash Flow Statements of Far East H-REIT

	FY2011	1Q2012
	(S\$'000)	(S\$'000)
Operating activities		
Net income before income tax	84,527	18,825
Adjustments for:		
Finance costs ⁽¹⁾	16,364	4,124
Fair value change in investment properties	(34,897)	-
Non-capitalised issuance costs	17,028	-
REIT Manager's management fees paid or payable in Far East H-REIT Units ⁽¹⁾	8,188	2,121
Operating income before working capital changes	91,210	25,070
Changes in trade payables	171	6
Changes in trade receivables	(7,299)	(825)
Finance costs paid ⁽²⁾	(15,714)	(3,961)
Cash flows from operating activities	68,368	20,290
Investing activities		
Purchase of investment properties and related assets and liabilities ⁽³⁾	(2,100,396)	-
Capital expenditure	(9,525)	(1,296)
Cash flows used in investing activities	(2,109,921)	(1,296)
Financing activities		
Proceeds from issue of Far East H-REIT Units (net of issuance costs)	1,458,773	-
Proceeds from borrowings ⁽⁴⁾	656,674	1,296
Distribution to holders of Far East H-REIT Units	(56,944)	(18,981)
Cash flows from/(used in) financing activities	2,058,503	(17,685)
Net increase in cash & cash equivalents	16,950	1,309
Cash & cash equivalents at beginning of year/period	-	16,950
Cash & cash equivalents at end of year/period	16,950	18,259

Notes:

- (1) Computed on the assumption that capital expenditure incurred for the respective periods was capitalised as part of the value of the relevant Property and as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and trustee fees payable to the REIT Trustee.
- (2) Computed on the assumption that all incurred finance costs were paid out in the respective periods.
- (3) Inclusive of rental deposit which was assumed to be S\$4.6 million.
- (4) Computed on the assumption that capital expenditure incurred for the respective periods was funded by borrowings.

PROFIT FORECAST AND PROFIT PROJECTION

Far East H-BT will not make distributions for the period in which it is dormant. Therefore distributions by Far East H-Trust, when Far East H-BT is dormant, will comprise distributions by Far East H-REIT solely.

The following is an extract from “Profit Forecast and Profit Projection”. Statements contained in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out in “Profit Forecast and Profit Projection” and are subject to certain risks and uncertainties that could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved (see “Forward-looking Statements” and “Risk Factors”). Prospective investors in the Stapled Securities are cautioned not to place any undue reliance on these forward-looking statements that are valid only as at the date of this Prospectus.

None of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantee the performance of Far East H-Trust, Far East H-REIT and Far East H-BT, the repayment of capital or the payment of any distributions, or any particular return on the Stapled Securities. The forecast and projected yields stated in the following tables are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 August 2012.***

Such yields will vary accordingly if the Listing Date is not 1 August 2012, or for investors who purchase the Stapled Securities in the secondary market at a market price that differs from the Offering Price.

The following tables show the forecast and projected statements of total return for Forecast Period 2012 and Projection Year 2013 of Far East H-REIT. The financial year-end of Far East H-REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of the Stapled Securities is other than 1 August 2012, being the assumed date of the issuance of the Stapled Securities for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out in “Profit Forecast and Profit Projection” and have been examined by Ernst & Young LLP as the independent accountants (the “**Independent Accountants**”), and should be read together with the report set out in Appendix A, “Independent Accountants’ Report on the Profit Forecast and Profit Projection”, as well as the assumptions and the sensitivity analysis set out in “Profit Forecast and Profit Projection”.

While profit forecasts have been prepared for Forecast Period 2012, being the period commencing from 1 August 2012 and ending 31 December 2012, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of hospitality properties is generally better in the second half of the year as compared to the first half of the

year. Hence, comparisons between the annualised financial performance of the Properties from Forecast Period 2012 and Projection Year 2013 are unlikely to provide accurate reflections of the expected changes in financial performance from 2012 to 2013.

Far East H-REIT Forecast and Projected Statements of Total Return

The forecast and projected statements of total return for Far East H-REIT based on the Offering Price, assuming the Over-Allotment Option is fully exercised, is as follows:

	Forecast Period 2012	Projection Year 2013
	(S\$'000)	(S\$'000)
Total Gross Revenue	49,752	124,831
Less: Property Expenses	(4,620)	(11,717)
Net Property Income	45,132	113,114
REIT Manager's management fees	(4,485)	(10,983)
REIT Trustee's fees	(179)	(431)
Other trust expenses	(17,444) ⁽¹⁾	(1,040)
Finance costs (net) ⁽²⁾	(6,733)	(16,387)
Net income before tax and fair value change	16,291	84,273
Fair value change in investment properties	34,897	-
Net income before tax	51,188	84,273
Income tax expense	-	-
Net income after tax	51,188	84,273
Add / (Less): Non-tax (chargeable) / deductible items (net) ⁽³⁾	(13,831)	9,880
Income available for distribution to holders of Far East H-REIT Units	37,357⁽⁴⁾	94,153

	Forecast Period 2012	Projection Year 2013
	Based on the Offering Price	Based on the Offering Price
Weighted average number of Stapled Securities in issue ⁽⁵⁾ ('000)	1,607,746	1,613,640
Distribution per Stapled Security (cents)	2.32	5.83
Offering Price (S\$)	0.93	0.93
Distribution yield (%)	6.0⁽⁶⁾	6.3

Notes:

- (1) Other trust expenses for Forecast Period 2012 include one-off non-capitalised issuance costs.
- (2) Finance costs comprise interest expense, amortisation of upfront debt financing costs and other bank charges and fees.
- (3) **"Non-tax (chargeable) / deductible items"** comprise the REIT Manager's management fees paid or payable in Stapled Securities, the REIT Trustee's fees, amortisation of upfront debt financing costs, fair value change in investment properties and non-capitalised issuance costs.
- (4) Stapled Securityholders will not be entitled to distributable income from 1 August 2012 to the day preceding the actual Listing Date.
- (5) Includes the assumed payment of 80.0% of the REIT Manager's management fees for the relevant period in the form of Stapled Securities issued at the respective assumed offering price.
- (6) Annualised by extrapolating the Forecast Period 2012 figures for a year.

Total Gross Revenue and Net Property Income Contribution of Individual Property

The forecast and projected contribution of the Properties to Total Gross Revenue (as defined herein) is as follows:

	Forecast Period 2012		Projection Year 2013	
	(S\$'000)	%	(S\$'000)	%
Hotels				
Albert Court Village Hotel	2,787	5.6	7,001	5.6
Changi Village Hotel	5,645	11.3	14,207	11.4
The Elizabeth Hotel	4,458	9.0	11,213	9.0
Landmark Village Hotel	5,619	11.3	14,126	11.3
Oasia Hotel	7,250	14.6	18,200	14.6
Orchard Parade Hotel	11,495	23.1	28,801	23.1
The Quincy Hotel	1,906	3.8	4,797	3.8
Sub-Total	39,160	78.7	98,345	78.8
Serviced Residences				
Central Square Village Residences	4,149	8.3	10,311	8.3
Hougang Village Residences	1,245	2.5	3,271	2.6
Regency House	2,996	6.0	7,520	6.0
Riverside Village Residences	2,202	4.5	5,384	4.3
Sub-Total	10,592	21.3	26,486	21.2
Total	49,752	100.0	124,831	100.0

The forecast and projected contribution of the Properties to Net Property Income is as follows:

	Forecast Period 2012		Projection Year 2013	
	(S\$'000)	%	(S\$'000)	%
Hotels				
Albert Court Village Hotel	2,452	5.4	6,158	5.4
Changi Village Hotel	5,319	11.8	13,386	11.8
The Elizabeth Hotel	4,210	9.3	10,589	9.4
Landmark Village Hotel	5,283	11.7	13,281	11.7
Oasia Hotel	6,930	15.4	17,394	15.4
Orchard Parade Hotel	10,388	23.0	26,018	23.0
The Quincy Hotel	1,808	4.0	4,550	4.0
Sub-Total	36,390	80.6	91,376	80.7
Serviced Residences				
Central Square Village Residences	3,333	7.4	8,209	7.3
Hougang Village Residences	1,086	2.4	2,834	2.5
Regency House	2,420	5.4	6,071	5.4
Riverside Village Residences	1,903	4.2	4,624	4.1
Sub-Total	8,742	19.4	21,738	19.3
Total	45,132	100.0	113,114	100.0

RISK FACTORS

Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Stapled Securities. The risks described below are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the REIT Manager and/or the Trustee-Manager or which may not be material now but could turn out to be material in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on Far East H-Trust or impair the business operations of Far East H-Trust. The market price of the Stapled Securities could decline due to any of these risks and Stapled Securityholders may lose all or part of their investment. In addition, this Prospectus does not constitute advice to you relating to investing in the Stapled Securities and investors should make their own judgment or consult their own investment advisers before making any investment in the Stapled Securities.

This Prospectus also contains forward-looking statements (including profit forecasts and profit projections) that involve risks, uncertainties and assumptions. The actual results of Far East H-Trust, Far East H-REIT and/or Far East H-BT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Far East H-Trust as described below and elsewhere in this Prospectus.

Due to the fact that Far East H-Trust comprises Far East H-REIT and Far East H-BT, risk factors for Far East H-Trust include considerations relevant to the Stapled Securities, collective investment schemes and business trusts.

As an investment in the Stapled Securities is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of the Stapled Securities, and the income from them, might fall or rise. Investors should note that they might not get back their original investment.

Before deciding to invest in the Stapled Securities, prospective investors should seek professional advice from their own investment or other advisers about their particular circumstances.

RISKS RELATING TO THE HOSPITALITY AND HOSPITALITY-RELATED INDUSTRIES

The financial performance of Far East H-Trust is dependent on the conditions and outlook of the hospitality and hospitality-related industries in Singapore.

Far East H-Trust comprises Far East H-REIT and Far East H-BT. The Initial Portfolio of Far East H-REIT comprises the seven Hotels and four Serviced Residences, all of which are located in Singapore. Far East H-BT will not own any properties as at the Listing Date.

On the Listing Date, each Property will be leased to a Master Lessee. Far East H-REIT is dependent upon rental payments from the Master Lessees. The rental payment under each Master Lease Agreement is principally dependent on the gross operating revenue and gross operating profit for each of the Properties. Therefore, any deterioration in such gross operating revenue and gross operating profit of the Properties will have a material adverse effect on the profitability and financial condition of Far East H-Trust and consequently, distributions to Stapled Securityholders.

A number of factors, many of which are wholly or partly beyond the control of Far East H-Trust and the Managers, could affect the financial performance of Far East H-Trust. These factors include, but are not limited to, the following (some of which are further elaborated upon and discussed below):

- the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and viral epidemics such as human avian flu and SARS that may result in reduced occupancy rates and RevPAR or, as the case may be, RevPAU for the hospitality and hospitality-related assets of Far East H-Trust;
- increased threat of terrorism, terrorist events, aviation-related strikes, hostilities between countries or increased risk of natural disasters which may affect travel patterns and reduce the number of business and commercial travellers and tourists;
- dependence on business and commercial travel, leisure travel and tourism, all of which may affect the length of a traveller's stay;
- changes in Far East H-Trust's relationships with, and the performance and reputation of, the Master Lessees and/or the Hotel and Serviced Residence Operator;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- the nature and length of a typical hotel guest's stay as hotel guests typically stay on a short-term basis and there is therefore no assurance of long-term occupancy for hotel rooms. Factors which may affect the above include:
 - seasonality patterns in tourism arrival numbers throughout the year;
 - decrease in longer-term business travel and corporate executives requiring mid-to long-term accommodation;
 - frequency of events or conferences in the surrounding vicinity of each Property or future hospitality or hospitality-related asset of Far East H-Trust; and
 - slowdown in tourism, business and conferences where the Properties are located, which may adversely affect the length of a traveller's stay;
- increase in operating costs due to inflation, labour costs (including the impact of unionisation), workers' compensation and healthcare-related costs, utility costs, insurance and unanticipated costs such as those resulting from acts of nature and their consequences;
- relations between Far East H-Trust and service providers or lenders;
- difficulties in identifying hospitality and hospitality-related assets to acquire and difficulties in completing and integrating acquisitions; and
- the provision of existing or planned amenities and transportation infrastructure near the Properties and/or future hospitality and hospitality-related assets of Far East H-Trust.

These factors could have adverse effects on Far East H-Trust's financial condition, results of operations and ability to make distributions to Stapled Securityholders.

The hospitality industry is highly competitive and the performance of Far East H-Trust may be affected by increasing supply of hospitality assets in Singapore.

The hospitality industry in Singapore is highly competitive. Each of the Properties experiences competition primarily from other similar-grade hospitality properties in their immediate vicinity, and also with other hospitality properties in Singapore. The level of competition in the Singapore hospitality industry is affected by various factors, including without limitation changes in local, regional and global economic conditions, the supply and demand for hotel rooms and/or serviced residence units and changes in travel patterns and preferences. Competing hospitality properties may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the Properties. Competitors may also significantly lower their rates or offer additional services or amenities to attract more guests. If these efforts are successful, the results of operations at the Properties may be adversely affected.

(See “Business and Properties — Competition” for further details.)

According to CBRE, an estimated 30 new hotels with approximately 7,229 hotel rooms and an estimated seven serviced residences with approximately 783 serviced residence units are expected to enter the market by the end of 2014. (See Appendix D, “Independent Hospitality Industry Report” for further details.) The new supply of hotels, serviced residences or other accommodation options in Singapore could adversely impact the occupancy rates and revenues of the Properties or future hospitality and/or hospitality-related assets of Far East H-Trust, which would in turn have adverse effects on Far East H-Trust’s financial condition, results of operations and ability to make distributions to Stapled Securityholders.

The hospitality industry is service-oriented and Far East H-Trust may be adversely affected if it is unable to compete effectively for skilled hospitality employees.

The hospitality industry is a service-oriented industry and is very labour-intensive. Competitors may compete aggressively for skilled hospitality employees, which would increase the operating cost of the Properties. In addition, the hospitality staff of Far East H-Trust may be poached by existing or new competitors in the market, which may have an adverse effect on the operations of the affected Property. A shortage of manpower may translate to lower service quality, which may in turn affect guests’ lodging experience and lead existing customers to prefer alternative accommodation from competitors of Far East H-Trust.

Acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of Far East H-Trust may adversely affect the financial performance of Far East H-Trust.

Far East H-Trust may be adversely affected by acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (such as human avian flu and severe acute respiratory syndrome (“**SARS**”)) and other events beyond the control of Far East H-Trust. The Managers cannot predict the extent to which these factors will, directly or indirectly, impact distributions to Stapled Securityholders, the hospitality and hospitality-related industries or the operating results and overall financial performance of Far East H-Trust in the future.

In the event of any future outbreak of widespread communicable diseases, the World Health Organisation and certain governments may issue travel advisories against non-essential travel to affected regions, or even impose travel restrictions. Any such travel advisories or

restrictions into Singapore are likely to have a material adverse effect on the number of international visitor arrivals and therefore the corresponding demand for hospitality properties under Far East H-REIT's portfolio. Accordingly, the spread of any other contagious or virulent disease and any consequential travel advisories or restrictions may adversely affect the business of the hospitality properties in Far East H-REIT's portfolio, which in turn may adversely affect Far East H-Trust's financial condition, results of operations and ability to make distributions to Stapled Securityholders.

Far East H-Trust's financial performance may be affected by changes in travel patterns resulting from increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns.

Changes in travel patterns can be erratic and this may adversely affect the revenue and gross operating profit of the hospitality and hospitality-related assets in Far East H-Trust's portfolio, with a consequential impact on the revenue of Far East H-Trust and the distributions to be made to Stapled Securityholders.

Increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns may deter travellers and the financial performance of Far East H-Trust may be adversely affected as a consequence. These travellers represent a crucial source of income for the hospitality and hospitality-related assets of Far East H-Trust. Any sustained or material decline in traveller numbers may adversely affect Far East H-Trust's financial condition, results of operations and ability to make distributions to Stapled Securityholders.

The hospitality business is a regulated business.

The operation of hospitality properties in Singapore is subject to various laws and regulations, such as the Hotels Act, Chapter 127 of Singapore (the "**Hotels Act**") and the Innkeepers Act, Chapter 139 of Singapore, which hotels in Singapore are required to be licensed under. The withdrawal, suspension or non-renewal of any of these licences, or the imposition of any penalties as a result of any infringement or non-compliance with any requirement of any of these licences, will have an adverse impact on the business and results of operations of the Hotels. Further, any changes in such laws and regulations, or the imposition of any new laws and regulations, may also have an impact on the businesses at the Properties and result in higher costs of compliance. In addition, any failure to comply with these laws and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the revenues and profits of the Properties or otherwise adversely affect the Properties' operations and the ability of Far East H-Trust to make distributions to Stapled Securityholders.

RISKS RELATING TO FAR EAST H-TRUST'S OPERATIONS AND THE PROPERTIES

The Sponsor will be a controlling holder of Stapled Securities, and will be able to exercise influence over certain activities of Far East H-Trust.

The Sponsor is engaged in, among other things, hospitality management and operation, as well as investing in real estate and real estate-related assets in Singapore which are used primarily for hospitality and/or hospitality-related purposes. The Sponsor will, immediately after the completion of the Offering, hold 898,178,000 Stapled Securities constituting an

aggregate of 56.0% of the total number of Stapled Securities expected to be in issue through FEOC, Golden Development Private Limited, Golden Landmark Pte Ltd, Oxley Hill Properties Pte Ltd and Riverland Pte Ltd, being members of the Sponsor (assuming the Over-Allotment Option is not exercised) or 832,305,000 Stapled Securities constituting approximately 51.9% of the total number of Stapled Securities expected to be in issue (assuming the Over-Allotment Option is exercised in full).

The Sponsor will therefore be in a position to exercise influence in matters which require the approval of Stapled Securityholders.

There may be potential conflicts of interest between Far East H-Trust, the Managers, the Hotel and Serviced Residence Operator and the Sponsor.

The Sponsor may exercise influence over the activities of Far East H-Trust through the Managers, which are each 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, a member of the Sponsor. FEOPL, another member of the Sponsor, holds a 59.8% stake in Far East Orchard, which owns the remaining 33.0% shareholding in each of the REIT Manager (which in turn wholly owns the Hotel and Serviced Residence Operator) and the Trustee-Manager. As a result, the strategy and activities of Far East H-Trust may be influenced by the overall interests of the Sponsor, including acquisitions of properties and competition for clients. Moreover, the Sponsor may in the future sponsor, manage or invest in other REITs, business trusts or other vehicles which may also compete directly with Far East H-Trust. There can be no assurance that conflicts of interest will not arise between Far East H-Trust and the Sponsor in the future, whether in relation to the future acquisition of additional properties or property-related investments or in relation to competition for tenants in Singapore.

The loss of a Master Lessee, a downturn in the business of a Master Lessee or any breach by a Master Lessee or the Corporate Guarantor of their respective obligations under the relevant Master Lease Agreement and the Corporate Guarantees could have an adverse effect on the financial condition and results of operations of Far East H-Trust.

On the Listing Date, each Property will be leased to a Master Lessee. Far East H-REIT is dependent upon rental payments from the Master Lessees as Far East H-REIT cannot directly operate the Properties under the Property Funds Appendix. Far East H-REIT's revenue, financial condition, results of operations and ability to make distributions to Stapled Securityholders will depend upon the performance of the Master Lessees and their ability to make timely rental payments.

The Master Lessees have appointed the Hotel and Serviced Residence Operator to manage the Properties. The performance of the Master Lessees and their ability to pay rent may be affected by factors beyond their control, such as the performance of the Hotel and Serviced Residence Operator, as well as changes in general economic conditions, the level of demand for the Properties, competition in the hospitality and hospitality-related industries and other factors relating to the operations of the Properties.

While the REIT Trustee has been granted a corporate guarantee in respect of each of the Master Lease Agreements, save for Orchard Parade Hotel (the "Corporate Guarantees"), there is no assurance that FEOC, Golden Development Private Limited and Far East Orchard, in their capacity as guarantor of the relevant Corporate Guarantees (the "Corporate

Guarantor”), will be able to fulfil its obligations under the Corporate Guarantees. As such, the financial condition and results of operations of Far East H-Trust may be adversely affected by the bankruptcy, insolvency or downturn in the business of any Master Lessee or the Corporate Guarantor. (See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Corporate Guarantees” for further details.)

If any Master Lessee terminates or does not renew the Master Lease Agreements on expiry, the financial performance, and consequently the distributions which Far East H-Trust may be able to make to Stapled Securityholders, may be adversely affected. The amount of rental and the terms on which each Master Lease Agreement is renewed may be less favourable than the current Master Lease Agreement. The replacement of a master lessee on satisfactory terms may not be carried out in a timely manner or at all. Notwithstanding that as a last resort, Far East H-BT will step in as the master lessee, there can be no assurance that Far East H-BT will be able to provide a similar amount of income from such Properties.

Far East H-REIT has no direct control over the Master Lessees and the Hotel and Serviced Residence Operator.

The financial performance of Far East H-REIT, including the distributions which may be made to Stapled Securityholders, is dependent upon the gross operating revenue and gross operating profit of each of the Properties. Far East H-REIT has entered into long-term master lease agreements with each of the Master Lessees which generally have, subject to certain limitations, full discretion in the operation of the Properties. The Master Lessees have in turn each entered into a hospitality management agreement with the Hotel and Serviced Residence Operator (the “**Hospitality Management Agreements**”). Although Far East H-REIT has the right, under certain limited circumstances, to approve the replacement of the Hotel and Serviced Residence Operator, there is no direct contractual relationship between Far East H-REIT and the Hotel and Serviced Residence Operator. Accordingly, the financial performance of Far East H-REIT is dependent on the performance of the Master Lessees and the Hotel and Serviced Residence Operator even though Far East H-REIT has no control over the operations, management, branding or marketing of the Properties. There is therefore no assurance that the Properties will continue to be operated, managed, maintained, branded or marketed well in the future.

The approval thresholds for the removal of the REIT Manager and the Trustee-Manager are different.

The circumstances in which the REIT Manager and the Trustee-Manager may be removed differ:

- Under the Far East H-REIT Trust Deed, the REIT Manager may be removed by the REIT Trustee upon the occurrence of a number of events, including the passing of a resolution by a majority consisting of 50.0% or more of the total number of votes present and voting (with no participants being disenfranchised) at a meeting of holders of Far East H-REIT Units duly convened and held. (See “Management and Corporate Governance — Far East H-REIT — Retirement or Removal of the REIT Manager” for further details.)
- The Far East H-BT Trust Deed however provides that the Trustee-Manager may be removed only by a resolution duly passed by a majority of holders of Far East H-BT

Units consisting of 75.0% or more of the total number of votes present and voting (with no participants being disenfranchised) at a meeting of holders of Far East H-BT Units duly convened and held. (See “Management and Corporate Governance — Far East H-BT — Retirement or Removal of the Trustee-Manager” for further details.)

The lower threshold of approval of Stapled Securityholders for the removal of the REIT Manager, as well as the existence of other grounds, gives rise to a higher possibility of the REIT Manager being removed and replaced as compared to the Trustee-Manager. In the event that the REIT Manager is removed and replaced, the Trustee-Manager will be required to cooperate with the new manager of Far East H-REIT (which will have a different board of directors from the Trustee-Manager) in the management of Far East H-Trust.

If the CMS Licence of the REIT Manager is cancelled or not renewed by the MAS, the operations of Far East H-REIT will be adversely affected.

The CMS Licence issued to the REIT Manager is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the REIT Manager is cancelled by the MAS, it will not be able to continue to be the manager of Far East H-REIT and the operations of Far East H-REIT will be adversely affected if no suitable manager is found or can be found in a timely manner.

There is no assurance that Far East H-Trust will be able to leverage on the Sponsor’s experience in the operation of hospitality properties.

Upon completion of the Offering, the Sponsor will hold an effective interest in 56.0% of the Stapled Securities (assuming the Over-Allotment Option is not exercised) or 51.9% of the Stapled Securities (assuming the Over-Allotment Option is exercised in full) through FEOC, Golden Development Private Limited, Golden Landmark Pte Ltd, Oxley Hill Properties Pte Ltd and Riverland Pte Ltd, being members of the Sponsor, and accordingly be a controlling holder of Far East H-REIT Units and Far East H-BT Units. (See “Ownership of the Stapled Securities” for further details.) FEOC, Golden Development Private Limited and F. E. Holdings Pte. Ltd. have each also agreed to the Lock-up Period in respect of its effective interest in the relevant Lock-up Stapled Securities held by it on the Listing Date, directly (in the case of FEOC and Golden Development Private Limited) and/or indirectly ((i) in the case of Golden Development Private Limited, through Oxley Hill Properties Pte Ltd and (ii) in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd). There is no assurance that the Sponsor will not dispose of its effective interest in the Stapled Securities following the expiry of the Lock-up Period. In the event that the Sponsor decides to transfer or dispose of its effective interest in the Stapled Securities, Far East H-Trust may no longer be able to leverage on the Sponsor’s experience in the ownership and operation of hospitality properties, market research and network of contacts in the hospitality and hospitality-related industries to further its growth. This may have a material and adverse impact on Far East H-Trust’s results of operations and financial condition which may, as a consequence, affect Far East H-Trust’s ability to make distributions to Stapled Securityholders.

Far East H-REIT's strategy of investing mainly in hospitality and/or hospitality-related assets in Singapore may entail a higher level of risk compared to trusts with a more diverse range of investments or larger geographical scope.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

A concentration of investments in a portfolio of such a specific class of real estate assets may cause Far East H-REIT to be susceptible to a downturn in the hospitality and hospitality-related industries in Singapore. Any decline in occupancy rates may have an adverse effect on the RevPAR or RevPAU for the Properties and/or a decline in the capital value of the portfolio of Far East H-REIT, which in turn may have an adverse impact on Far East H-REIT's distributions to Stapled Securityholders and/or on the results of operations and financial condition of Far East H-REIT.

The appraisals of the Properties are based on various assumptions and the price at which Far East H-Trust is able to sell a Property in future may be different from the initial acquisition price of the Property.

The valuation of each of the Properties prepared by the Independent Valuers is contained in Appendix C, "Independent Property Valuation Summary Reports". The appraisals of the Properties are based on different methodologies. Primarily, the discounted cash flow method and the income capitalisation method were employed and there can be no assurance that the assumptions relied on are accurate measures of the market. The appraisals of the Properties arrived at by the Independent Valuers may have included a subjective determination of certain factors relating to the Properties, such as their relative market positions, financial and competitive strengths and physical condition. Accordingly, the values of the Properties may have been evaluated inaccurately. The appraised value of any of the Properties or any future acquisitions is not an indication of, and does not guarantee, a sale price at that value at present or in future. The price at which Far East H-Trust may be able to sell a Property may be lower than its appraised value or the initial acquisition price of the Property.

The REIT Manager may not be able to successfully implement its investment strategy.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing. Regular distributions to Stapled Securityholders will be made by the REIT Manager. However, there can be no assurance that the REIT Manager will be able to implement its investment strategy successfully or that it will be able to expand Far East H-REIT's portfolio at all, or at any specified rate or to any specified size. Acquisitions may cause disruptions to the operations of Far East H-REIT and divert management's attention away from day-to-day operations. Further, there may be significant competition for attractive investment opportunities from other real estate investors. There is no assurance that the REIT Manager will be able to make any acquisitions or investments on favourable terms or within a desired time frame. Far East H-REIT may also rely on external sources of funding for acquisitions, which may not be available on favourable terms or at all.

The REIT Manager may change Far East H-REIT's investment strategy.

Far East H-REIT's policy with respect to certain activities, including investment and acquisitions, will be determined by the REIT Manager. Far East H-REIT's principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection with the foregoing, may not be changed for a period of three years commencing from the Listing Date (as the Listing Manual prohibits a departure from the REIT Manager's stated investment strategy for Far East H-REIT for the said period unless otherwise approved by an Extraordinary Resolution of holders of Far East H-REIT Units). However, after this initial period of three years, the REIT Manager may change Far East H-REIT's investment strategy without the approval of holders of Far East H-REIT Units, as the Far East H-REIT Trust Deed gives the REIT Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets, as well as listed and unlisted securities in Singapore and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

The hospitality and hospitality-related businesses are capital intensive and the growth of Far East H-Trust may be affected if it is unable to obtain financing on favourable terms or at all.

The Properties will require periodic capital expenditure for purposes of refurbishments, renovation and improvements. Acquisitions or development of additional hospitality and/or hospitality-related assets may also require significant funding. There is no assurance that Far East H-Trust will be able to fund the foregoing capital requirements solely from cash provided from its operating activities. Additional equity or debt financing is subject to prevailing conditions in the equity and debt markets and may not be available on favourable terms or at all.

The amount Far East H-REIT may borrow is subject to the aggregate leverage limit set out in the Property Funds Appendix, which may affect the operations of Far East H-Trust.

Under the Property Funds Appendix, Far East H-REIT's total borrowings, including deferred payments for assets whether to be settled in cash, Far East H-REIT Units or, as the case may be, Stapled Securities, may not exceed 35.0% of the value of the Far East H-REIT Deposited Property at the time the borrowing is incurred (the "**Aggregate Leverage**"). The Aggregate Leverage limit may be increased up to a maximum of 60.0% only if Far East H-REIT obtains and discloses to the public a credit rating from Fitch, Inc., Moody's or Standard & Poor's. However, the Far East H-REIT Debt Facilities agreement currently contains a covenant which limits Far East H-REIT's Aggregate Leverage to 55.0% if Far East H-REIT is rated. As at the Listing Date, Far East H-REIT will have an Aggregate Leverage of 30.4% of the Far East H-REIT Deposited Property.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to Far East H-REIT's existing portfolio or in relation to Far East H-REIT's future acquisitions of additional hospitality and/or hospitality-related assets to expand its portfolio;

- a decline in the value of the Far East H-REIT Deposited Property may cause the borrowing limit to be exceeded, thus affecting Far East H-REIT's ability to incur further borrowings; and
- cash flow shortages (including with respect to distributions) which Far East H-REIT might otherwise be able to resolve by borrowings.

Far East H-Trust faces risks associated with debt financing.

Both Far East H-REIT and Far East H-BT will be subject to risks associated with debt financing, including the risk that their cash flow will be insufficient to meet required payments of principal and interest under such financing and to make distributions to Stapled Securityholders.

Far East H-REIT's distribution policy is to distribute 100.0% of Far East H-REIT's Taxable Income for the Forecast Period 2012 and Projection Year 2013 and at least 90.0% of its Taxable Income thereafter. As a result of its distribution policy, if the cash flow from its operations is insufficient, Far East H-REIT may have to obtain additional debt or equity financing or both to meet its distribution obligations. There can be no assurance that such financing will be available on favourable terms or at all.

Both Far East H-REIT and Far East H-BT will also be subject to the risk that the terms of any refinancing (which may arise from a change of control provision) may not be as favourable and this may result in an increase in interest expense. This may adversely affect both Far East H-REIT's and Far East H-BT's cash flow and the amount of distributions they could make to Stapled Securityholders.

(See "— Far East H-Trust's distribution policy may cause Far East H-Trust to face liquidity constraints" and "Capitalisation and Indebtedness" for further details.)

Far East H-REIT and/or Far East H-BT may engage in interest rate hedging transactions, which can limit gains and increase exposure to losses.

Far East H-REIT and/or Far East H-BT may enter into interest rate hedging transactions to protect itself from the effects of changes in interest rates on floating rate debt and also to protect its portfolio from changes in interest rates, in order to reduce exposure to market volatility.

Interest rate hedging could fail to protect Far East H-Trust or adversely affect Far East H-Trust because, among other things:

- the party owing money in the hedging transaction may default on its obligation to pay or may become insolvent;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Far East H-REIT's or, as the case may be, Far East H-BT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments could reduce the NAV of Far East H-Trust.

Interest rate hedging involves risks and transaction costs, which may reduce overall returns for Far East H-Trust.

(See "Capitalisation and Indebtedness" and "Strategy" for further details.)

Far East H-Trust may be affected by adverse developments or negative publicity affecting the “Far East Organization” brand name.

Far East H-Trust is closely associated with the “Far East Organization” brand name. Any degradation or adverse market developments relating to the “Far East Organization” brand name or any negative publicity affecting the “Far East Organization” hospitality properties could adversely affect the results of operations of the Properties. Furthermore, any adverse developments, negative publicity and future financial challenges experienced by the Sponsor may directly result in negative perceptions of Far East H-Trust due to Far East H-Trust’s close association with the Sponsor, which could have a material adverse effect on the financial condition and results of operations of Far East H-Trust and, in turn, its ability to make distributions to Stapled Securityholders.

Far East H-Trust does not have an established operating history.

Far East H-REIT and Far East H-BT were constituted on 1 August 2012. The REIT Manager was incorporated on 28 January 2011, while the Trustee-Manager was incorporated on 30 April 2012. As such, Far East H-REIT, Far East H-BT and the Managers do not have operating histories by which their respective past performances may be judged. This will make it more difficult for prospective investors to assess their likely future performance. There can be no assurance that (i) Far East H-REIT and Far East H-BT will be able to generate sufficient revenue from operations to make distributions, (ii) such distributions will be in line with those set out in “Profit Forecast and Profit Projection”, or (iii) Far East H-BT will generate sufficient cash flow to meet its rental payment obligations to Far East H-REIT if it becomes a master lessee of any of the Properties.

Far East H-Trust may depend on certain key personnel, and the loss of any key personnel may adversely affect its operations.

The performance of Far East H-Trust may depend, in part, upon the continued service and performance of members of the senior management team and certain key senior personnel of the REIT Manager. These key personnel may leave the REIT Manager in the future or compete with the REIT Manager and Far East H-Trust. The loss of any of these individuals or of one or more of the REIT Manager’s other key employees and the inability to find suitable replacements on a timely basis could have a material adverse effect on the financial condition and results of operations of Far East H-Trust.

The Master Lessees may not maintain the Properties properly.

The Master Lessees may not maintain the Properties properly, resulting in substantial deferred capital expenditure. Lack of capital or insufficient cash flow may adversely impact future operations and profitability of the Properties, thereby adversely affecting the ability of the Master Lessees to fund costs of repairs, maintenance, renewals of FF&E, operating equipment¹ and inventories and/or to make rental payments to Far East H-Trust.

In addition, should the Master Lessees or the Hotel and Serviced Residence Operator fail to provide adequate management and maintenance, the value of the Properties may be

¹ Items customarily referred to as “operating equipment” in the hotel industry include, but are not limited to, glassware, silverware, cutlery, chinaware, crockery, linen and uniforms as well as all those items generally required for the day-to-day operation of a hotel.

adversely affected. Inadequate management and maintenance of the Properties may also result in a loss of tenants and rental income from the Properties, which may in turn adversely affect distributions to Stapled Securityholders.

Renovation work, repair and maintenance or physical damage to the Properties may disrupt the operations of Far East H-REIT.

The quality and design of the Properties influence the RevPAR or, as the case may be, RevPAU and the demand for hotel rooms or serviced residence units. The Properties may need to undergo renovation works from time to time to retain their attractiveness to tenants, and may also require ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations, such that there may be periodic capital expenditure beyond the REIT Manager's current estimate for refurbishment, renovation and improvements. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Properties age. The business and operations of the Properties may be disrupted as a result of renovation works and it may not be possible to collect the full rate of or, as the case may be, any rental income on the space affected by such renovation works. This may affect the performance of the Master Lessees of the affected Properties and their ability to make timely rental payments under the relevant Master Lease Agreements.

Far East H-REIT may be adversely affected by a delay in the completion of asset enhancement works currently in progress or contemplated.

Upon the acquisition of the Properties, Far East H-REIT shall enter into an agreement with each of the Vendors, pursuant to which the respective Vendors shall continue to assume the ongoing asset enhancement works at four of the Properties, namely Landmark Village Hotel, Orchard Parade Hotel, Central Square Village Residences and Riverside Village Residences. (See "Business and Properties — Recent or Upcoming Refurbishments Carried Out on the Properties" for further details.)

Any delay in the completion of the asset enhancement works may result in a potential loss in revenue, thereby adversely affecting the financial condition and results of operations of the relevant Properties and the rental payments made to Far East H-REIT. All this will in turn affect Far East H-Trust's financial condition, results of operations and ability to make distributions to Stapled Securityholders.

The REIT Manager may from time to time initiate asset enhancement on some of the Properties. There is no assurance that such plans for asset enhancement will materialise, and even in the event that they do materialise, they may incur substantial costs to Far East H-Trust and yet not achieve their desired results.

The Sponsor ROFRs will be terminated if the conditions to the Sponsor ROFRs remaining in full force and effect are not satisfied.

To facilitate acquisition growth, the Sponsor has granted the Sponsor ROFRs to Far East H-Trust over any future sales by a Relevant Entity¹ of income-producing properties located in Singapore which are primarily used for hospitality and/or hospitality-related purposes. (See also “Overview — Key Investment Highlights of Far East H-Trust” for further details on the Sponsor ROFR Properties as at 31 December 2011.)

The rights under the Far East Orchard ROFR are granted to Far East H-Trust with effect from the Listing Date and will cease immediately upon the occurrence of any of the following events: (i) the REIT Manager or any of its related corporations (as defined in the Companies Act) ceasing to be the manager of Far East H-REIT, (ii) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of Far East H-BT, or (iii) Far East Orchard and/or any of its subsidiaries, alone or in aggregate, ceasing to own 15.0% or more of the total issued share capital of each of the REIT Manager and the Trustee-Manager.

The rights under the Other ROFRs are granted to Far East H-Trust with effect from the Listing Date and will cease immediately upon the occurrence of any of the following events: (i) the REIT Manager or any of its related corporations (as defined in the Companies Act) ceasing to be the manager of Far East H-REIT, (ii) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of Far East H-BT, (iii) the Sponsor ceasing to own 15.0% or more of the total issued share capital of each of the REIT Manager and the Trustee-Manager, or (iv) the Sponsor ceasing to own 15.0% or more of the Stapled Securities in issue.

If any of the conditions to the Sponsor ROFRs ceases to be enforced, the Sponsor ROFRs will terminate and Far East H-Trust will not be able to benefit from the Sponsor ROFRs. This may adversely affect Far East H-Trust’s ability to implement its acquisition growth strategy.

(See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Right of First Refusal Agreements” for further details.)

If Far East H-BT steps in as a master lessee for any of the Properties, it may be required to indemnify the Hotel and Serviced Residence Operator.

In the event that Far East H-BT steps in as a master lessee for any of the Properties, it may be required to indemnify the Hotel and Serviced Residence Operator against any claims arising from the managing of the relevant Property, as the industry standard is for hotel and serviced residence operators to act merely as agents of the owner/lessee of the hospitality property. Accordingly, Far East H-BT may be required to indemnify the Hotel and Serviced Residence Operator for all claims from employees working at the relevant Property as well as

1 “Relevant Entity”:

- (i) In relation to the Far East Orchard ROFR, means Far East Orchard or any of its existing or future subsidiaries or existing or future private funds managed by Far East Orchard;
- (ii) In relation to the Other ROFR granted by FEOPL to the REIT Trustee and the Trustee-Manager, means FEOPL or any of its existing or future subsidiaries (excluding Far East Orchard and its subsidiaries) or existing or future private funds managed by FEOPL; and
- (iii) In relation to the Other ROFRs granted by each of (a) FEOC, (b) Golden Development Private Limited, (c) Glory Realty Co. Private Ltd., (d) F. E. Holdings Pte. Ltd., (e) Boo Han Holdings Pte. Ltd., (f) Lucky Realty Company Pte Ltd and (g) Orchard Landmark Pte. Ltd. to the REIT Trustee and the Trustee-Manager, means that member of the Sponsor or any of its existing or future subsidiaries or existing or future private funds managed by that member of the Sponsor.

former employees of the Property. There can be no assurance that any such claims will not adversely impact Far East H-BT's financial condition thereby affecting its ability to perform its duties as a master lessee, as well as its ability to make distributions (if any) to Stapled Securityholders.

The Managers' right to use the "Far East Hospitality" trade mark may cease.

The Licence Agreement has been entered into between the Managers and Far East Hospitality Services Pte Ltd, as owner of the trade mark "Far East Hospitality", to allow the Managers to use the "Far East Hospitality" name, *inter alia*, in connection with the business of Far East H-Trust. However, the Licence Agreement may be terminated by Far East Hospitality Services Pte Ltd giving at least three months' notice in writing to the Managers in the event that the FEO Group (as defined in the Licence Agreement) collectively ceases to hold at least 30% of the issued Stapled Securities in Far East H-Trust.

Should the Licence Agreement be terminated and the Managers cease to have the right to use the "Far East Hospitality" trade mark, this may adversely affect marketing activities and the business operations of Far East H-Trust. (See "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — "Licence Agreement" for further details.)

RISKS RELATING TO INVESTING IN REAL ESTATE

The Properties are located in Singapore, exposing Far East H-Trust to economic and real estate market conditions and changes in regulatory, fiscal and other governmental policies in Singapore.

An economic decline in Singapore could adversely affect Far East H-Trust's results of operations and future growth. Political upheavals, natural disasters, insurgency movements, riots and regulatory and governmental policies all play a pivotal role in the performance of Far East H-REIT's hospitality and hospitality-related assets.

Other local real estate market conditions which may adversely affect the performance of Far East H-Trust include the attractiveness of competing hospitality and/or hospitality-related assets or, for example, if there is an oversupply or reduced demand for such hospitality and hospitality-related assets.

In addition, the taxes imposed on the Properties are subject to changes in laws and regulations which may lead to an increase in tax rates or the introduction of new taxes. This could adversely affect and erode the returns from these Properties.

Defects affecting the Properties could result in the inability to operate the Properties and may affect the performance of the Master Lessees, causing them to be unable to make timely payments of rent.

The Master Lessees, as the tenants of the Properties, are not required to repair any latent or patent defects in the Properties or carry out structural or capital repairs. However, these defects could have an impact on the operations and/or cash flow of the Master Lessees, thereby potentially affecting the performance of the Master Lessees and resulting in their inability to make timely payments of rent, which would have an impact on the revenue, total returns and financial condition of Far East H-Trust.

The value of Far East H-Trust's assets might be adversely affected by uninsurable loss or if any of the Sponsor, the REIT Manager, the Master Lessees and/or, as the case may be, Far East H-BT do not provide adequate management and maintenance or purchase or put in place adequate insurance in relation to the assets of Far East H-REIT and potential liabilities to third parties (including potential liability claims).

Should the Sponsor, the REIT Manager, the Master Lessees and/or Far East H-BT (in the event it becomes a master lessee) fail to provide adequate management and maintenance, or fail to establish and maintain adequate insurance in relation to physical damage to any of the assets of Far East H-REIT by fire or other causes and potential liabilities to third parties (including public liability claims), Far East H-REIT may be exposed to various liabilities and losses to the extent that such assets and liabilities are not fully compensated by insurance proceeds.

As at the Listing Date, Far East H-REIT will have in place for the Properties fire insurance, all risks policies and insurance policies against physical damage and (in relation to the Excluded Commercial Premises only) rental losses from business interruption. Currently, the Sponsor also maintains various policies on a group basis. For cost efficiency reasons, Far East H-REIT may participate and insure against public liability under these policies up to certain limits. While the Sponsor has given an undertaking to Far East H-REIT that it is able, or would continue, to allow Far East H-REIT to participate in the Sponsor's policies and that it would keep these policies in full force and effect, continue to pay premiums in a timely manner and ensure that they are not voidable or breached on the part of the Sponsor, there is no assurance that these insurance policies would altogether be adequate for any of the assets of Far East H-REIT or that such insurance will be cost efficient or properly maintained. In the event that there is any breach or default in the policies, Far East H-REIT may not be properly or adequately insured. In addition, the insurance policies taken out by Far East H-REIT do not cover certain types of risks such as acts of war, contamination or other environmental breaches. Far East H-REIT would also be responsible for the deductibles to its policies.

Certain types of risks (such as war risk, losses caused by the withholding of supply of, e.g. utilities, by a supply authority and contamination or other environmental breaches) may be uninsurable or become uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur, Far East H-Trust could be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property. Far East H-Trust would also remain liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

Far East H-Trust may be subject to increase in property expenses and other operating expenses.

Far East H-Trust's ability to make distributions to Stapled Securityholders could be adversely affected if property expenses and other operating expenses increase.

Factors that could increase property expenses and other operating expenses include:

- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in insurance premiums;

- increases in the rate of inflation;
- defects affecting or environmental pollution in connection with Far East H-Trust's properties which need to be rectified, leading to unforeseen capital expenditure; and
- increases in the REIT Manager's management fees, the REIT Trustee's fee and other trust expenses.

There can be no assurance that should the property expenses and other operating expenses increase, such increase will not have a significant impact on Far East H-Trust's financial condition and total returns. In addition, such increase may adversely affect the ability of Far East H-Trust to make expected distributions to Stapled Securityholders.

The property tax to which Far East H-Trust is subject may increase.

Property expenses for Far East H-Trust include property tax on the Properties. Such property tax is based on 10.0% of the annual value of the Properties.

The property tax of Far East H-Trust in "Profit Forecast and Profit Projection" is computed on the basis that the annual value of the Hotels' hotel rooms and F&B outlets will be determined using the rental method, subject to the tax remission granted to Far East H-REIT by the Ministry of Finance on any amount of property tax on the Hotels payable by Far East H-REIT under the rental method which is in excess of the property tax on the Hotels under the gross receipts method. (See "Profit Forecast and Profit Projection" for further details.)

There is no assurance that the property tax of Far East H-Trust will remain as forecast and projected. The property tax expenses of Far East H-Trust may increase due to reasons including, but not limited to, the following:

- an increase in the applicable property tax rate;
- changes to the Property Tax (Valuation by Gross Receipts for Hotel Premises) Order, including, but not limited to, changes to the basis of assessment and rates of the gross receipts;
- changes to the basis of assessment for property tax; and
- changes to the relevant property tax legislation or regime, including, but not limited to, changes in the definition of annual value.

An increase in property tax may have a significant impact on the total returns, financial condition and cash flows of Far East H-Trust. In addition, such increase may adversely affect the ability of Far East H-Trust to make expected distributions to Stapled Securityholders.

Far East H-Trust may be adversely affected by the illiquidity of real estate investments.

Far East H-Trust's investment strategy is to invest on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. This involves a higher level of risk as compared to a portfolio which has a more diverse range of investments or larger geographical scope. Real estate investments, particularly investments in high value properties such as the Properties and those in which Far East H-Trust intends to invest, are relatively illiquid. Such illiquidity may affect Far East H-Trust's ability to optimise its investment portfolio or liquidate

its assets in response to changes in economic, real estate market or other conditions. For instance, Far East H-Trust may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in price in order to achieve a quick sale. Moreover, Far East H-Trust may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Far East H-Trust's financial condition and results of operation, with a consequential adverse effect on Far East H-Trust's ability to deliver expected distributions to Stapled Securityholders.

The President of the Republic of Singapore may, as head lessor, re-enter the Properties upon breach of terms and conditions of the State Lease.

Save for The Elizabeth Hotel and The Quincy Hotel, the Properties are held either directly or indirectly via the Urban Redevelopment Authority under registered State leases, with the President of the Republic of Singapore as head lessor. Each State lease contains terms and conditions commonly found in State leases in Singapore, including the head lessor's right to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the lease. Except in the case of Landmark Village Hotel where the lessee of the State lease is the Urban Redevelopment Authority, the lessees of the other State leases are the relevant Vendors prior to the completion of the acquisition and thereafter Far East H-REIT.

The Properties or part thereof may be acquired compulsorily.

The Land Acquisition Act, Chapter 152 of Singapore gives the Government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes.

The compensation to be awarded pursuant to any compulsory acquisition would be based on the lowest of (i) the market value of the property as at 1 January 1995, (ii) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette) and (iii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire. Accordingly, if the market value of a property (or part thereof) which is compulsorily acquired is greater than the lowest of the market values referred to above, the compensation paid in respect of the acquired property will be less than its market value.

Pursuant to the terms of the Master Lease Agreements, if the whole of a Property is compulsorily acquired or such parts of a Property so as to make it, in the Master Lessee's reasonable opinion, impracticable or unreasonable to use the remainder of the Property as a hospitality property of the same type and class, either party may terminate the Master Lease Agreement and no compensation is payable in respect of that termination. Any compensation awarded shall be equitably apportioned between the parties with priority to recoupment by Far East H-REIT of its entire investment.

Where only part of a Property is compulsorily acquired such that it is not impracticable or unreasonable to operate the remainder of the Property as a hospitality property of the same type and class, the Master Lessee may, by notice given within one month of the acquisition, elect to undertake, at its cost, alterations or modifications of the Property to make it a satisfactory architectural unit as a hospitality property of similar type and class and any compensation awarded shall be applied to reimburse the Master Lessee for such costs with the balance, if any, to be equitably apportioned between the parties to compensate for any loss of income.

Far East H-REIT's acquisition of the Properties or future acquisitions may be subject to risks associated with the acquisition of real estate.

While the REIT Manager believes that reasonable due diligence investigations with respect to the Properties have been conducted, there can be no assurance that the Properties or future acquisitions will not have defects or deficiencies requiring significant capital expenditure, repair or maintenance expenses, or payments to third parties, other than those disclosed in this Prospectus. The expert reports which the REIT Manager has relied upon as part of its due diligence investigations of the Properties, may contain inaccuracies and deficiencies. Certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, laws and regulations (including those in relation to real estate) may have been breached and certain regulatory requirements in relation to the Properties may not be or have been complied with, which the REIT Manager's due diligence investigations did not or might not uncover. As a result, Far East H-REIT may incur financial or other obligations in relation to such breaches or non-compliance.

In the event that there is damage to the Property which in the opinion of the REIT Trustee, acting on the recommendation of the REIT Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of Far East H-REIT, the Property and other Properties in each case taken as a whole ("**Material Damage**"), Far East H-REIT may terminate the relevant property sale and purchase agreements with the Vendors for the sale of the Properties to the REIT Trustee (the "**Property Sale and Purchase Agreements**"). In the event that there is damage to the Property which is not Material Damage, the Vendor would be obliged to rectify the damage at its own cost and expense prior to the Listing Date or, if this is not possible, as soon as reasonably practicable after the Listing Date. In the event of such damage to any of the Properties, there can be no assurance that the relevant Vendor would have sufficient means and resources to complete any such repair/reinstatement or to do so prior to the Listing Date.

The representations, warranties and indemnities granted in favour of Far East H-REIT by the Vendors of the Properties are, or in the case of future acquisitions may be, subject to limitations as to their scope and the amount and timing of claims which can be made thereunder. There can be no assurance that Far East H-REIT will be reimbursed under such representations, warranties and indemnities for all losses or liabilities suffered or incurred by it as a result of its acquisition of the Properties or future acquisitions.

(See "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Property Sale and Purchase Agreements".)

RISKS RELATING TO AN INVESTMENT IN THE STAPLED SECURITIES

The actual performance of Far East H-Trust and the Properties could differ materially from the forward-looking statements in this Prospectus.

This Prospectus contains forward-looking statements including, among other things, the forecast and projected distribution levels for Forecast Period 2012 and Projection Year 2013. These forward-looking statements are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside Far East H-Trust's control. (See "Profit Forecast and Profit Projection — Assumptions" for further details.)

Some or all of the events and circumstances contained in these forward-looking statements may not occur as expected, or events and circumstances which are not currently anticipated may arise. Actual results and performances of Far East H-Trust and the Properties may differ materially from that forecast in these forward-looking statements.

Far East H-BT will be dormant as at the Listing Date. The forecast and projected distributions of Far East H-Trust in this Prospectus are based on (i) the forecast and projected distribution of Far East H-REIT and (ii) Far East H-BT remaining dormant during Forecast Period 2012 and Projection Year 2013. In the event that Far East H-BT becomes active, it is likely that the actual distributions of Far East H-Trust for Forecast Period 2012 and Projection Year 2013 will differ materially from the forecast and projected distributions of Far East H-Trust in this Prospectus.

Further, while profit forecasts are prepared for Forecast Period 2012, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of hospitality properties is generally better in the second half of the year as compared to the first half of the year.

Activities carried out by Far East H-BT may affect the returns of Far East H-Trust.

As at the Listing Date, Far East H-BT will be dormant. It will, however, become active if Far East H-REIT is unable to appoint a master lessee for any of the Properties in its portfolio at the expiry of the relevant master lease agreement or for a hospitality property newly acquired by Far East H-REIT. In such circumstances, Far East H-BT will be appointed by Far East H-REIT as a master lessee for that property, and Far East H-BT will in turn appoint the Hotel and Serviced Residence Operator to manage the day-to-day operations and marketing of the hospitality property. Far East H-BT exists primarily as a "master lessee of last resort".

Far East H-BT may also become active if it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may be unsuitable for Far East H-REIT. In this regard, Far East H-BT will generally be considered to be active in the event that it carries out on any business activity other than:

- activities which Far East H-BT is required to carry out under any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body;
- the lending or use of the initial S\$30,000 working capital raised from the Offering; and
- equity fund-raising activities and issue of new Far East H-BT Units carried out in conjunction with Far East H-REIT which are solely for the purposes of funding Far East H-REIT's business activities.

When Far East H-BT becomes active, it will face additional risks including, but not limited to, material losses suffered as a result of business or commercial risks, downturns in the relevant economies or markets, a lack of demand for its products and services and an inability to compete effectively against other competitors. Should Far East H-BT suffer losses, or should its relative returns based on criteria such as capital or equity employed be lower than that of Far East H-REIT, the returns of Far East H-Trust may be adversely affected since such returns comprise an aggregate of returns from both Far East H-REIT and Far East H-BT. Such risks will be different from the risk profile of Far East H-Trust as at the Listing Date, which is essentially that of a property owner deriving mainly rental income from the Master Lessees.

The Stapled Securities may be subsequently unstapled.

The Stapled Securities may only be unstapled if (a) determined by Extraordinary Resolutions of holders of units in Far East H-REIT and holders of units in Far East H-BT, and with prior approval from the SGX-ST for such Unstapling; (b) stapling becomes unlawful or prohibited by the listing rules of the SGX-ST and/or the listing rules of any other relevant Recognised Stock Exchange and all other applicable laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such Unstapling; or (c) either Far East H-REIT or (as the case may be) Far East H-BT is terminated or (as the case may be) wound up. In the event that the process whereby a Far East H-REIT Unit is no longer stapled to a Far East H-BT Unit (“**Unstapling**”) should occur, the structure of Far East H-Trust may be undermined and there may be ramifications and adverse effects to Stapled Securityholders. As the letter of eligibility issued by the SGX-ST to Far East H-Trust for the listing and quotation on the Main Board of the SGX-ST is in relation to the Stapled Securities and does not extend to the listing and quotation of the individual components of the Stapled Securities, being Far East H-REIT Units and Far East H-BT Units, upon Unstapling, the Stapled Securities will be de-listed from the SGX-ST. As a result, investors’ ability to liquidate their investments in Far East H-REIT Units and/or Far East H-BT Units in response to changes in economic, real estate market or other conditions may be adversely affected and the realisable value of Far East H-REIT Units and Far East H-BT Units may be less than their fair values.

The market price of the Stapled Securities may be adversely affected.

The Stapled Securities will be tradable on the Main Board of the SGX-ST. If the Sponsor (following the lapse of the relevant respective lock-up arrangement or pursuant to any applicable waivers) sells or is perceived as intending to sell a substantial amount of its direct or effective interest in the Stapled Securities held as at the Listing Date, the market price of the Stapled Securities may be adversely affected.

(See “Distribution — Lock-up Arrangements” and “Ownership of the Stapled Securities” for further details.)

The NAV per Stapled Security may be diluted if further issues are priced below the current NAV per Stapled Security.

New Stapled Securities may be issued at a subscription price at or below the then-current NAV per Stapled Security. Where new Stapled Securities, including Stapled Securities which may be issued to the REIT Manager in payment of the REIT Manager’s management fees,

are issued at less than the current NAV per Stapled Security, the NAV of each existing Stapled Security will be diluted.

Far East H-REIT may not be able to comply with the terms of Tax Ruling or the Tax Ruling may be revoked or amended.

Far East H-REIT has received the Tax Ruling from the IRAS under which tax transparency has been granted to Far East H-REIT in respect of rental and property-related income from the direct ownership of properties in Singapore, subject to stipulated terms and conditions. These terms and conditions include a requirement for the REIT Trustee and the REIT Manager to take all reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the Tax Ruling and to comply with all administrative requirements to ensure ease of tax administration.

The Tax Ruling grants tax transparency to Far East H-REIT on its Taxable Income that is distributed to Stapled Securityholders. The Tax Ruling, either in whole or in part, may be revoked or its terms may be reviewed and amended by the IRAS at any time. If the Tax Ruling is revoked or if Far East H-REIT is unable to comply with the terms, Far East H-REIT will be subject to tax on its Taxable Income and the tax will be assessed on the REIT Trustee, in which case distributions to all Stapled Securityholders will be made after tax. In such event, the actual amount of distributions made to Stapled Securityholders will be less than the amount they would have otherwise received if Far East H-REIT had been granted tax transparency in respect of its Taxable Income. If the terms of the Tax Ruling are amended, Far East H-REIT may not be able to comply with the new terms imposed and this non-compliance could affect Far East H-REIT's tax transparent status and its ability to distribute its Taxable Income free of tax deduction at source. (See "Taxation — Terms and Conditions of the Tax Ruling" and Appendix E, "Independent Taxation Report" for further details.)

Foreign Stapled Securityholders may not be permitted to participate in future rights issues and preferential offerings by Far East H-Trust.

The Far East H-REIT Trust Deed and the Far East H-BT Trust Deed provides that in relation to any rights issue, the Managers may, in their absolute discretion, elect not to extend an offer of the Stapled Securities under a rights issue to those Stapled Securityholders whose addresses, as registered with CDP, are outside of Singapore. The rights or entitlements to the Stapled Securities to which such Stapled Securityholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Managers may determine, subject to such other terms and conditions as the REIT Trustee and the Trustee-Manager may impose. The proceeds of any such sale, if successful, will be paid to Stapled Securityholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Stapled Securityholders are less than S\$10.00, the REIT Manager is entitled to retain such proceeds as part of the Far East H-REIT Deposited Property. The holding of the relevant Stapled Securityholder may be diluted as a result of such sale.

Far East H-Trust's distribution policy may cause Far East H-Trust to face liquidity constraints.

Far East H-REIT is required by the Tax Ruling to distribute at least 90.0% of its Taxable Income. If Far East H-REIT's Taxable Income is greater than its cash flow from operations, there may be liquidity constraints and it may have to borrow to meet ongoing cash flow requirements in order to distribute at least 90.0% of its Taxable Income since it may not have any reserves to draw on. Far East H-REIT's ability to borrow is, however, limited by the Property Funds Appendix. Failure to make distributions would result in a breach of the terms of the Tax Ruling and Far East H-REIT would be liable to pay income tax on its Taxable Income. Should Far East H-BT be active and profitable, the declaration and payment of distributions by Far East H-BT will be at the sole discretion of the Trustee-Manager Board. Far East H-BT is not compulsorily required to make any distributions to Stapled Securityholders. If any such distributions are made to Stapled Securityholders, Far East H-BT may have to borrow in order to meet outgoing cash flow requirements.

(See "Taxation" for further details.)

Stapled Securityholders may bear the effects of tax adjustments on the rollover adjustment mechanism agreed with the IRAS for the purpose of the Tax Ruling.

Under the rollover adjustment mechanism agreed with the IRAS for the purpose of the Tax Ruling, any difference between Far East H-REIT's actual Taxable Income for a financial year and the amount of Taxable Income computed by the REIT Manager for that financial year for the purpose of making distributions will be added to or, as the case may be, deducted from the amount of distributions subsequently made. The amount of distributions received by Stapled Securityholders may therefore be increased or reduced by the amount of such adjustment.

(See Appendix E, "Independent Taxation Report" for further details.)

Far East H-Trust may be adversely affected by any increase in GST.

There is no assurance that GST will remain at the current rate of 7.0%. Any increase in GST could have a negative impact on the hospitality market which may result in decreased occupancy rates at the Properties, and on the retail market which may result in the loss of tenants in respect of the Properties that include a retail component. This may in turn reduce the Gross Operating Revenue of the affected Property, thereby adversely affecting Far East H-Trust's financial condition and results of operations.

Far East H-Trust may not be able to make distributions to Stapled Securityholders or the level of distributions may fall.

The income which Far East H-REIT earns from its real estate investments depends upon, among other factors, the amount of rental income received and the level of property and other operating expenses incurred. If properties held by Far East H-Trust do not generate sufficient income, Far East H-Trust's cash flow and ability to make distributions to Stapled Securityholders will be adversely affected. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the Master Lease Agreements or that the receipt of rental revenue in connection with any

expansion of the Properties or further acquisitions of properties will increase Far East H-Trust's income available for distribution to Stapled Securityholders.

In addition, Far East H-REIT's distribution policy is to distribute 100.0% of Far East H-REIT's Taxable Income for the Forecast Period 2012 and Projection Year 2013 and at least 90.0% of its Taxable Income thereafter. While the REIT Manager will take into account various considerations (including available cash flow of Far East H-REIT) in determining the level of distribution, there is no assurance that the REIT Manager will continue to distribute 100.0% of Far East H-REIT's Taxable Income after the Projection Year 2013. (See "Distributions" for further details on the distribution policy of Far East H-REIT.)

The laws, regulations and accounting standards in Singapore to which Far East H-Trust is subject may change.

Far East H-Trust may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts registered with the MAS ("Registered Business Trusts") and/or REITs, as well as accounting standards. There is no assurance that any such changes will not have an adverse effect on the ability of the REIT Manager to carry out Far East H-REIT's investment strategy or on the operations and financial condition of Far East H-Trust.

Market and economic conditions may affect the market price and demand for the Stapled Securities.

Movements in domestic and international securities markets, economic conditions and interest rates may affect the market price of and demand for the Stapled Securities. In particular, an increase in market interest rates may have an adverse impact on the market price of the Stapled Securities if the annual yield on the price paid for the Stapled Securities gives investors a lower return as compared to other investments.

Certain provisions of the Singapore Code on Take-overs and Mergers (the "Take-over Code") could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Stapled Securities.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Stapled Securities not already held by it and/or parties acting in concert with it (as defined in the Take-over Code) in the event that an increase in the aggregate holdings of Stapled Securities of it and/or parties acting in concert with it results in the aggregate holdings of Stapled Securities crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Stapled Securityholders, its provisions could substantially impede the ability of Stapled Securityholders to benefit from a change in control and, as a result, may adversely affect the market price of the Stapled Securities and the ability to realise any potential change of control premium.

Neither the REIT Manager nor the Trustee-Manager is obliged to redeem the Stapled Securities.

Stapled Securityholders have no right to request either the REIT Manager or the Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed on the

SGX-ST. It is intended that Stapled Securityholders may only deal in their listed Stapled Securities through trading on the SGX-ST.

The Stapled Securities have never been publicly traded and the listing of the Stapled Securities on the Main Board of the SGX-ST may not result in an active or liquid market for the Stapled Securities.

Prior to the Offering, there is no public market for the Stapled Securities and an active public market for the Stapled Securities may not develop or be sustained after the Offering. While a letter of eligibility from the SGX-ST for the listing and quotation of the Stapled Securities on the Main Board of the SGX-ST has been received, listing and quotation does not guarantee that a trading market for the Stapled Securities will develop or, if a market does develop, the liquidity of that market for the Stapled Securities. Prospective Stapled Securityholders should view the Stapled Securities as illiquid and must be prepared to hold their Stapled Securities for an indefinite length of time.

Although it is currently intended that the Stapled Securities will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Stapled Securities. Among other factors, Far East H-Trust may not continue to satisfy the listing requirements of the SGX-ST.

Further, it may be difficult to assess Far East H-Trust's performance against either domestic or international benchmarks.

The price of the Stapled Securities may decline after the Offering.

The Offering Price of the Stapled Securities has been determined by agreement between the Managers and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Stapled Securities upon the completion of the Offering. The Stapled Securities may trade at prices significantly below the Offering Price after the Offering. The trading price of the Stapled Securities will depend on many factors, including:

- the perceived prospects of the business and investments of Far East H-REIT and Far East H-BT (if any) and the hospitality and hospitality-related real estate markets in Singapore;
- differences between the actual financial and operating results of Far East H-Trust and those expected by investors and analysts;
- changes in analysts' recommendations or projection;
- changes in general economic or market conditions;
- the market value of the assets of Far East H-Trust;
- the perceived attractiveness of the Stapled Securities against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Stapled Securities;
- the future size and liquidity of the Singapore REIT and business trust market;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs and business trusts;
- the ability on the part of Far East H-REIT to implement successfully its investment and growth strategies; and
- broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, the Stapled Securities may trade at prices that are higher or lower than the NAV per Stapled Security. To the extent that Far East H-REIT retains operating cash flow for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Stapled Securities. Any failure on the part of Far East H-Trust to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Stapled Securities.

In addition, the Stapled Securities are not capital-safe products. There is no guarantee that Stapled Securityholders can realise a higher amount or even the principal amount of their investment. If Far East H-Trust, Far East H-REIT or Far East H-BT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Stapled Securities.

USE OF PROCEEDS

ISSUE PROCEEDS

The Managers intend to raise gross proceeds of S\$1,491.6 million from the Offering and the issuance of the Cornerstone Stapled Securities, and taking into account the amount attributable to the Sponsor Stapled Securities.

The REIT Manager also intends to draw down an amount of S\$650.0 million from the S\$725.0 million unsecured floating rate banking facilities for Far East H-REIT comprising S\$650.0 million term loan facilities and S\$75.0 million revolving credit facilities from DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (the “**Far East H-REIT Debt Facilities**”), which will be used towards partial payment to the Sponsor for the purchase price of the Properties.

The total cash proceeds raised from the Offering, the issuance of the Cornerstone Stapled Securities, as well as the amount drawn down from the Far East H-REIT Debt Facilities will be used towards the following:

- partial payment to the Sponsor for the purchase price of the Properties;
- payment of the related acquisition costs of the Properties;
- payment of issue and debt-related costs; and
- working capital.

The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds from the Offering and the Cornerstone Stapled Securities and the amount attributable to the Sponsor Stapled Securities based on the Offering Price.

Based on the Offering Price, assuming that the Over-Allotment Option is fully exercised:

	Amount		Amount	As a dollar amount for each S\$ of the total issue proceeds of the Offering, the Sponsor Stapled Securities and the Cornerstone Stapled Securities
Source	(S\$'000)	Application	(S\$'000)	
Offering	367,572	Acquisition of the Properties	1,454,953	0.98
Sponsor Stapled Securities	774,044	Transaction costs ⁽¹⁾	35,663	0.02
Cornerstone Stapled Securities	350,000	Working capital	1,000	0.00
TOTAL	1,491,616	TOTAL	1,491,616	1.00

Note:

(1) Transaction costs include expenses incurred in relation to the Offering, the Cornerstone Stapled Securities and the Far East H-REIT Debt Facilities, where appropriate.

As at the Listing Date, Far East H-REIT will have working capital of approximately S\$1.0 million. The REIT Manager believes that this working capital balance and rental deposits of approximately S\$4.6 million, in addition to the expected cash flow from operations and S\$75.0 million revolving facility, will be sufficient for Far East H-REIT’s working capital requirements over the next 12 months following the Listing Date.

As at the Listing Date, Far East H-BT will be dormant and will only require minimal working capital.

ISSUE EXPENSES

The Managers estimate that expenses payable in connection with the Offering and the issuance of the Sponsor Stapled Securities and the Cornerstone Stapled Securities and the application for listing, including the Underwriting, Selling and Management Commission, professional fees and all other incidental expenses relating to the Offering and the issuance of the Sponsor Stapled Securities and the Cornerstone Stapled Securities will be approximately S\$32.8 million based on the Offering Price, assuming that the Over-Allotment Option is fully exercised.

A breakdown of these estimated expenses is as follows:

	(S\$'000) (based on the Offering Price)	As a dollar amount for each S\$ of the total issue proceeds of the Offering and the issue of the Sponsor Stapled Securities and Cornerstone Stapled Securities
Underwriting, Selling and Management Commission ⁽¹⁾	21,527	0.014
Professional and other fees ⁽²⁾	5,394	0.004
Miscellaneous offering expenses ⁽³⁾	5,892	0.004
TOTAL ESTIMATED EXPENSES⁽⁴⁾	32,813	0.022

Notes:

- (1) Such commission represents a maximum of 3.0% of the total amount of the Offering and the Cornerstone Stapled Securities. The amount of total commission payable by Far East H-Trust is pegged to the Offering Price.
- (2) Includes financial advisory fees, solicitors' fees and fees for the Independent Accountants, Ernst & Young Solutions LLP as the independent tax adviser (the "**Independent Tax Adviser**"), the Independent Valuers, the Independent Market Research Consultant and other professionals' fees.
- (3) Includes cost of prospectus production, roadshow expenses and certain other expenses incurred or to be incurred in connection with the Offering and the issuance of the Sponsor Stapled Securities and Cornerstone Stapled Securities.
- (4) The total expenses in relation to the Offering will be ultimately borne by the investors subscribing for the Stapled Securities pursuant to the Offering.

The Managers will make periodic announcements on the utilisation of the net proceeds from the Offering and the Cornerstone Stapled Securities via SGXNET as and when such funds are materially utilised. The actual use of such proceeds will be disclosed in the annual report of Far East H-Trust.

LIQUIDITY

As at the Listing Date, Far East H-Trust will have a cash balance of approximately S\$5.6 million. The Managers believe that this cash balance, in addition to the expected cash flow from operations and S\$75.0 million revolving facility will be sufficient for Far East H-Trust's working capital requirements over the next 12 months following the Listing Date.

OWNERSHIP OF THE STAPLED SECURITIES

EXISTING STAPLED SECURITIES

On 1 August 2012, upon the constitution of Far East H-REIT and Far East H-BT, one Far East H-REIT Unit and one Far East H-BT Unit were issued to Golden Development Private Limited. The issue price of each Far East H-REIT Unit and each Far East H-BT Unit was S\$1.00. No other Far East H-REIT Units or Far East H-BT Units have been issued. On 1 August 2012, the REIT Manager, the REIT Trustee and the Trustee-Manager entered into the Stapling Deed. The Far East H-REIT Units and the Far East H-BT Units are stapled to each other and constitute the Sponsor Initial Stapled Security.

STAPLED SECURITIES TO BE ISSUED TO THE SPONSOR

On the Listing Date, separate from the Offering, 898,177,999 Stapled Securities (representing 56.0% of the total number of Stapled Securities in issue on the Listing Date) will be issued to FEOC, Golden Development Private Limited, Golden Landmark Pte Ltd, Oxley Hill Properties Pte Ltd and Riverland Pte Ltd, as part of the purchase price payable for the sale of their respective Properties.

PRINCIPAL STAPLED SECURITYHOLDERS AND THEIR HOLDINGS

The total number of Stapled Securities in issue immediately after the completion of the Offering will be 1,603,888,000 Stapled Securities.

The following table sets out the principal Stapled Securityholders and their holdings after the Offering and the issuance of the Sponsor Stapled Securities and Cornerstone Stapled Securities:

		Stapled Securities in issue as at the date of this Prospectus		Stapled Securities in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Stapled Securities in issue after the Offering (assuming the Over-Allotment Option is fully exercised)	
				Based on the Offering Price		Based on the Offering Price	
			(%)	('000)	(%)	('000)	(%)
Sponsor	Far East Organization Centre Pte. Ltd.	-	-	182,307	11.4	182,307	11.4
	Golden Development Private Limited	1	100.0	289,290	18.0	223,417	13.9
	Golden Landmark Pte Ltd	-	-	191,806	12.0	191,806	12.0
	Oxley Hill Properties Pte Ltd	-	-	154,481	9.6	154,481	9.6
	Riverland Pte Ltd	-	-	80,294	5.0	80,294	5.0
	Sponsor Subtotal	1	100.0	898,178	56.0	832,305	51.9

		Stapled Securities in issue as at the date of this Prospectus		Stapled Securities in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Stapled Securities in issue after the Offering (assuming the Over-Allotment Option is fully exercised)	
				Based on the Offering Price		Based on the Offering Price	
			(%)	('000)	(%)	('000)	(%)
Cornerstone Investors	Aberdeen Asset Management Asia Limited	-	-	37,634	2.4	37,634	2.4
	AIA ⁽¹⁾	-	-	59,141	3.7	59,141	3.7
	APG Strategic Real Estate Pool	-	-	53,763	3.4	53,763	3.4
	Havenport Asset Management Pte. Ltd.	-	-	16,129	1.0	16,129	1.0
	Hwang Investment Management Berhad	-	-	48,387	3.0	48,387	3.0
	Indus	-	-	21,505	1.3	21,505	1.3
	JF Asset Management Limited	-	-	48,387	3.0	48,387	3.0
	Lion Global Investors Limited	-	-	26,882	1.7	26,882	1.7
	Myriad Asset Management Limited	-	-	16,129	1.0	16,129	1.0
	NTUC Income Co-operative Limited	-	-	48,387	3.0	48,387	3.0
	Sub-Total	-	-	376,344	23.5	376,344	23.5
Public and institutional investors		-	-	329,366	20.5	395,239	24.6
TOTAL		1	100.0	1,603,888	100.0	1,603,888	100.0

Note:

(1) Through AIA Singapore Private Limited, and American International Assurance Company (Bermuda) Limited.

LOCK-UPS

FEOC, Golden Development Private Limited and F. E. Holdings Pte. Ltd. have each agreed to a lock-up arrangement during the Lock-up Period in respect of its effective interest in the relevant Lock-up Stapled Securities held by it on the Listing Date, directly (in the case of FEOC and Golden Development Private Limited) and/or indirectly ((i) in the case of Golden Development Private Limited, through Oxley Hill Properties Pte Ltd and (ii) in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd), subject to certain exceptions.

The Managers will also undertake not to offer, issue or contract to issue any Stapled Securities, and the making of any announcements in connection with any of the foregoing transactions, during the Lock-up Period, subject to certain exceptions.

(See “Plan of Distribution — Lock-up Arrangements” for further details.)

SUBSCRIPTION BY THE CORNERSTONE INVESTORS

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into a subscription agreement to subscribe for an aggregate of 376,344,000 Stapled Securities at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

Information on the Cornerstone Investors

Aberdeen Asset Management Asia Limited in its capacity as fund manager and agent for and on behalf of its clients

Established in Singapore since 1992, Aberdeen Asia, a wholly-owned subsidiary of the Aberdeen Group, has been investing in Asia for over 20 years. Aberdeen Asia is a pure asset management company and only manages assets for third parties. Aberdeen Asia’s clients access its investment expertise drawn from three main asset classes: equities, fixed income and property, as well as tailored solutions. As at April 2012, Aberdeen Asia has more than 170 staff in Singapore, and manages more than US\$100 billion across the region, of which US\$80 billion is in equities.

AIA

AIA comprises the largest independent publicly listed pan-Asian life insurance group in the world. It has wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific — Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and a 26 per cent joint venture shareholding in India.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$119,494 million as of 31 May 2012.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement planning, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients.

Through an extensive network of agents and employees across Asia Pacific, AIA serves the holders of more than 24 million individual policies and over 10 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

APG Strategic Real Estate Pool

APG Pool is a collective investment fund established under Dutch law on 1 July 2009 in the form of a fund for joint account (*fonds voor gemene rekening*). APG Pool is a contractual arrangement between APG Algemene Pensioen Group N.V. in its capacity as manager of APG Pool, Stichting Depositary APG Strategic Real Estate Pool as depository of APG Pool and each of the participants in APG Pool. The purpose of APG Pool is to build a diversified portfolio in listed and private real estate investments.

Havenport Asset Management Pte. Ltd.

Havenport Asset Management Pte. Ltd. is a company incorporated in Singapore and is headquartered in Singapore. Havenport Asset Management Pte. Ltd. is an Asia Pacific equity specialist and manages assets for sovereign wealth funds, corporate pension plans, endowment schemes and retail unit trusts with clients spread across the globe and in the region.

Hwang Investment Management Berhad

HwangIM was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 and began operations under the name Hwang-DBS Unit Trust (HDBSUT) Berhad in 2001. It is supported by one of Malaysia’s leading integrated financial services group, Hwang-DBS (M) Berhad (HDBS) whose principal subsidiary, HwangDBS Investment Bank Berhad has over 38 years of experience in the securities industry, and Nikko Asset Management Asia Limited (formerly known as DBS Asset Management Ltd.) (Nikko AM ASIA), is an independent Asian investment management franchise with its parent company Nikko Asset Management Group (NikkoAM) headquartered in Tokyo.

HwangIM is a holder of a valid and existing Capital Markets and Services Licence under the Capital Markets and Services Act 2007 and has an authorised paid up capital of RM 10 million. Shareholders of HwangIM are HDBS (53%), Nikko AM ASIA (30%) and Y.A.M. Tunku Dato’ Seri Nadzaruddin Ibni Almarhum Tuanku Ja’afar (17%). HwangIM distributes its funds through their Institutional Business team, its internal retail sales team, third party agencies and through most banks in Malaysia.

Indus

Indus Pacific Opportunities Master Fund, Ltd. and Indus Asia Pacific Master Fund, Ltd. are each a private investment vehicle that is an exempted company incorporated and validly existing under the laws of the Cayman Islands. Indus Capital Partners, LLC is the investment manager of these funds, and is registered as an investment adviser with the U.S. Securities and Exchange Commission.

JF Asset Management Limited

JFAM is the Asia Pacific equity investment arm of J.P. Morgan Asset Management. With a network of investment professionals based in the region, JFAM manages US\$78 billion for investors around the globe.

Lion Global Investors Limited

Lion Global Investors Limited, a member of Oversea-Chinese Banking Corporation Limited Group, is one of the largest asset management companies in South East Asia, with total assets under management of S\$28.4 billion (US\$22.6 billion) as at 31 March 2012. Established as an Asian asset specialist since 1986, Lion Global Investors Limited offers equities and fixed income funds to institutional and retail investors globally. It has one of the largest and most experienced investment teams dedicated to regional and global equities and fixed income markets. The company's commitment to investment excellence begins with a team-based and research-intensive approach, combining in-depth market insights with comprehensive sector knowledge.

Lion Global Investors Limited is 70% owned by Great Eastern Holdings Limited and 30% owned by Orient Holdings Private Limited, a wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited.

Myriad Asset Management Limited

Myriad Asset Management Limited is a Hong Kong-based independent asset management company that has grown rapidly since being established in 2011. The Myriad Opportunities Fund is an Asia Pacific Integrated Multi-Strategy Investment Fund investing one focused portfolio across the corporate capital structure with a focus on Equities, but also Convertible Bonds, and Credit. Myriad Asset Management is managed by the CIO and founder, Carl Huttenlocher who has over 15 years of experience managing hedge fund strategies.

NTUC Income Co-operative Limited

NTUC Income was established in 1970 to provide affordable insurance for workers in Singapore. As a social enterprise, it was made different from the start with a mission to provide value for customers, and not to maximise profits for shareholders.

Since 2007, NTUC Income has been transforming into a modern financial institution to meet the needs of an increasingly sophisticated and affluent generation. NTUC Income has over two million customers and S\$27.6 billion of assets under management, as at 31 December 2011. It is a major force in the industry, having attained leadership positions in life, health, annuity and motor insurance.

NTUC Income's insurance plans benefit large numbers of Singaporeans from all strata of society and it supports the community through financial contributions to charities and other worthy causes. The organisation combines its commercial leadership with its social purpose of making insurance accessible, affordable and sustainable for all.

NTUC Income is rated "AA-" by independent credit ratings agency, Standard & Poor's, making it one of the strongest financial institutions in Singapore and the region.

SUBSCRIPTION FOR RESERVED STAPLED SECURITIES

11,800,000 Stapled Securities have been reserved under the Public Offer for subscription by the directors, management and employees of the Sponsor and the REIT Manager.

(See “Plan of Distribution” for further details.)

SUBSCRIPTION BY THE REIT MANAGER DIRECTORS AND THE TRUSTEE-MANAGER DIRECTORS

The directors of the REIT Manager (the “**REIT Manager Directors**”) and the directors of the Trustee-Manager (the “**Trustee-Manager Directors**”) may subscribe for the Stapled Securities under the Public Offer and/or the Placement Tranche. Save for the REIT Manager’s and the Trustee-Manager’s respective internal policies, which prohibit the REIT Manager Directors and the Trustee-Manager Directors from dealing in the Stapled Securities at certain times, there are no restrictions on the REIT Manager’s Directors or the Trustee-Manager’s Directors disposing of or transferring all or any part of their holdings.

(See “Management and Corporate Governance — Far East H-REIT — Dealings in Stapled Securities or Far East H-REIT Units” and “Management and Corporate Governance — Far East H-BT — Dealings in Stapled Securities or Far East H-BT Units” for further details.)

SUBSCRIPTION FOR MORE THAN 5.0% OF THE STAPLED SECURITIES

To the Managers’ knowledge, as at 26 July 2012, being the Latest Practicable Date, no person intends to subscribe for more than 5.0% of the Stapled Securities in the Offering. If any person were to make an application for the Stapled Securities amounting to more than 5.0% of the Stapled Securities in the Offering and were subsequently allotted or allocated such number of Stapled Securities, the Managers will make the necessary announcements at an appropriate time. The final allocation of the Stapled Securities will be in accordance with the unitholding spread and distribution guidelines as set out in Rule 210 of the Listing Manual.

OPTIONS ON STAPLED SECURITIES

No option to subscribe for the Stapled Securities has been granted to any of the Directors or to the Chief Executive Officer or any other key executive officers of the Managers.

DISTRIBUTIONS

It should be noted that the total distributions available to Stapled Securityholders is an aggregate of the distributions from Far East H-REIT and Far East H-BT, and is thus dependent on the financial performance of Far East H-REIT and Far East H-BT respectively, instead of the consolidated financial performance of Far East H-REIT and Far East H-BT.

DISTRIBUTION POLICY OF FAR EAST H-REIT

One of the primary objectives of Far East H-Trust is to provide Stapled Securityholders with regular, stable and growing distributions on a quarterly basis. Far East H-REIT's distribution policy is to distribute 100.0% of Far East H-REIT's Taxable Income for the Forecast Period 2012 and Projection Year 2013 and at least 90.0% of its Taxable Income thereafter, comprising substantially income from the letting of the Properties and related property services income after deduction of allowable expenses and allowances. The actual level of distribution is to be determined at the REIT Manager's discretion. Distributions, when paid, will be in Singapore dollars.

After Far East H-Trust has been admitted to the Main Board of the SGX-ST, Far East H-REIT will make distributions to Stapled Securityholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. Far East H-REIT's first distribution after the Listing Date will be for the period from the Listing Date to 31 December 2012 and will be paid by the REIT Manager on or before 31 March 2013. Subsequent distributions will take place on a quarterly basis as well. Under the Far East H-REIT Trust Deed, the REIT Manager is required to pay distributions within 90 days after the end of each distribution period.

While the investment strategy of Far East H-REIT is to hold its investments for the long-term, in the event that there are gains arising from sales of real properties, and only if such gains are surplus to the business requirements and needs of Far East H-REIT and its taxability or otherwise confirmed by the IRAS, the REIT Manager may, at its discretion, direct the REIT Trustee to distribute such gains. Such gains, if not distributed, will form part of the Far East H-REIT Deposited Property.

Far East H-REIT's primary source of liquidity to fund distributions, servicing of debt, payment of property expenses and capital expenditure will be from the receipts from operations and borrowings, where appropriate.

Far East H-REIT's ability to make distributions will be subject to its available cash flow. Where the cash flow generated from operations is not sufficient to meet the distributions of Far East H-REIT, Far East H-REIT may incur borrowings for the purpose of funding such distributions. Far East H-REIT's ability to borrow is, however, limited by the Property Funds Appendix. On the other hand, the actual proportion of Taxable Income distributed to Stapled Securityholders beyond Projection Year 2013 may be greater than 90.0% if the REIT Manager believes it to be appropriate, having considered Far East H-REIT's funding requirements, other capital management considerations and the overall stability of distributions.

Under the Property Funds Appendix, if the REIT Manager declares a distribution that is in excess of profits, the REIT Manager should certify, in consultation with the REIT Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, Far East H-REIT will be able to fulfil, from the Far East H-REIT Deposited Property, the liabilities of Far East H-REIT as they fall due. The certification by the REIT Manager should include a

description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Far East H-REIT Deposited Property. The certification should be made at the time the distribution is declared.

DISTRIBUTION POLICY OF FAR EAST H-BT

As at the Listing Date, Far East H-BT will be dormant.

In the event that Far East H-BT becomes active and profitable, Far East H-BT's distribution policy will be to distribute as much of its income as practicable, and the determination to distribute and the quantum of distributions to be made by Far East H-BT will be determined by the Trustee-Manager Board at its sole discretion.

CAPITALISATION AND INDEBTEDNESS

The following tables set forth the pro forma capitalisation of Far East H-Trust and Far East H-REIT as at the Listing Date and after application of the total proceeds from the Offering and the issuance of the Sponsor Stapled Securities and Cornerstone Stapled Securities, based on the Offering Price, and the expected drawdowns under the Far East H-REIT Debt Facilities. The information in the table below should be read in conjunction with “Use of Proceeds”.

CAPITALISATION⁽¹⁾

Far East H-Trust

	As at the Listing Date
	Based on the Offering Price (S\$'000)
Total debt	650,000
Stapled Securityholders' funds	1,491,616
TOTAL CAPITALISATION	2,141,616

Far East H-REIT

	As at the Listing Date
	Based on the Offering Price (S\$'000)
Total debt	650,000
Far East H-REIT Units in issue	1,491,586
TOTAL CAPITALISATION	2,141,586

Note:

(1) No capitalisation is presented for Far East H-BT as it is dormant as at the Listing Date.

As at the Listing Date, Far East H-REIT will have an Aggregate Leverage of 30.4%.

INDEBTEDNESS

Far East H-REIT

Far East H-REIT has put in place the Far East H-REIT Debt Facilities, being S\$725.0 million unsecured floating rate banking facilities comprising S\$650.0 million term loan facilities and S\$75.0 million revolving credit facilities from DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

The S\$650.0 million term loan facilities have staggered loan maturities of three-year, five-year and seven-year terms as detailed below and will be drawn down in full on the Listing Date:

- S\$300.0 million (46.1%) repayable in three years;
- S\$250.0 million (38.5%) repayable in five years; and
- S\$100.0 million (15.4%) repayable in seven years.

The S\$75.0 million revolving credit facilities are uncommitted facilities.

The Far East H-REIT Debt Facilities agreement contains covenants which are typical for financing of such nature. The material covenants (some of which may limit the ability of Far East H-REIT to use its assets to secure its banking facilities/capital market debt instruments) require, *inter alia*, that:

- Far East H-REIT's Aggregate Leverage shall not be more than (i) 35.0% if Far East H-REIT is unrated; and (ii) 55.0% if Far East H-REIT is rated;
- Far East H-Trust's minimum interest coverage ratio shall be 1.5 times;
- the Initial Portfolio, namely, Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel, The Quincy Hotel, Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences, shall be subject to negative pledge; and
- Far East H-REIT shall remain listed.

In addition, the Far East H-REIT Debt Facilities agreement contains two change of control provisions, as set out below:

- the REIT Manager shall be majority owned (directly and/or indirectly) by the Sponsor at all times; and
- Far East H-Trust shall be no less than 30.0% owned (directly and/or indirectly) by the Sponsor at all times.

There is a provision in the Far East H-REIT Debt Facilities agreement which permits the Sponsor to lower its Stapled Securityholding to less than the respective thresholds with the prior consent of the respective lender.

For the purposes of Rule 728 of the Listing Manual, Far East Organization Centre Pte Ltd, Far East Organisation Pte. Ltd., Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd. have collectively provided an undertaking to the REIT Manager and the REIT Trustee that, for so long as the FEO Group (as defined in the Far East H-REIT Debt Facilities agreement) is a majority shareholder of the REIT Manager and/or owns no less than 30% of the Stapled Securities of Far East H-Trust, Far East Organization Centre Pte Ltd, Far East Organisation Pte. Ltd., Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd. will notify the REIT Manager and the REIT Trustee as soon as they become aware of:

- (a) any pledging arrangement (or other arrangements having similar legal or economic effect) relating to all or any of their shareholding in the REIT Manager and/or their Stapled Securityholding in Far East H-Trust; and
- (b) any event which may result in a breach of the terms of the Far East H-REIT Debt Facilities agreement.

Far East H-BT

As at the Listing Date, Far East H-BT will be dormant and will not have any debt facilities in place.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

FAR EAST H-REIT

The following tables present (a) the unaudited pro forma statements of total return for Far East H-REIT for FY2009, FY2010, FY2011, the three months ended 31 March 2011 (“1Q2011”) and the three months ended 31 March 2012 (“1Q2012”), (b) the unaudited pro forma cash flow statement for Far East H-REIT for FY2011, and (c) unaudited pro forma balance sheet for Far East H-REIT as at 31 December 2011 and 31 March 2012 (collectively, the “**Unaudited Pro Forma Financial Information**”).

The Independent Accountants, Ernst & Young LLP, have reported on the Unaudited Pro Forma Financial Information and their report is included in Appendix B, “Independent Accountants’ Report on the Examination of the Unaudited Pro Forma Financial Information”. The Unaudited Pro Forma Financial Information has been prepared on the basis of the assumptions and accounting policies set out in Appendix B, “Independent Accountants’ Report on the Examination of the Unaudited Pro Forma Financial Information”, and should be read together with these assumptions and accounting policies.

In preparing the Unaudited Pro Forma Financial Information, the unaudited pro forma financial information of Far East H-REIT and its subsidiaries have been combined line by line by adding together like items of assets, liabilities, net assets attributable to Stapled Securityholders, income and expenses. Balances, transactions, income and expenses between the Far East H-REIT group are eliminated in full.

The unaudited pro forma statements of total return of Far East H-REIT for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 reflect the total return of Far East H-REIT assuming the Offering, the acquisition of leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the fee arrangements of the REIT Manager, the REIT Trustee and the Hotel and Serviced Residence Operator as set out in “Overview — Certain Fees and Charges” (the “**Fee Arrangements**”) had occurred or were effective on 1 January 2009 under the same terms as set out in the Prospectus.

The unaudited pro forma balance sheet of Far East H-REIT as at 31 December 2011 and 31 March 2012 present the financial position of Far East H-REIT assuming the Offering, the acquisition of leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the Fee Arrangements had occurred or were effective on 31 December 2011 and 31 March 2012 under the same terms set out in the Prospectus.

The unaudited pro forma cash flow statement of Far East H-REIT for FY2011 and 1Q2012 shows the cash flows of Far East H-REIT assuming the Offering, the acquisition of leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the Fee Arrangements had occurred or were effective on 1 January 2011 under the same terms set out in the Prospectus.

The objective of the Unaudited Pro Forma Financial Information is to show what the total return, cash flows and financial position might have been had Far East H-REIT existed at an earlier date. However, the Unaudited Pro Forma Financial Information of Far East H-REIT is not necessarily indicative of the total return and cash flows of the operations or financial position that would have been attained had Far East H-REIT actually existed earlier. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the actual total return, cash flows or financial position of Far East H-REIT.

FAR EAST H-BT AND FAR EAST H-TRUST

No pro forma financial information of Far East H-BT has been presented as it is newly established and will be dormant as at the Listing Date. Accordingly, no consolidated pro forma financial information of Far East H-Trust has been presented.

The unaudited pro forma financial information for Far East H-REIT, based on the Offering Price, assuming that the Over-Allotment Option is fully exercised, is as follows:

Unaudited Pro Forma Statements of Total Return of Far East H-REIT

	FY2009	FY2010	FY2011	1Q2011	1Q 2012
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Total Gross Revenue	73,922	92,895	104,396	24,370	28,722
Property Expenses	(8,475)	(8,945)	(9,709)	(2,309)	(2,755)
Net Property Income	65,447	83,950	94,687	22,061	25,967
REIT Manager's management fees ⁽¹⁾	(9,047)	(9,796)	(10,254)	(2,492)	(2,656)
REIT Trustee's Fees ⁽¹⁾	(429)	(429)	(431)	(107)	(108)
Other trust expenses	(18,028) ⁽²⁾	(1,040)	(1,082)	(270)	(281)
Finance costs (net) ⁽³⁾	(16,288)	(16,360)	(16,508)	(4,101)	(4,160)
Net income before tax and fair value change	21,655	56,325	66,412	15,091	18,762
Fair value change in investment properties	34,897	-	-	-	-
Net income before tax	56,552	56,325	66,412	15,091	18,762
Income tax expense	-	-	-	-	-
Net income after tax	56,552	56,325	66,412	15,091	18,762
Add / (Less): Non-tax (chargeable) / deductible items (net) ⁽⁴⁾	(9,553)	8,916	9,284	2,264	2,395
Income available for distribution to holders of Far East H-REIT units	46,999	65,241	75,696	17,355	21,157

Notes:

- (1) Computed on the assumption that capital expenditure incurred for the respective periods was capitalised as part of the value of the relevant Property and, as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and trustee fees payable to the REIT Trustee.
- (2) Other trust expenses for FY2009 include one-off non-capitalised issuance costs.
- (3) Computed on the assumption that capital expenditure incurred for the respective periods was funded by borrowings.
- (4) "Non-tax (chargeable) / deductible items" comprise the REIT Manager's management fees paid or payable in Stapled Securities, the REIT Trustee's fees, amortisation of upfront debt financing costs, fair value change in investment properties and non-capitalised issuance costs.

Unaudited Pro Forma Balance Sheets of Far East H-REIT

	As at 31 December 2011	As at 31 March 2012
	(S\$'000)	(S\$'000)
Non-current assets		
Investment Properties	2,139,850	2,139,850
Current assets		
Cash and cash equivalents	5,527	5,527
Total assets	<u>2,145,377</u>	<u>2,145,377</u>
Current liabilities		
Rental deposits	4,557	4,557
Non-current liabilities		
Borrowings (net of upfront debt financing costs)	647,150	647,150
Total liabilities (excluding net assets attributable to holders of Far East-H REIT Units)	<u>651,707</u>	<u>651,707</u>
Net assets attributable to holders of Far East H-REIT Units	<u>1,493,670</u>	<u>1,493,670</u>
Number of Far East H-REIT Units in issue ('000)	<u>1,603,888</u>	<u>1,603,888</u>
Net asset value per Far East H-REIT Unit (S\$)	<u>0.93</u>	<u>0.93</u>

Unaudited Pro Forma Cash Flow Statements of Far East H-REIT

	FY2011	1Q 2012
	(S\$'000)	(S\$'000)
Operating activities		
Net income before income tax	84,527	18,825
Adjustments for:		
Finance costs ⁽¹⁾	16,364	4,124
Fair value change in investment properties	(34,897)	-
Non-capitalised issuance costs	17,028	-
REIT Manager's management fees paid or payable in Far East H-REIT Units ⁽¹⁾	8,188	2,121
Operating income before working capital changes	91,210	25,070
Changes in trade payables	171	6
Changes in trade receivables	(7,299)	(825)
Finance costs paid ⁽²⁾	(15,714)	(3,961)
Cash flows from operating activities	<u>68,368</u>	<u>20,290</u>
Investing activities		
Purchase of investment properties and related assets and liabilities ⁽³⁾	(2,100,396)	-
Capital expenditure	(9,525)	(1,296)
Cash flows used in investing activities	<u>(2,109,921)</u>	<u>(1,296)</u>
Financing activities		
Proceeds from issue of Far East H-REIT Units (net of issuance costs)	1,458,773	-
Proceeds from borrowings ⁽⁴⁾	656,674	1,296
Distribution to holders of Far East H-REIT Units	(56,944)	(18,981)
Cash flows from/(used in) financing activities	<u>2,058,503</u>	<u>(17,685)</u>
Net increase in cash & cash equivalents	16,950	1,309
Cash & cash equivalents at beginning of year/period	-	16,950
Cash & cash equivalents at end of year/period	<u>16,950</u>	<u>18,259</u>

Notes:

- (1) Computed on the assumption that capital expenditure incurred for the respective periods was capitalised as part of the value of the relevant Property and as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and trustee fees payable to the REIT Trustee.
- (2) Computed on the assumption that all incurred finance costs were paid out in the respective periods.
- (3) Inclusive of rental deposit which was assumed to be S\$4.6 million.
- (4) Computed on the assumption that capital expenditure incurred for the respective periods was funded by borrowings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the information in the Unaudited Pro Forma Financial Information, included elsewhere in this document. Statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forecasts. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other persons, or that these results will be achieved or are likely to be achieved (see "Forward-Looking Statements" and "Risk Factors" for further details). Recipients of this Prospectus and all prospective investors in the Stapled Securities are cautioned not to place undue reliance on these forward-looking statements.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and is based on certain assumptions after making certain adjustments to:

- (i) reflect the unaudited pro forma statements of total return for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 assuming the Offering, the acquisition of leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the Fee Arrangements had occurred or were effective on 1 January 2009;*
- (ii) present the unaudited pro forma balance sheet as at 31 December 2011 and 31 March 2012 assuming the Offering, the acquisition of the leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the Fee Arrangements had occurred on or were effective on 31 December 2011 and 31 March 2012; and*
- (iii) show the unaudited pro forma cash flow statement for FY2011 and 1Q2012 assuming the Offering, the acquisition of the leasehold titles in the Properties, the Master Lease Agreements, the Property Management Agreement and the Fee Arrangements had occurred or were effective on 1 January 2011.*

The Unaudited Pro Forma Financial Information is not necessarily indicative of the results of the operations or the financial position that would have been attained had the acquisition of the leasehold titles in the Properties and the Fee Arrangements actually occurred in the relevant periods. The Unaudited Pro Forma Financial Information, because of its nature, may not give a true or accurate picture of Far East H-REIT's actual total returns or financial position.

The following discussion and analysis of the financial condition and results of operations is based on and should be read in conjunction with the Unaudited Pro Forma Financial Information, and related notes thereto, which are included elsewhere in this Prospectus.

(See Appendix B, "Independent Accountants' Report on the Examination of the Unaudited Pro Forma Financial Information" for further details.)

GENERAL BACKGROUND

Far East H-REIT is a real estate investment trust established in Singapore as a unit trust pursuant to the Far East H-REIT Trust Deed. As Far East H-REIT was only established on 1 August 2012, Far East H-REIT has no historical operating results and financial information based on which recipients of this Prospectus may evaluate Far East H-REIT. Far East H-REIT's first accounting period will be from 1 August 2012, the date of its establishment, to 31 December 2012.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing.

Far East H-REIT

As at the Listing Date, the Initial Portfolio comprises the seven Hotels and four Serviced Residences in Singapore. The tenures of the Properties to be acquired by Far East H-REIT from their respective Vendors, which will commence on the Listing Date, are set out in the table below:

Name of Property	Leasehold Tenure ⁽¹⁾ (years)	Vendor and Master Lessee
Hotels		
Albert Court Village Hotel	75	First Choice Properties Pte Ltd
Changi Village Hotel	65	Far East Organization Centre Pte. Ltd.
The Elizabeth Hotel	75	Golden Development Private Limited
Landmark Village Hotel	66	Golden Landmark Pte Ltd
Oasia Hotel	92	Transurban Properties Pte. Ltd.
Orchard Parade Hotel	50	Far East Orchard Limited
The Quincy Hotel	75	Golden Development Private Limited
Serviced Residences		
Central Square Village Residences	80	OPH Riverside Pte Ltd
Hougang Village Residences	81	Serene Land Pte Ltd
Regency House	81	Oxley Hill Properties Pte Ltd
Riverside Village Residences	78	Riverland Pte Ltd

Note:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreements.

As at the Listing Date, the Vendors will be the Master Lessees of the Properties. The initial term of the Master Lease Agreements for each of the Properties will be 20 years from the Listing Date with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions save for amendments required due to any change in law. Far East H-REIT may, in relation to any Property for which the option for an additional lease is not exercised by the relevant Master Lessee, enter into a new master lease agreement, on terms to be agreed, with either the existing Master Lessee or a new master lessee. The Master Lease Agreements contain long lease terms with a view to securing a long-term stream of quality rental income for Far East H-REIT.

Far East H-REIT may be unable to appoint a master lessee for any of the Properties in its portfolio at the expiry of the relevant master lease agreement, for example because of a

failure to reach commercially favourable terms with the relevant Master Lessee or potential new master lessees. In the event that this happens, in order to ensure the Property's continued operation and revenue generation, Far East H-REIT will appoint Far East H-BT as a master lessee for that Property on substantially the same terms as the relevant Master Lease Agreement.

In relation to each Property, the relevant Master Lessee will appoint the Hotel and Serviced Residence Operator to manage the day-to-day operations and marketing of that Property. On the Listing Date, Jelco will be appointed by the Master Lessees as the sole Hotel and Serviced Residence Operator.

The REIT Manager will also be engaging Jelco to be the property manager of the Excluded Commercial Premises, which will not be subject to any master lease arrangement upon acquisition by Far East H-REIT. Individual units within the Excluded Commercial Premises will be leased out to individual tenants directly. The leases existing as at the Listing Date will be assigned to Far East H-REIT at that time. All leasing fees, advertisement costs, marketing-related expenses and commissions shall be borne by Far East H-REIT.

Far East H-BT

No pro forma financial information of Far East H-BT has been presented as it was newly established and will be dormant as at the Listing Date. Accordingly, no consolidated pro forma financial information of Far East H-Trust has been presented.

Acquisition of Properties

As at the date of this Prospectus, the REIT Trustee, as trustee of Far East H-REIT, has entered into the Property Sale and Purchase Agreements with the Vendors for the sale of the leasehold interests in the Properties to Far East H-REIT at an aggregate purchase price of approximately S\$2.1 billion after taking into consideration two independent valuations of the Properties as at 31 March 2012. The leasehold interests in each of the Properties will not be acquired at more than the higher of the two independent valuations. The purchase price under the Property Sale and Purchase Agreements will be satisfied either wholly in cash, or partly in cash and partly by way of Sponsor Stapled Securities. Far East H-REIT will fund the purchase price partly by the issue of 898,177,999 Stapled Securities and the balance by borrowings.

(See "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Property Sale and Purchase Agreements" and "Use of Proceeds" for further details.)

FACTORS AFFECTING FAR EAST H-REIT'S RESULTS OF OPERATIONS

Total Gross Revenue of Far East H-REIT

The total gross revenue of Far East H-REIT ("**Total Gross Revenue**") consists of (i) gross rental income from the Properties under the Master Lease Agreements and (ii) commercial rental income. Commercial rental income is derived from leasing out the Excluded Commercial Premises in the Properties directly to individual tenants.

Gross rental income from the Properties under the Master Lease Agreements

Far East H-REIT will receive gross rental income under the terms of the Master Lease Agreements, comprising a fixed rent (“**Fixed Rent**”) and a variable rent computed based on the sum of a stated percentage of the Property’s Gross Operating Revenue and a stated percentage of the Property’s Gross Operating Profit (each as defined herein), less the sum of the Fixed Rent (the “**Variable Rent**”). The Fixed Rent and Variable Rent of the Properties are set out in the table below:

	Fixed Rent (S\$'000)	Variable Rent (Sum of Percentage of Gross Operating Revenue and Percentage of Gross Operating Profit less Fixed Rent)	
		Percentage of Gross Operating Revenue (%)	Percentage of Gross Operating Profit (%)
Hotels			
Albert Court Village Hotel	3,500	33.0	25.0
Changi Village Hotel	7,500	33.0	24.0
The Elizabeth Hotel	5,500	33.0	34.0
Landmark Village Hotel	7,000	33.0	29.0
Oasia Hotel ⁽¹⁾	8,000	33.0	28.0
Orchard Parade Hotel	10,000	33.0	37.0
The Quincy Hotel	2,500	33.0	23.0
Serviced Residences			
Central Square Village Residences	3,500	33.0	41.0
Hougang Village Residences	1,500	33.0	38.0
Regency House	2,500	33.0	40.0
Riverside Village Residences	2,500	33.0	40.0

Note:

- (1) As Oasia Hotel's operations have yet to be stabilised, the total rental income of Oasia Hotel under the relevant Master Lease Agreement is subject to a minimum guarantee of S\$7.3 million and S\$18.2 million for Forecast Period 2012 and Projection Year 2013 respectively.

The percentage pegged to each Property’s Gross Operating Revenue is set at 33.0% for consistency across the Initial Portfolio. The percentage pegged to Gross Operating Profit varies across properties depending on each individual Property’s operating performance (which in turn varies, according to each Property’s location and size, among others).

Should the calculation of the Variable Rent yield a negative figure, the Variable Rent will be deemed to be zero.

(See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT and Far East H-BT — Master Lease Agreements” for further details.)

Commercial rental income

Far East H-REIT will receive commercial rental income from the Excluded Commercial Premises in eight of the Properties, namely Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Orchard Parade Hotel, Central Square Village Residences, Regency House and Riverside Village Residences. The commercial leases primarily have terms ranging from one to three years.

Property Expenses

Property Expenses for Far East H-REIT comprise (i) property tax for hospitality properties, (ii) insurance expenses, (iii) Management Corporation Strata Title Plan (“**MCST**”) sinking fund contribution (“**Sinking Fund Contributions**”) and (iv) other property expenses.

Property tax for hospitality properties

Property tax for hotels

For hotel properties, property tax is payable at 10.0% of the total annual value of the hotel. The annual value of hotel rooms is assessed on a fixed percentage of gross hotel room receipts for the preceding year. With effect from 1 January 2011, the annual value of hotel rooms will be set at 25.0% of the preceding year’s gross room receipts.

For the purposes of preparing the Unaudited Pro Forma Financial Information, it is assumed that property tax will remain at 10.0% of the annual value of the Hotels and that no property tax rebate is given by the tax authorities for the periods presented.

Property tax for serviced residences

Property tax for serviced residences is payable at 10.0% of their total annual value. The annual value of serviced residence units assessable to tax are based on their estimated prevailing market rentals, derived using valuation methods such as rental comparison or profit comparison. In estimating the market rent of a serviced residence using market rents of comparable properties, the Chief Assessor of the IRAS will take into account factors such as size, location and other physical attributes of the property.

Insurance expenses

Far East H-REIT incurs expenses for certain insurance coverage, including fire insurance and physical damage for the Properties, as well as rental losses from business interruption for the Excluded Commercial Premises.

Sinking Fund Contributions

Landmark Village Hotel, together with the 54 strata-titled shop units within Golden Landmark Shopping Centre, forms part of a MCST. As such, the owner of the Landmark Village Hotel is required to pay its share value of contributions towards maintenance and other expenses of the development to the MCST. Under the Master Lease Agreements, Far East H-REIT will bear the Sinking Fund Contributions which are levied for the eventual replacement of a facility or asset.

The sinking fund imposed by the management corporation is intended for use to meet future capital needs which are the liabilities of the management corporation under the Building Maintenance and Strata Management Act. These include (but are not limited to) the painting or treating of any part of the common property which is a structure, major repairs and improvements to, and maintenance of, the common property and the renewal or replacement of parts of the common property, fixtures, fittings and other property held by or on behalf of the management corporation and such other liabilities expected to be incurred in the future, where the management corporation determines in a general meeting that the whole or part thereof should be met from the sinking fund.

Oasia Hotel, Hougang Village Residences and Riverside Village Residences are part of a MCST, after which Far East H-REIT will bear the contributions to the sinking fund of the MCST.

Other property expenses

Other property expenses comprise expenses incurred for the Excluded Commercial Premises, such as staff costs, property tax for the Excluded Commercial Premises, property management fees, marketing expenses, utilities, repair and maintenance expenses, general and administrative expenses and other miscellaneous operating expenses.

REIT Manager's management fee

Pursuant to the Far East H-REIT Trust Deed, the REIT Manager is entitled to a management fee comprising a Base Fee of 0.3% per annum of the value of the Far East H-REIT Deposited Property and a Performance Fee of 4.0% of Net Property Income. For the purposes of the Unaudited Pro Forma Financial Information, it is assumed that 80.0% of the REIT Manager's management fees were paid in the form of Stapled Securities and the balance in cash.

REIT Trustee's fees

The REIT Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the Far East H-REIT Deposited Property, subject to a minimum of S\$20,000 per month, excluding out-of-pocket expenses and GST. The REIT Trustee will also be paid a one-time inception fee of S\$50,000.

Trustee-Manager's fees

Pursuant to the Far East H-BT Trust Deed, the Trustee-Manager is entitled to:

- (a) a management fee comprising 10.0% of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year), payable in the event that Far East H-BT becomes active; and
- (b) a trustee fee of a maximum of 0.1% per annum of the value of the Far East H-BT Trust Property if any, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million and Far East H-BT has become active.

For the purposes of the Unaudited Pro Forma Financial Information, it has been assumed that Far East H-BT is dormant, and the value of the Far East H-BT Trust Property is less than S\$50.0 million, and that, as a result, no Trustee-Manager fees are payable.

Other trust expenses

Other expenses of Far East H-Trust include one-off non-capitalised issuance costs and recurring trust expenses such as annual listing fees, registry fees, audit and tax advisory fees, valuation fees, legal fees, costs associated with the preparation of annual reports, investor communication costs and other miscellaneous costs.

Finance costs

Finance costs consist of interest expense, amortisation of upfront debt financing costs and other bank charges and fees.

Total Return for the Year

The total return for the year distributable to Stapled Securityholders is derived by adding back the following items to the net income after tax of Far East H-REIT:

- (a) the one-off non-capitalised issuance costs incurred at listing;
- (b) 80.0% of the REIT Manager's management fees, being the portion of management fees paid or payable to the REIT Manager in the form of Stapled Securities at the prevailing market price instead of cash; and
- (c) The REIT Trustee's fees and amortisation of the upfront debt arrangement fee, each of which are items that are non-deductible for tax purposes.

Comparison of Far East H-REIT's Performance

FY2010 over FY2009

Total Gross Revenue

The Total Gross Revenue of the Properties increased significantly, with an approximate 25.7% or S\$19.0 million increase to S\$92.9 million for FY2010 from S\$73.9 million in FY2009. Gross rental income received under the terms of the Master Lease Agreements for the Hotels and the Serviced Residences contributed 83.1% and 17.2% respectively to this increase.

Gross rental income from the Properties under the Master Lease Agreements

Gross rental income from the Hotels increased by 33.9% or S\$15.8 million to S\$62.3 million for FY2010 from S\$46.6 million for FY2009, while gross rental income from the Serviced Residences increased by 27.5% or S\$3.3 million to S\$15.1 million for FY2010 from S\$11.9 million for FY2009.

(See "— Analysis of the Performance of the Properties from FY2009 to FY2010" for further details on the factors contributing to the improvement in performance of the Properties.)

Commercial rental income

Commercial rental income remained substantially unchanged from FY2009 to FY2010 at S\$15.5 million.

Property Expenses

Property Expenses increased by 5.6% or S\$0.5 million to S\$8.9 million in FY2010 from S\$8.5 million in FY2009. This was due primarily to an increase in property tax for the Excluded Commercial Premises due to a higher annual value.

Net Property Income

Net Property Income increased by 28.3% or S\$18.5 million to S\$84.0 million in FY2010 from S\$65.4 million in FY2009 as the financial performance of the Properties recovered in line with the improved economy and increased tourist arrivals in Singapore.

REIT Manager's management fees

The management fees of the REIT Manager increased by 8.3% or S\$0.7 million, in line with the increase in Net Property Income in FY2010.

REIT Trustee's fees

The REIT Trustee's fees remained substantially unchanged from FY2009 to FY2010 at S\$0.4 million as the underlying value of the Far East H-REIT Deposited Property remained substantially unchanged.

Other trust expenses

Other trust expenses in FY2009 amounted to S\$18.0 million in the first year due primarily to one-off non-capitalised issuance costs. In FY2010, other trust expenses amounted to S\$1.0 million.

Finance costs (net)

Net finance costs remained substantially unchanged from FY2009 to FY2010 at S\$16.3 million.

Net income after tax

As a result of the above factors, net income after tax decreased by 0.4% or S\$0.2 million to S\$56.3 million in FY2010 from S\$56.6 million in FY2009.

FY2011 over FY2010

Total Gross Revenue

The Total Gross Revenue of the Properties continued to increase, by approximately 12.4% or S\$11.5 million to S\$104.4 million for FY2011 from S\$92.9 million in FY2010. Gross rental income received under the terms of the Master Lease Agreements for the Hotels and the Serviced Residences contributed 64.0% and 24.3% respectively to this increase.

Gross rental income from the Properties under the Master Lease Agreements

Gross rental income from the Hotels increased by 11.8% or S\$7.4 million to S\$69.7 million for FY2011 from S\$62.3 million for FY2010, while gross rental income from the Serviced Residences increased by 18.5% or S\$2.8 million to S\$17.9 million for FY2011 from S\$15.1 million for FY2010.

(See “— Analysis of the Performance of the Properties from FY2010 to FY2011” for further details on the factors contributing to the improvement in performance of the Properties in FY2010 as compared to FY2009.)

Commercial rental income

Commercial rental income increased by 8.8% or S\$1.4 million to S\$16.8 million in FY2011 from S\$15.5 million in FY2010. This increase was primarily due to improved economic conditions which led to increased occupancy levels in relation to the Excluded Commercial Premises.

Property Expenses

Property Expenses increased by 8.5% or S\$0.8 million to S\$9.7 million in FY2011 from S\$8.9 million in FY2010. This was due primarily to the increase of property tax for the Properties by 33.7% or S\$1.2 million in FY2011 following the increase of the gross receipts of the Hotels and rental revenue of the Serviced Residences in FY2010.

Net Property Income

Net Property Income increased by 12.8% or S\$10.7 million to S\$94.7 million in FY2011 from S\$84.0 million in FY2010.

REIT Manager's management fees

The management fees of the REIT Manager increased by 4.7% or S\$0.5 million, in line with the increase in Net Property Income for FY2011.

REIT Trustee's fees

The REIT Trustee's fees remained substantially unchanged from FY2010 to FY2011 at S\$0.4 million as the underlying value of the Far East H-REIT Deposited Property remained substantially unchanged.

Other trust expenses

Other trust expenses amounted to S\$1.1 million in FY2011.

Finance costs (net)

Net finance costs amounted to S\$16.5 million in FY2011.

Net income after tax

As a result of the above factors, net income after tax increased by 17.9% or S\$10.1 million to S\$66.4 million in FY2011 from S\$56.3 million in FY2010.

1Q2012 over 1Q2011

Total Gross Revenue

The Total Gross Revenue of the Properties increased by approximately 17.9% or S\$4.4 million to S\$28.7 million for 1Q2012 from S\$24.4 million for 1Q2011. Gross rental income received under the terms of the Master Lease Agreements for the Hotels contributed 93.0% to this increase.

Gross rental income from the Properties under the Master Lease Agreements

Gross rental income from the Hotels increased by 25.3% or S\$4.0 million from S\$16.0 million in 1Q2011 to S\$20.1 million for 1Q2012, while gross rental income from the Serviced Residences decreased by 0.9% or S\$41,000 from S\$4.4 million in 1Q2011 to S\$4.3 million for 1Q2012.

(See “— Analysis of the Performance of the Properties from 1Q2011 to 1Q2012” for further details on the factors contributing to the improvement in performance of the Properties in 1Q2012 as compared to 1Q2011.)

Commercial rental income

Commercial rental income increased by 8.6% or S\$0.3 million to S\$4.4 million in 1Q2012 from S\$4.0 million in 1Q2011. This increase was primarily due to the modest growth of the Singapore economy which led to increases in both occupancy and rental rates in relation to the Excluded Commercial Premises.

Property Expenses

Property Expenses increased by 19.3% or S\$0.4 million to S\$2.8 million in 1Q2012 from S\$2.3 million in 1Q2011. This was due primarily to the increase of property tax for the Properties by 22.6% or S\$0.2 million in FY2011 following the increase of the gross receipts of the Hotels and rental revenue of the Serviced Residences in FY2011.

Net Property Income

Net Property Income increased by 17.7% or S\$3.9 million to S\$26.0 million in 1Q2012 from S\$22.1 million in 1Q2011.

REIT Manager's management fees

The management fees of the REIT Manager increased by 6.6% or S\$0.2 million, in line with the increase in Net Property Income for 1Q2012.

REIT Trustee's fees

The REIT Trustee's fees remained substantially unchanged from 1Q2011 to 1Q2012 at S\$0.1 million as the underlying value of the Far East H-REIT Deposited Property remained substantially unchanged.

Other trust expenses

Other trust expenses amounted to S\$0.3 million in 1Q2011 and 1Q2012.

Finance costs (net)

Net finance costs amounted to S\$4.1 million in 1Q2011 and S\$4.2 million in 1Q2012.

Net income after tax

As a result of the above factors, net income after tax increased by 24.3% or S\$3.7 million to S\$18.8 million in 1Q2012 from S\$15.1 million in 1Q2011.

Analysis of the Performance of the Properties

Far East H-REIT's performance is significantly affected by the performance of the underlying hotel operations and serviced residence operations, which in turn is affected by various factors, including changes in revenue mix and occupancy levels. The performance of the Properties for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 is discussed in more detail below.

Gross Operating Revenue and Gross Operating Profit Trends of the Properties

The Gross Operating Revenue and gross operating profit, comprising Gross Operating Revenue less operating expenses (“**Gross Operating Profit**”), of the Hotels and the Serviced Residences for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are set out below:

	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	GOR (S\$'000)	GOP (S\$'000)								
Hotels	92,884	51,577	120,868	73,416	138,668	79,150	30,934	18,930	38,115	21,136
Serviced Residences	19,960	12,936	24,670	17,400	28,887	20,916	6,915	5,169	6,914	5,073
Total	112,844	64,513	145,538	90,816	167,555	100,066	37,849	24,099	45,029	26,209

The above figures have been prepared from relevant management accounts of the Properties and have been adjusted to account for differences in the manner in which the Master Lessees will account for revenue and operating expenses directly attributable to their hospitality property operations in accordance with the terms of the Master Lease Agreements.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in FY2009 is set out below:

(S\$'000)	Hotels								Total
	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel ⁽³⁾	Orchard Parade Hotel	The Quincy Hotel		
Gross Operating Revenue ⁽¹⁾	9,386	18,996	13,967	17,558	-	26,182	6,795		92,884
Operating expenses ⁽²⁾	(3,965)	(10,516)	(5,910)	(8,196)	-	(9,022)	(3,698)		(41,307)
Gross Operating Profit	5,421	8,480	8,057	9,362	-	17,160	3,097		51,577
Gross Operating Profit margin (%)	57.8	44.6	57.7	53.3	-	65.5	45.6		55.5

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAR of each Hotel is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.
- (3) Oasia Hotel commenced operations in FY2011.

(S\$'000)	Serviced Residences				Total
	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	
Gross Operating Revenue ⁽¹⁾	6,953	2,968	5,421	4,618	19,960
Operating expenses ⁽²⁾	(2,210)	(1,773)	(1,690)	(1,351)	(7,024)
Gross Operating Profit	4,743	1,195	3,731	3,267	12,936
Gross Operating Profit margin (%)	68.2	40.3	68.8	70.8	64.8

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAU of each Serviced Residence is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in FY2010 is set out below:

(S\$'000)	Hotels							
	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel ⁽³⁾	Orchard Parade Hotel	The Quincy Hotel	Total
Gross Operating Revenue ⁽¹⁾	12,294	24,007	18,401	23,018	-	33,578	9,570	120,868
Operating expenses ⁽²⁾	(4,819)	(10,909)	(6,160)	(9,848)	-	(11,151)	(4,565)	(47,452)
Gross Operating Profit	7,475	13,098	12,241	13,170	-	22,427	5,005	73,416
Gross Operating Profit margin (%)	60.8	54.6	66.5	57.2	-	66.8	52.3	60.7

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAR of each Hotel is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.
- (3) Oasia Hotel commenced operations only in April 2011.

(S\$'000)	Serviced Residences				
	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Gross Operating Revenue ⁽¹⁾	8,691	4,243	6,195	5,541	24,670
Operating expenses ⁽²⁾	(2,291)	(1,729)	(1,623)	(1,627)	(7,270)
Gross Operating Profit	6,400	2,514	4,572	3,914	17,400
Gross Operating Profit margin (%)	73.6	59.3	73.8	70.6	70.5

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAU of each Serviced Residence is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in FY2011 is set out below:

(S\$'000)	Hotels							
	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel ⁽³⁾	Orchard Parade Hotel	The Quincy Hotel	Total
Gross Operating Revenue ⁽¹⁾	12,396	28,007	17,855	24,883	10,862	34,568	10,097	138,668
Operating expenses ⁽²⁾	(5,458)	(13,018)	(6,842)	(10,730)	(6,830)	(11,913)	(4,727)	(59,518)
Gross Operating Profit	6,938	14,989	11,013	14,153	4,032	22,655	5,370	79,150
Gross Operating Profit margin (%)	56.0	53.5	61.7	56.9	37.1	65.5	53.2	57.1 ⁽⁴⁾

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAR of each Hotel is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.
- (3) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011. Room revenue in FY2011 was therefore based on promotional rates.
- (4) Excluding Oasia Hotel, the Gross Operating Profit margin would be 58.8%.

Serviced Residences

(S\$'000)	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Gross Operating Revenue ⁽¹⁾	9,857	5,487	7,259	6,284	28,887
Operating expenses ⁽²⁾	(2,320)	(1,972)	(1,858)	(1,821)	(7,971)
Gross Operating Profit	7,537	3,515	5,401	4,463	20,916
Gross Operating Profit margin (%)	76.5	64.1	74.4	71.0	72.4

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAU of each Serviced Residence is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in 1Q2011 is set out below:

Hotels

(S\$'000)	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel ⁽³⁾	Orchard Parade Hotel	The Quincy Hotel	Total
Gross Operating Revenue ⁽¹⁾	2,904	6,505	4,787	5,758	-	8,584	2,396	30,934
Operating expenses ⁽²⁾	(1,169)	(3,011)	(1,594)	(2,462)	-	(2,645)	(1,123)	(12,004)
Gross Operating Profit	1,735	3,494	3,193	3,296	-	5,939	1,273	18,930
Gross Operating Profit margin (%)	59.8	53.7	66.7	57.2	-	69.2	53.1	61.2

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAR of each Hotel is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.
- (3) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.

Serviced Residences

(S\$'000)	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Gross Operating Revenue ⁽¹⁾	2,469	1,238	1,703	1,505	6,915
Operating expenses ⁽²⁾	(519)	(424)	(403)	(400)	(1,746)
Gross Operating Profit	1,950	814	1,300	1,105	5,169
Gross Operating Profit margin (%)	79.0	65.8	76.3	73.4	74.7

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAU of each Serviced Residence is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in 1Q2012 is set out below:

Hotels

(S\$'000)	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Gross Operating Revenue ⁽¹⁾	2,702	6,878	4,475	6,040	6,789	8,787	2,444	38,115
Operating expenses ⁽²⁾	(1,561)	(3,296)	(1,804)	(2,888)	(3,170)	(3,057)	(1,203)	(16,979)
Gross Operating Profit	1,141	3,582	2,671	3,152	3,619	5,730	1,241	21,136
Gross Operating Profit margin (%)	42.2	52.1	59.7	52.2	53.3	65.2	50.8	55.5

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAR of each Hotel is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

Serviced Residences

(\$'000)	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Gross Operating Revenue ⁽¹⁾	2,357	1,281	1,733	1,543	6,914
Operating expenses ⁽²⁾	(552)	(437)	(450)	(402)	(1,841)
Gross Operating Profit	1,805	844	1,283	1,141	5,073
Gross Operating Profit margin (%)	76.6	65.9	74.0	73.9	73.4

Notes:

- (1) See “— Revenue Mix of the Properties” for an analysis of the revenue mix of each Property. The RevPAU of each Serviced Residence is listed in “— Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue”.
- (2) These comprise cost of sales, staff costs, shared services costs, energy and utilities and other expenses.

Revenue Mix of the Properties

Hotels

The following table sets out the composition of the Gross Operating Revenue of the Hotels during FY2009, FY2010, FY2011, 1Q2011 and 1Q2012:

	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%
Room revenue	76,124	81.9	101,367	83.8	115,960	83.6	25,735	83.2	31,939	83.8
F&B revenue	5,162	5.6	5,391	4.5	6,931	5.0	1,577	5.1	1,862	4.9
Service charge	8,223	8.9	10,854	9.0	12,429	9.0	2,814	9.1	3,354	8.8
Other income	3,375	3.6	3,256	2.7	3,348	2.4	808	2.6	960	2.5
Total	92,884	100.0	120,868	100.0	138,668	100.0	30,934	100.0	38,115	100.0

The major contributor to the Gross Operating Revenue of the Hotels is room revenue.

As most of the F&B outlets in the Hotels are rented to third party operators, the F&B revenue comprises revenue from the lobby and poolside bars, catering services, banqueting sale, room service and room mini-bar sales and is therefore not a major contributor to the Hotels' revenue. Rental income from the leasing of retail outlets to third party F&B operators is recognised as commercial rental revenue.

Service charge refers to the service charge typically levied on room revenue, F&B revenue and revenue from laundry services.

Other income includes income from provision of telecommunication services, internet broadband services, laundry services, operation of car parks and the usage of business centres.

The customer profile of the Hotels by room revenue contribution for FY2009, FY2010 and FY2011, 1Q2011 and 1Q2012 is as follows:

	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%
Corporate	32,624	42.9	43,314	42.7	50,513	43.6	11,395	44.3	15,227	47.7
Leisure / Independent Travellers	43,500	57.1	58,053	57.3	65,447	56.4	14,340	55.7	16,712	52.3
Total	76,124	100.0	101,367	100.0	115,960	100.0	25,735	100.0	31,939	100.0

Serviced Residences

The following table sets out the composition of the Gross Operating Revenue of the Serviced Residences during FY2009, FY2010, FY2011, 1Q2011 and 1Q2012:

	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Rental Revenue	19,439	97.4	24,169	98.0	28,380	98.2	6,805	98.4	6,790	98.2
Other income	521	2.6	501	2.0	507	1.8	110	1.6	124	1.8
Total	19,960	100.0	24,670	100.0	28,887	100.0	6,915	100.0	6,914	100.0

Rental revenue generally contributes more than 98.0% of the Serviced Residences' Gross Operating Revenue.

Other income refers mainly to income from laundry services, operation of car parks and hiring of furniture and equipment by guests in addition to standard provisions.

The customer profile of the Serviced Residences by rental revenue contribution for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 is as follows:

	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Corporate	15,965	82.1	21,006	86.9	24,912	87.8	5,958	87.6	5,840	86.0
Leisure / Independent Travellers	3,474	17.9	3,163	13.1	3,468	12.2	847	12.4	950	14.0
Total	19,439	100.0	24,169	100.0	28,380	100.0	6,805	100.0	6,790	100.0

Key Drivers of Hotel Room Revenue and Serviced Residence Unit Rental Revenue

Hotels

The weighted average RevPAR for the Hotels for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are as follows:

Weighted Average	FY2009	FY2010	FY2011	1Q2011	1Q2012
RevPAR ⁽¹⁾ (including Oasia Hotel) (S\$)	121	160	150	165	162
RevPAR ⁽¹⁾ (excluding Oasia Hotel) (S\$)	121	160	169	165	165

Note:

- (1) Computed based on the total room revenues of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant periods.

The RevPAR of the individual Hotels for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are set out below:

	FY2009 (S\$)	FY2010 (S\$)	FY2011 (S\$)	1Q2011 (S\$)	1Q2012 (S\$)
Albert Court Village Hotel	106	140	142	134	125
Changi Village Hotel	102	135	153	142	152
The Elizabeth Hotel	128	172	167	181	168
Landmark Village Hotel	102	136	148	138	143
Oasia Hotel ⁽¹⁾	-	-	117	-	150
Orchard Parade Hotel	150	197	203	205	206
The Quincy Hotel ⁽²⁾	171	217	229	220	222
Weighted Average RevPAR⁽³⁾ (including Oasia Hotel)	121	160	150	165	162
Weighted Average RevPAR⁽³⁾ (excluding Oasia Hotel)	121	160	169	165	165

Notes:

- (1) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011. The RevPAR of Oasia Hotel for FY2011 was therefore based on promotional rates.
- (2) The Quincy Hotel commenced operations in February 2009.
- (3) Computed based on total room revenues of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant periods.

Serviced Residences

The weighted average RevPAU for the Serviced Residences for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are as follows:

Weighted Average	FY2009	FY2010	FY2011	1Q2011	1Q2012
RevPAU ⁽¹⁾ (S\$)	146	182	214	208	206

Note:

- (1) Computed based on total unit revenues of the Serviced Residences divided by the total number of Available Serviced Residence Units of the Serviced Residences for the relevant periods.

The RevPAU of the respective Serviced Residences for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are further set out below:

	FY2009 (S\$)	FY2010 (S\$)	FY2011 (S\$)	1Q2011 (S\$)	1Q2012 (S\$)
Central Square Village Residences	144	182	208	211	199
Hougang Village Residences	104	149	191	176	180
Regency House	166	190	223	212	213
Riverside Village Residences	172	208	240	234	236
Weighted Average RevPAU⁽¹⁾	146	182	214	208	206

Note:

- (1) Computed based on the total serviced residence unit rental revenue of the Serviced Residences divided by the total number of Available Serviced Residence Units of the Serviced Residences for the relevant periods.

General Commentary on the Performance of the Properties

FY2010 over FY2009

The Properties operated under challenging conditions in FY2009 as travel declined sharply during the first half of the year due to the financial crisis in the US and Europe which negatively affected the Asian tourism market. This was further compounded by an outbreak of the H1N1 virus which significantly affected tourist arrivals in Singapore. With the gradual improvement of economic conditions in the Asia-Pacific region and increased tourist arrivals in the second half of 2009 (“2H2009”), demand from tourists and business travellers increased, resulting in a better performance of the Properties in 2H2009. The global economic rebound in FY2010, coupled with investor confidence in Singapore’s sound business fundamentals and key tourism developments, yielded significant benefits for Singapore and its MICE industry.

Hotels

Despite the addition of 5,863 new hotel rooms in Singapore which increased competition, the Hotels benefited from the global economic rebound and Gross Operating Revenue of the Hotels increased by 30.1% to S\$120.9 million in FY2010, while Gross Operating Profit of the Hotels increased by 42.3% to S\$73.4 million in FY2010. The Hotels also achieved a higher weighted average occupancy rate¹ of 87.9% in FY2010 as compared to the 83.7% weighted average occupancy rate in FY2009, while ADR increased by 26.0% to S\$182 in FY2010 from S\$144 in FY2009. This resulted in a weighted average RevPAR of S\$160 for FY2010, a 32.3% increase from S\$121 in FY2009, resulting in an increase in room revenue of 33.2% to S\$101.4 million in FY2010 from S\$76.1 million in FY2009.

The key driver for the Hotels’ revenue growth was the strong performance of the Hotels located in the Orchard Road area, namely The Elizabeth Hotel, Orchard Parade Hotel and The Quincy Hotel, which collectively enjoyed an increase in revenue of 31.1% or S\$14.6 million in FY2010 from S\$46.9 million in FY2009. The total Gross Operating Revenue of the other Hotels, namely Albert Court Village Hotel, Changi Village Hotel and Landmark Village Hotel increased by 29.1% or S\$13.4 million in FY2010 from S\$45.9 million in FY2009.

The increase in leisure demand coupled with the rebound in corporate demand were the two key growth engines for the Hotels located in the Orchard Road area in FY2010. The launch of the integrated resorts was a major catalyst for tourism development in Singapore and had brought about increase in accommodation demand, generating greater leisure demand particularly during the weekend and festive periods.

The growth in total revenue of the other Hotels was primarily driven by the increase in the MICE activities and the uplift in corporate demand spurred by the positive economic developments.

The key drivers for the rebound in ADR include the restoration of rates back to the pre-crisis corporate rates as well as the focus on the higher-yielding corporate segments such as oil and gas, off-shore / logistics and financial services. This resulted in an increase in the Gross Operating Profit margin to 60.7% in FY2010 from 55.5% in FY2009.

1 “**weighted average occupancy rate**” means the number of hotel rooms or, as the case may be, serviced residence units sold for a particular period divided by the Available Hotel Rooms or, as the case may be, Available Serviced Residence Units for the relevant period.

Serviced Residences

Benefitting from the improving macroeconomic environment in 2H2009 and 2H2010, the Serviced Residences recorded an increase of 23.6% in Gross Operating Revenue to S\$24.7 million in FY2010 from S\$20.0 million in FY2009 and 34.5% in Gross Operating Profit to S\$17.4 million in FY2010 from S\$12.9 million in FY2009.

One of the key driving factors was the recovery of certain business sectors such as the financial services and oil and gas industries, which were among the key customer segments of Central Square Village Residences, Regency House and Riverside Village Residences.

The Serviced Residences' rental revenue increased by 24.3% from S\$19.4 million in FY2009 to S\$24.2 million in FY2010. This is primarily due to a substantial growth in RevPAU experienced by all the Serviced Residences, with Hougang Village Residences achieving the highest RevPAU growth of 43.0%. Apart from the general economic recovery, Hougang Village Residences' RevPAU growth was attributable mainly to the development of the Seletar Aerospace Park as well as the rebound of the IT and electronics industries, which brought about an increase in business activities of such establishments located in the nearby Ang Mo Kio Industrial Park.

In FY2010, the Serviced Residences achieved a higher weighted average occupancy rate of 92.3% as compared to 82.3% in FY2009. ADR increased by more than 10.0% to S\$197 in FY2010 from S\$178 in FY2009, resulting in an increase of 24.3% in weighted average RevPAU to S\$182 in FY2010 from S\$146 in FY2009. Each of the Serviced Residences achieved increases in ADR in FY2010 as compared to FY2009.

In addition to the increase in revenue, the Serviced Residences were able to enhance cost efficiency and increased their Gross Operating Profit margin to 70.5% in FY2010 from 64.8% in FY2009.

FY2011 over FY2010

In FY2011, the Properties continued to experience a positive improvement in Gross Operating Revenue and Gross Operating Profit.

Hotels

Despite the net addition of 1,944 new hotel rooms in Singapore, the Hotels recorded a 14.7% increase in Gross Operating Revenue to S\$138.7 million in FY2011 and a 7.8% increase in Gross Operating Profit to S\$79.2 million in FY2011, in line with the continued growth of the Singapore economy.

Room revenue increased by 14.4% to S\$116.0 million in FY2011, driven primarily by a 9.0% increase in ADR and the commencement of operations of Oasia Hotel in April 2011, which contributed S\$10.9 million to the Gross Operating Revenue and S\$4.0 million to the Gross Operating Profit of the Hotels.

For FY2011, the weighted average occupancy rate for the Hotels was 75.4%, ADR was S\$198 and the weighted average RevPAR for the Hotels was S\$150. Excluding Oasia Hotel, the weighted average occupancy rate, ADR and weighted average RevPAR for the Hotels were 84.9%, S\$199 and S\$169 respectively.

Each of the Hotels achieved an increase in ADR, while RevPAR for all Hotels, save for The Elizabeth Hotel, similarly increased, with Changi Village Hotel and Landmark Village Hotel

experiencing the highest increases of 13.8% and 9.2% respectively. The RevPAR for The Elizabeth Hotel declined by 2.5% to S\$167 in FY2011 from S\$172 in FY2010 as major refurbishments for 100 Executive Rooms (of a total inventory of 256 hotel rooms) were undertaken in 2H2011 to reposition and rebrand the executive wing, which in turn affected the occupancy rate of the Hotel.

Among the Hotels, Changi Village Hotel was the top performing hotel, achieving the highest Gross Operating Revenue growth rate of 16.7% in FY2011. This was due mainly to improvements in its customer profile, with the corporate segment accounting for more than half of its room revenue, as well as the growth of its F&B business by more than 45.0%, where Changi Village Hotel's ability to secure more residential meeting business during FY2011 was a significant contributing factor.

The Hotels' Gross Operating Profit margin decreased slightly to 57.1% in FY2011 from 60.7% in FY2010 due primarily to the newly-launched Oasia Hotel which commenced operations only in April 2011, which operated on a Gross Operating Profit margin of 37.1%. Excluding Oasia Hotel which only became fully operational in October 2011, the Hotels' Gross Operating Profit margin in FY2011 is 58.8%.

Serviced Residences

In line with the economic growth and the buoyant real estate industry which led to a corresponding increase in rental rate growth in Singapore, all the Serviced Residences continued to experience revenue growth in FY2011. The Serviced Residences recorded a 17.1% increase in Gross Operating Revenue to S\$28.9 million in FY2011 and a 20.2% increase in Gross Operating Profit to S\$20.9 million in FY2011. Rental revenue increased by 17.4% in FY2011 to S\$28.4 million, driven primarily by an increase of 17.9% in ADR.

The Serviced Residences were able to maintain the high weighted average occupancy rate of more than 92.0% achieved in FY2010. This, together with the higher ADR of S\$232 in FY2011, resulted in a 17.7% growth in weighted average RevPAU to S\$214 in FY2011 from S\$182 in FY2010. Each of the Serviced Residences achieved an increase in ADR, with a resultant increase in RevPAU for all the Serviced Residences individually, ranging from 14.1% to 28.8%.

The increase in rental revenue for Central Square Village Residences, Regency House and Riverside Village Residences was a result of higher ADR attributable to the sustained growth enjoyed by the financial services industry, one of the major customer business segments for these Serviced Residences. With the sustained growth experienced by its major customer segments and further developments of the Seletar Aerospace Park, Hougang Village Residences enjoyed a growth in RevPAU of 28.8% in FY2011.

Apart from the positive macroeconomic environment, the higher ADR was also a result of the Serviced Residences' dedicated yield management efforts. The Serviced Residences were also able to enhance cost efficiency and increased their Gross Operating Profit margin to 72.4% in FY2011 from 70.5% in FY2010.

1Q2012 over 1Q2011

Hotels

The Hotels recorded a 23.2% increase in Gross Operating Revenue to S\$38.1 million in 1Q2012 from S\$30.9 million in 1Q2011 and a 11.7% increase in Gross Operating Profit to S\$21.1 million in 1Q2012 from S\$18.9 million in 1Q2011.

Room revenue increased by 24.1% to S\$31.9 million in 1Q2012 from S\$25.7 million in 1Q2011, driven primarily by an increase of 1.3% in ADR, and the contribution from Oasia Hotel which commenced operations in April 2011. Oasia Hotel's contribution to the Gross Operating Revenue and the Gross Operating Profit of the Hotels in 1Q2012 was S\$6.8 million and S\$3.6 million respectively.

For 1Q2012, the weighted average occupancy rate for the Hotels was 83.5%, ADR was S\$194 and the weighted average RevPAR was S\$162. Excluding Oasia Hotel which commenced full operations only in October 2011, the weighted average occupancy rate, ADR and weighted average RevPAR were 84.5%, S\$196 and S\$165 respectively. For the corresponding period in 2011, the weighted average occupancy rate was 85.8%, ADR was S\$192 and the weighted average RevPAR was S\$165.

All of the Hotels, save for Albert Court Village Hotel and The Elizabeth Hotel, achieved an increase in RevPAR, with Changi Village Hotel experiencing the highest increase in RevPAR of 6.7% due mainly to the acquisition of higher-yielding corporate accounts. Albert Court Village Hotel's weaker RevPAR performance of S\$125 in 1Q2012, a decline of 6.7% from S\$134 in 1Q2011, was largely due to the increased competition from existing players as well as new players that contributed more than 1,000 new hotel rooms in the vicinity.

The major refurbishments undertaken by the Elizabeth Hotel in 2011 to reposition and rebrand the executive wing were completed in end 2011. The Elizabeth Hotel had registered a weaker RevPAR of S\$168 in 1Q2012, 7.3% lower than 1Q2011's RevPAR of S\$181, as the hotel had yet to realise the full positive impact brought about by the refurbished rooms.

The Hotels' Gross Operating Profit margin decreased to 55.5% in 1Q2012 from 61.2% in 1Q2011 due primarily to increased operation expenses associated with product enhancement initiatives undertaken in line with its strategy of focusing on higher-yielding corporate segments, and higher staff costs. Excluding Oasia Hotel, the Hotels' Gross Operating Profit margin in 1Q2012 was 55.9%.

Serviced Residences

The Serviced Residences' Gross Operating Revenue remained substantially unchanged at S\$6.9 million in 1Q2011 and 1Q2012, while Gross Operating Profit declined slightly by 1.9% to S\$5.1 million in 1Q2012 from S\$5.2 million in 1Q2011. Rental revenue remained substantially unchanged at S\$6.8 million for 1Q2012.

The volatile macroeconomic outlook for 2012 had led to a generally cautious mood among corporate clients. In view of these macro-economic conditions, one of the key focuses of the Service Residences was to maximise asset yield through active management of the properties' occupancy and ADR to optimise RevPAU. The Serviced Residences achieved an increase of 5.0% in ADR to S\$239 in 1Q2012 from S\$228 in 1Q2011. The weighted average occupancy rate for 1Q2012 was 85.8%, lower than 1Q2011's weighted average occupancy rate of 91.4% due to refurbishment works. For 1Q2012, the Service Residences' weighted

average RevPAU was S\$206, 1.3% lower than 1Q2011's weighted average RevPAU of S\$208.

Through its dedicated yield management efforts, the majority of the Serviced Residences had achieved an increase in RevPAU in 1Q2012. Central Square Village Residences had registered a decline of 6.1% in RevPAU in 1Q2012 due mainly to the softening in demand from some of its key clients from the financial service industry, where the health of the financial service industry is closely related to the developments of the macro-economic environment.

The Serviced Residences' Gross Operating Profit margin decreased slightly to 73.4% in 1Q2012 from 74.7% in 1Q2011.

Indebtedness

The Far East H-REIT Debt Facilities, being S\$725.0 million unsecured floating rate banking facilities for Far East H-REIT, comprise S\$650.0 million term loan facilities and S\$75.0 million revolving credit facilities from DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

The S\$650.0 million term loan facilities have staggered loan maturities of three-year, five-year and seven-year terms as detailed below and will be drawn down in full on the Listing Date:

- S\$300.0 million (46.1%) repayable in three years;
- S\$250.0 million (38.5%) repayable in five years; and
- S\$100.0 million (15.4%) repayable in seven years.

The S\$75.0 million revolving credit facilities are uncommitted facilities.

An amount of S\$650.0 million of the Far East H-REIT Debt Facilities will be drawn down as of the Listing Date to partially fund the acquisition of the Properties. The balance of the Far East H-REIT Debt Facilities will be used to fund the short-term working capital needs and capital expenditure requirements of Far East H-REIT.

As at the Listing Date, based on the unaudited pro forma balance sheet of Far East H-REIT as at 31 December 2011, Far East H-REIT will have gross borrowings of S\$650.0 million, with an Aggregate Leverage of approximately 30.4% of the Far East H-REIT Deposited Property. The Property Funds Appendix allows Far East H-REIT to borrow up to 35.0% of the Far East H-REIT Deposited Property without a credit rating and up to a maximum of 60.0% of the value of the Far East H-REIT Deposited Property if a credit rating from Fitch Inc., Moody's or Standard & Poor's is obtained and disclosed to the public. The REIT Manager believes that Far East H-REIT will be able to enjoy flexibility in respect of future capital expenditure or acquisitions. Based on the 35.0% limit imposed by the Property Funds Appendix, Far East H-REIT will have an additional borrowing capacity of approximately S\$152.2 million.

The REIT Manager intends to employ an appropriate mix of debt and equity in financing acquisitions of properties and property enhancements. The REIT Manager will also utilise interest rate hedging strategies, where appropriate, in order to reduce exposure to market volatility.

(See "Strategy — Far East H-REIT's Strategy — Capital and Risk Management Strategy" for further details.)

Liquidity and Capital Resources

Net cash from operations will be Far East H-REIT's primary source of liquidity for funding distributions, servicing of debt, payment of expenses and meeting the working capital and capital expenditure requirements of Far East H-REIT. Taking into account the Far East H-REIT Debt Facilities and the rental deposits received, the REIT Manager is of the opinion that Far East H-REIT's working capital is sufficient for its present requirements.

Capital Expenditure

The unaudited pro forma statements of total return have been prepared based on the following capital expenditure (including FF&E expenses) incurred by Far East H-REIT during the relevant financial years:

	FY2009 (S\$'000)	FY2010 (S\$'000)	FY2011 (S\$'000)	1Q2011 (S\$'000)	1Q2012 (S\$'000)
Hotels					
Albert Court Village Hotel	276	76	794	250	235
Changi Village Hotel	317	901	611	60	25
The Elizabeth Hotel	208	52	3,964	238	159
Landmark Village Hotel	79	247	1,021	55	14
Oasia Hotel	-	-	286	-	80
Orchard Parade Hotel	1,523	543	1,556	39	566
The Quincy Hotel	304	94	77	19	23
Sub-total	2,707	1,913	8,309	661	1,102
Serviced Residences					
Central Square Village Residences	256	415	410	31	54
Hougang Village Residences	32	235	198	31	90
Regency House	102	147	372	44	22
Riverside Village Residences	90	105	236	29	28
Sub-total	480	902	1,216	135	194
TOTAL	3,187	2,815	9,525	796	1,296

The unaudited pro forma statement of cash flows in FY2011 has been prepared based on capital expenditure of S\$9.5 million incurred during the financial year.

Accounting Policies

For a discussion of the principal accounting policies of Far East H-REIT, Far East H-BT and Far East H-Trust, see Appendix B, "Independent Accountants' Report on the Examination of the Unaudited Pro Forma Financial Information" for further details.

PROFIT FORECAST AND PROFIT PROJECTION

Far East H-BT will not make distributions for the period in which it is dormant. Therefore distributions by Far East H-Trust, when Far East H-BT is dormant, will comprise distributions by Far East H-REIT solely.

Statements contained in the “Profit Forecast and Profit Projection” section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out in this section of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved (see “Forward-looking Statements” and “Risk Factors”). Prospective investors in the Stapled Securities are cautioned not to place any undue reliance on these forward-looking statements that are valid only as at the date of this Prospectus.

None of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantee the performance of Far East H-Trust, Far East H-REIT and Far East H-BT, the repayment of capital or the payment of any distributions, or any particular return on the Stapled Securities. The forecast and projected yields stated in the following tables are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 August 2012.***

Such yields will vary accordingly if the Listing Date is not 1 August 2012, or for investors who purchase the Stapled Securities in the secondary market at a market price that differs from the Offering Price.

The following tables show the forecast and projected statements of total return for Forecast Period 2012 and Projection Year 2013 of Far East H-REIT. The financial year-end of Far East H-REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of the Stapled Securities is other than 1 August 2012, being the assumed date of the issuance of the Stapled Securities for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out in Profit Forecast and Profit Projection” and have been examined by the Independent Accountants and should be read together with the report set out in Appendix A, “Independent Accountants’ Report on the Profit Forecast and Profit Projection”, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

While profit forecasts have been prepared for Forecast Period 2012, being the period commencing from 1 August 2012 and ending 31 December 2012, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of hospitality properties is generally better in the second half of the year as compared to the first half of the year. Hence, comparisons between the annualised financial performance of the Properties from Forecast Period 2012 and Projection Year 2013 are unlikely to provide accurate reflections of the expected changes in financial performance from 2012 to 2013.

Far East H-REIT Forecast and Projected Statements of Total Return

The forecast and projected statements of total return for Far East H-REIT based on the Offering Price, assuming the Over-Allotment Option is fully exercised, is as follows:

	Forecast Period 2012	Projection Year 2013
	(S\$'000)	(S\$'000)
Total Gross Revenue	49,752	124,831
Less: Property Expenses	(4,620)	(11,717)
Net Property Income	45,132	113,114
REIT Manager's management fees	(4,485)	(10,983)
REIT Trustee's fees	(179)	(431)
Other trust expenses	(17,444) ⁽¹⁾	(1,040)
Finance costs (net) ⁽²⁾	(6,733)	(16,387)
Net income before tax and fair value change	16,291	84,273
Fair value change in investment properties	34,897	-
Net income before tax	51,188	84,273
Income tax expense	-	-
Net income after tax	51,188	84,273
Add / (Less): Non-tax (chargeable) / deductible items (net) ⁽³⁾	(13,831)	9,880
Income available for distribution to holders of Far East H-REIT Units	37,357⁽⁴⁾	94,153

	Forecast Period 2012	Projection Year 2013
	Based on the Offering Price	Based on the Offering Price
Weighted average number of Stapled Securities in issue ⁽⁵⁾ ('000)	1,607,746	1,613,640
Distribution per Stapled Security (cents)	2.32	5.83
Offering Price (S\$)	0.93	0.93
Distribution yield (%)	6.0⁽⁶⁾	6.3

Notes:

- (1) Other trust expenses for Forecast Period 2012 include one-off non-capitalised issuance costs.
- (2) Finance costs comprise interest expenses, amortisation of upfront debt financing costs and other bank charges and fees.
- (3) "Non-tax (chargeable) / deductible items" comprise the REIT Manager's management fees paid or payable in Stapled Securities, the REIT Trustee's fees, amortisation of upfront debt financing costs, fair value change in investment properties and non-capitalised issuance costs.
- (4) Stapled Securityholders will not be entitled to distributable income from 1 August 2012 to the day preceding the actual Listing Date.
- (5) Includes the assumed payment of 80% of the REIT Manager's management fees for the relevant period in the form of Stapled Securities issued at the respective assumed offering price.
- (6) Annualised by extrapolating the Forecast Period 2012 figures for a year.

Total Gross Revenue and Net Property Income Contribution of Individual Property

The forecast and projected contribution of the Properties to Total Gross Revenue⁽¹⁾ is as follows:

	Forecast Period 2012		Projection Year 2013	
	(S\$'000)	%	(S\$'000)	%
Hotels				
Albert Court Village Hotel	2,787	5.6	7,001	5.6
Changi Village Hotel	5,645	11.3	14,207	11.4
The Elizabeth Hotel	4,458	9.0	11,213	9.0
Landmark Village Hotel	5,619	11.3	14,126	11.3
Oasia Hotel	7,250	14.6	18,200	14.6
Orchard Parade Hotel	11,495	23.1	28,801	23.1
The Quincy Hotel	1,906	3.8	4,797	3.8
Sub-Total	39,160	78.7	98,345	78.8
Serviced Residences				
Central Square Village Residences	4,149	8.3	10,311	8.3
Hougang Village Residences	1,245	2.5	3,271	2.6
Regency House	2,996	6.0	7,520	6.0
Riverside Village Residences	2,202	4.5	5,384	4.3
Sub-Total	10,592	21.3	26,486	21.2
Total	49,752	100.0	124,831	100.0

Note:

(1) Includes the Excluded Commercial Premises.

The forecast and projected contribution of the Properties⁽¹⁾ to Net Property Income is as follows:

	Forecast Period 2012		Projection Year 2013	
	(S\$'000)	%	(S\$'000)	%
Hotels				
Albert Court Village Hotel	2,452	5.4	6,158	5.4
Changi Village Hotel	5,319	11.8	13,386	11.8
The Elizabeth Hotel	4,210	9.3	10,589	9.4
Landmark Village Hotel	5,283	11.7	13,281	11.7
Oasia Hotel	6,930	15.4	17,394	15.4
Orchard Parade Hotel	10,388	23.0	26,018	23.0
The Quincy Hotel	1,808	4.0	4,550	4.0
Sub-Total	36,390	80.6	91,376	80.7
Serviced Residences				
Central Square Village Residences	3,333	7.4	8,209	7.3
Hougang Village Residences	1,086	2.4	2,834	2.5
Regency House	2,420	5.4	6,071	5.4
Riverside Village Residences	1,903	4.2	4,624	4.1
Sub-Total	8,742	19.4	21,738	19.3
Total	45,132	100.0	113,114	100.0

Note:

(1) Includes the Excluded Commercial Premises.

ASSUMPTIONS

The REIT Manager has prepared the profit forecasts of Far East H-REIT for Forecast Period 2012 and the profit projections for Projection Year 2013 based on the Offering Price and the assumptions listed below. The REIT Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the profit forecasts and profit projections and make their own assessment of the future performance of Far East H-REIT.

Total Gross Revenue

The Total Gross Revenue comprises (i) gross rental income from the Properties under the Master Lease Agreements and (ii) commercial rental income.

The table below sets out a breakdown of contribution to Total Gross Revenue by type:

	Forecast Period 2012		Projection Year 2013	
	(S\$'000)	%	(S\$'000)	%
Hotels ⁽¹⁾	35,261	70.9	88,705	71.0
Serviced Residences ⁽¹⁾	7,428	14.9	18,665	15.0
Commercial rental income	7,063	14.2	17,461	14.0
Total	49,752	100.0	124,831	100.0

Note:

(1) Excludes the Excluded Commercial Premises.

A summary of the assumptions which have been used in calculating the Total Gross Revenue is set out below:

Gross rental income from the Properties under the Master Lease Agreements

Far East H-REIT will receive gross rental income under the terms of the Master Lease Agreements comprising a Fixed Rent and a Variable Rent, as set out in the table below:

	Fixed Rent	Variable Rent	
	(S\$'000)	% of Gross Operating Revenue	% of Gross Operating Profit
Hotels			
Albert Court Village Hotel	3,500	33.0	25.0
Changi Village Hotel	7,500	33.0	24.0
The Elizabeth Hotel	5,500	33.0	34.0
Landmark Village Hotel	7,000	33.0	29.0
Oasia Hotel ⁽¹⁾	8,000	33.0	28.0
Orchard Parade Hotel	10,000	33.0	37.0
The Quincy Hotel	2,500	33.0	23.0
Serviced Residences			
Central Square Village Residences	3,500	33.0	41.0
Hougang Village Residences	1,500	33.0	38.0
Regency House	2,500	33.0	40.0
Riverside Village Residences	2,500	33.0	40.0

Note:

(1) For Forecast Period 2012 and Projection Year 2013, the total rental income of Oasia Hotel under the relevant Master Lease Agreement is subject to a minimum guarantee of S\$7.3 million and S\$18.2 million, respectively.

Should the calculation of the Variable Rent yield a negative figure, the Variable Rent will be deemed to be zero.

(See "Certain Agreements Relating to Far East H-Trust, Far East H-REIT and Far East H-BT — Master Lease Agreements" for further details.)

Gross Operating Revenue and Gross Operating Profit of the Hotels

The forecast and projected Gross Operating Revenue and Gross Operating Profit of each of the Hotels used in computing Far East H-REIT's rental income under the Master Lease Agreements for Forecast Period 2012 and Projection Year 2013 respectively are as follows:

Forecast Period 2012								
(S\$'000)	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Room revenue	4,622	9,267	6,977	9,075	11,368	12,521	3,794	57,624
F&B revenue	85	1,274	117	457	297	701	40	2,971
Service charge	475	1,051	707	945	1,163	1,308	382	6,031
Other income	119	419	138	106	288	451	30	1,551
Gross Operating Revenue	5,301	12,011	7,939	10,583	13,116	14,981	4,246	68,177
Operating expenses	(2,413)	(5,591)	(2,973)	(4,570)	(5,976)	(5,140)	(2,049)	(28,712)
Gross Operating Profit	2,888	6,420	4,966	6,013	7,140	9,841	2,197	39,465

Projection Year 2013								
(S\$'000)	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Room revenue	11,610	23,278	17,524	22,794	28,553	31,450	9,530	144,739
F&B revenue	215	3,209	295	1,150	748	1,766	100	7,483
Service charge	1,196	2,649	1,782	2,382	2,930	3,297	963	15,199
Other income	300	1,056	347	266	727	1,136	75	3,907
Gross Operating Revenue	13,321	30,192	19,948	26,592	32,958	37,649	10,668	171,328
Operating expenses	(6,023)	(13,955)	(7,420)	(11,407)	(14,915)	(12,829)	(5,115)	(71,664)
Gross Operating Profit	7,298	16,237	12,528	15,185	18,043	24,820	5,553	99,664

The Gross Operating Revenue and Gross Operating Profit of the Hotels are forecast and projected based on the following assumptions.

Gross Operating Revenue of the Hotels

The Gross Operating Revenue of the Hotels consists of (i) room revenue, (ii) F&B revenue, (iii) service charge and (iv) other income.

(i) Room revenue

The forecast and projected hotel revenue for Forecast Period 2012 and Projection Year 2013 respectively are based on each Hotel's RevPAR, which is in turn driven by the ADR and the Average Occupancy Rate assumptions.

The weighted average ADR, Average Occupancy Rate and RevPAR for the Hotels assumed in Forecast Period 2012 and Projection Year 2013 are as follows:

Weighted Average	Forecast Period 2012	Projection Year 2013
Average Occupancy Rate ⁽¹⁾ (%)	84.9	84.9
ADR ⁽²⁾ (S\$)	205	216
RevPAR ⁽³⁾ (S\$)	174	183

Notes:

- (1) Weighted by the total number of Available Hotel Rooms of the Hotels for the relevant period.
- (2) Weighted by the total number of hotel rooms sold at the Hotels for the relevant period.
- (3) Computed based on the total room revenues of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant periods.

Forecast and projected Average Occupancy Rate and ADR are derived after taking into account the historical and current operating performance of each of the Hotels. Other factors considered include the prospects of the Singapore hospitality industry, the expected demand and supply of hotel rooms in Singapore, the competitive position of competing hotels, major conventions and events that are scheduled to take place in Singapore, the historical and expected future renovations or refurbishments at the Hotels, the respective location of the Hotels and the materialisation rate of the existing and potential hotel room contracts.

In addition, the Hotels intend to continue to reposition themselves to adjust the customer mix and increase the contribution from the higher-yielding corporate market segment.

The RevPAR of each of the Hotels for Forecast Period 2012 and Projection Year 2013 are as follows:

	Forecast Period 2012 (S\$)	Projection Year 2013 (S\$)
Albert Court Village Hotel	144	151
Changi Village Hotel	159	168
The Elizabeth Hotel	178	188
Landmark Village Hotel	151	159
Oasia Hotel	174	183
Orchard Parade Hotel	211	222
The Quincy Hotel	230	242
Weighted Average RevPAR⁽¹⁾	174	183

Note:

- (1) Computed based on total room revenues of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant periods.

(ii) *F&B revenue*

F&B revenue encompasses revenue from the lobby and poolside bars, catering services, banqueting sale, room service and room mini-bar sales. For Forecast Period 2012 and Projection Year 2013, F&B revenue is expected to constitute approximately 4.4% and 4.4% of the total revenue of the Hotels respectively.

The forecast and projected F&B revenue are estimated based on the historical performance of the F&B sales of the Hotels and taking into account the expected occupancy rates of the Hotels, the competitive position and location of the Hotels, as well as expected bookings for banquets, wedding dinners, corporate meetings and other corporate events.

(iii) *Service charge*

Service charge refers to the service charge typically levied on room revenue, F&B revenue and revenue from laundry services, and is forecast and projected based on 10.0% of such forecast and projected revenue.

(iv) *Other income*

Other income includes income from provision of telecommunication services, internet broadband services, laundry services, operation of carparks and the usage of business centres.

Operating expenses of the Hotels

The operating expenses of the Hotels include (i) cost of sales, (ii) staff costs, (iii) shared services costs, (iv) energy and utilities as well as (v) other expenses.

(i) *Cost of sales*

Cost of sales relates to direct costs incurred in the provision of F&B services, telecommunication services, internet broadband services and laundry services. Cost of sales has been forecast and projected to vary in proportion to room revenue and F&B revenue for Forecast Period 2012 and Projection Year 2013, taking into consideration cost efficiencies.

(ii) *Staff costs*

Staff costs relate to wages, salaries and the related staff benefits in connection with the hiring of full-time and temporary staff to carry out day-to-day operations at the Hotels including housekeeping services, reception services, security services, F&B, administrative, marketing, property operation and maintenance and other services.

For Forecast Period 2012 and Projection Year 2013, staff costs are estimated based on the Hotels' historical payroll costs and after adjusting for an expected increment in each year. In addition, consideration has been given to staffing requirements at the Hotels by taking into account the forecast and projected performance of the Hotels (in particular, expected occupancy levels, expected banqueting demand and expected operating efficiencies).

(iii) *Shared services costs*

Shared services costs refer to expenses incurred for accounting, internal audit, tax, human resources, IT, central reservations and revenue management functions. For Forecast Period 2012 and Projection Year 2013, shared services costs are estimated based on the costs incurred historically, after adjusting for an expected increment each year and taking into consideration cost efficiencies.

(iv) *Energy and utilities*

For Forecast Period 2012 and Projection Year 2013, it has been assumed that energy and utilities costs are based on the estimated utilities costs, taking into consideration historical rates, expected rate increments and expected utilisation.

(v) *Other expenses*

Other hotel expenses include costs of guest supplies, repair and maintenance expenses, selling and marketing expenses, and administrative and general expenses.

Costs of guest supplies include costs of linen laundry and room consumables. Guests supplies are assumed to be approximately 3.4% to 5.4% of each Hotel's Gross Operating Revenue, taking into consideration historical amounts incurred for each Hotel and expected occupancy levels.

Repair and maintenance expenses relate to costs incurred for the upkeep of the Hotels, including the cost of materials, supplies and contracts related to the general repair and maintenance of the Hotels, as well as maintenance contributions to MCST (where applicable). Repair and maintenance expenses are assumed to be approximately 1.6% to 9.4% of each Hotel's Gross Operating Revenue, based on historical and expected future renovations and refurbishments at each Hotel.

Selling and marketing expenses relate to costs incurred in marketing, advertising and promoting the Hotels as well as commission to third parties. Such expenses are assumed to be approximately 3.6% to 5.7% of each Hotel's revenue for Forecast Period 2012 and Projection Year 2013, taking into account expected selling and marketing efforts at each Hotel.

Administrative and general expenses include turnkey fees, security services, maintenance of IT systems and other general and administrative expenses. Such expenses are assumed to be approximately 0.8% to 1.7% of each Hotel's revenue taking into account historical amounts incurred for each Hotel.

Gross Operating Revenue and Gross Operating Profit of the Serviced Residences

The forecast and projected Gross Operating Revenue and Gross Operating Profit of each of the Serviced Residences used in computing Far East H-REIT's rental income under the Master Lease Agreements for Forecast Period 2012 and Projection Year 2013 respectively are as follows:

(S\$'000)	Forecast Period 2012				
	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Rental revenue	4,012	2,227	3,059	2,704	12,002
Other income	93	3	74	27	197
Gross Operating Revenue	4,105	2,230	3,133	2,731	12,199
Operating expenses	(1,146)	(890)	(855)	(812)	(3,703)
Gross Operating Profit	2,959	1,340	2,278	1,919	8,496

Projection Year 2013

(\$'000)	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Rental revenue	9,887	5,700	7,725	6,527	29,839
Other income	230	7	186	66	489
Gross Operating Revenue	10,117	5,707	7,911	6,593	30,328
Operating expenses	(2,639)	(2,055)	(2,134)	(1,865)	(8,693)
Gross Operating Profit	7,478	3,652	5,777	4,728	21,635

The Gross Operating Revenue and Gross Operating Profit of the Serviced Residences are forecast and projected based on the following assumptions.

Gross Operating Revenue of the Serviced Residences

The Gross Operating Revenue of the Serviced Residences consists of (i) rental revenue and (ii) other income.

(i) *Rental revenue*

The forecast and projected rental revenue for Forecast Period 2012 and Projection Year 2013 are based on each Serviced Residence's RevPAU, which in turn is driven by the ADR and the Average Occupancy Rate assumptions.

The weighted average ADR, Average Occupancy Rate and RevPAU for the Serviced Residences assumed in Forecast Period 2012 and Projection Year 2013 are as follows:

Weighted Average	Forecast Period 2012	Projection Year 2013
Average Occupancy Rate ⁽¹⁾ (%)	89.5	90.0
ADR ⁽²⁾ (\$)	242	250
RevPAU ⁽³⁾ (\$)	216	225

Notes:

- (1) Weighted by the total number of Available Serviced Residence Units of the Serviced Residences for the relevant period.
- (2) Weighted by the total number of serviced residence units sold at the Serviced Residences for the relevant period.
- (3) Computed based on total serviced residence unit revenues of the Serviced Residences divided by the total number of Available Serviced Residence Units of the Serviced Residences for the relevant periods.

Forecast and projected occupancies and ADR are derived after taking into account the historical and current operating performance of each of the Serviced Residences. Other factors considered include the underlying forecast economic conditions in Singapore, the expected demand and supply of serviced residence units in Singapore, the competitive position of competing serviced residences, the historical and expected future renovations or refurbishments at the Serviced Residences, the respective location of the Serviced Residences and the materialisation rate of the existing and potential serviced residence contracts.

The RevPAU of each of the Serviced Residences for Forecast Period 2012 and Projection Year 2013 are as follows:

	Forecast Period 2012 (S\$)	Projection Year 2013 (S\$)
Central Square Village Residences	206	213
Hougang Village Residences	187	200
Regency House	230	243
Riverside Village Residences	249	252
Weighted Average RevPAU⁽¹⁾	216	225

Note:

(1) Computed based on total serviced residence unit revenues of the Serviced Residences divided by the total number of Available Serviced Residence Units of the Serviced Residences for the relevant periods.

(ii) *Other income*

Other income refers mainly to income from laundry services, operation of carparks and hiring of furniture and equipment by guests in addition to standard provisions.

Operating expenses of the Serviced Residences

The operating expenses of the Serviced Residences include (i) cost of sales, (ii) staff costs, (iii) shared services costs, (iv) energy and utilities as well as (v) other expenses.

(i) *Cost of sales*

Cost of sales includes costs of hiring of furniture and equipment, as well as costs incurred in the provision of telecommunication services and laundry services. Cost of sales has been forecast and projected to vary in proportion to rental revenue for Forecast Period 2012 and Projection Year 2013, taking into consideration cost efficiencies.

(ii) *Staff costs*

Staff costs relate to wages, salaries and the related staff benefits in connection with the hiring of full-time and temporary staff to carry out day-to-day operations at the Serviced Residences including reception services, property operation and maintenance and other services.

For Forecast Period 2012 and Projection Year 2013, staff costs are estimated based on the Serviced Residences' historical payroll costs and after adjusting for an expected increment in each year. In addition, consideration has been given to staffing requirements at the Serviced Residences by taking into account the forecast and projected performance of the Serviced Residences (in particular, expected occupancy levels and expected operating efficiencies).

(iii) *Shared services costs*

Shared services costs refer to expenses incurred for accounting, internal audit, tax, human resources, IT, and sales and marketing functions. For Forecast Period 2012 and Projection Year 2013, shared services costs are estimated based on the costs

incurred historically, after adjusting for an expected increment each year and taking into consideration cost efficiencies.

(iv) *Energy and utilities*

For Forecast Period 2012 and Projection Year 2013, it has been assumed that energy and utilities costs are based on the estimated utilities costs, taking into consideration historical rates, expected rate increments and expected utilisation.

(v) *Other expenses*

Other serviced residence expenses include costs of guest supplies, repair and maintenance expenses, advertising and promotion expenses, and administrative and general expenses.

Costs of guest supplies include costs incurred for airport transfers and shuttle services, breakfast provisions, linen laundry and cable subscriptions. Guests supplies are assumed to be approximately 4.2% to 5.0% of each Serviced Residence's Gross Operating Revenue, taking into consideration historical amounts incurred for each Serviced Residence and expected occupancy levels.

Repair and maintenance expenses relate to costs incurred for the upkeep of the Serviced Residences, including the cost of materials, supplies and contracts related to the general repair and maintenance of the Serviced Residences, as well as maintenance contributions to MCST (where applicable). Repair and maintenance expenses are assumed to be approximately 1.6% to 6.7% of each Serviced Residence's revenue, based on historical and expected future renovations and refurbishments at each Serviced Residence.

Selling and marketing expenses relate to costs incurred in marketing, advertising and promoting the Serviced Residences and includes commission to third parties. Such expenses are assumed to be approximately 1.2% to 2.0% of each Serviced Residence's revenue for Forecast Period 2012 and Projection Year 2013, taking into account expected selling and marketing efforts at each Serviced Residences.

Administrative and general expenses include security services, maintenance of IT systems and other general and administrative expenses. Such expenses are assumed to be approximately 0.4% to 0.7% of each Serviced Residence's revenue taking into account historical amounts incurred for each Serviced Residence.

Commercial rental income

Far East H-REIT will receive commercial rental income from the Excluded Commercial Premises in eight of the Properties, namely Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Orchard Parade Hotel, Central Square Village Residences, Regency House and Riverside Village Residences. The commercial leases primarily have terms ranging from one to three years.

The commercial rental income is forecast and projected to contribute to 14.2% and 14.0% of Total Gross Revenue for Forecast Period 2012 and Projection Year 2013 respectively and 10.7% and 10.4% of Net Property Income for Forecast Period 2012 and Projection Year 2013 respectively.

In order to forecast and project commercial rental income, the rents payable by tenants under committed leases covering Forecast Period 2012 and Projection Year 2013 have been considered. The rents payable under the new leases (or renewed leases) is estimated to be approximately equal to the existing leases, having taken into account the assessment of the market rent for each lettable area, which considers, amongst others, the location and size of each lettable area, the effect of competing properties, likely market conditions, inflation levels and tenant demand levels. In respect of leases expiring in Forecast Period 2012 and Projection Year 2013, the REIT Manager has assumed that these leases will be renewed and will not experience any vacancy period.

Property Expenses

Property Expenses for Far East H-REIT comprise (i) property tax for hospitality properties, (ii) insurance expenses, (iii) Sinking Fund Contributions, and (iv) other property expenses. A summary of the assumptions which have been used in calculating the Property Expenses is set out below.

Property tax for hospitality properties

Property tax is assessed on immovable property and is payable in advance in January by landowner or the registered leaseholder. It is generally computed as a percentage of the annual value of all houses, land, building and tenements. The annual value is the gross amount at which the property can be expected to be let from year to year having regard to the fact that all outgoings and maintenance are borne by the landlord.

Property tax for hotels

For hotels, property tax is payable at 10.0% of the total annual value of the hotel property. The annual value of hotel rooms is assessed on a fixed percentage of gross hotel room receipts for the preceding year. With effect from 1 January 2011, the annual value of hotel rooms will be set at 25.0% of the preceding year's gross room receipts.

For Forecast Period 2012 and Projection Year 2013, it is assumed that property tax will remain at 10.0% of the annual value of the Hotels and that no property tax rebate is given by the tax authorities for the periods presented.

Property tax for serviced residences

Property tax for serviced residences are payable at 10.0% of their total annual value. The annual values assessable to tax are based on their estimated prevailing market rentals, derived using valuation methods such as rental comparison or profit comparison. In estimating the market rent of the property using market rents of comparable properties, the Chief Assessor of the IRAS will take into account factors such as size, location and other physical attributes of the property.

For Forecast Period 2012 and Projection Year 2013, it is assumed that property tax will remain at 10.0% of the assessed annual values and that no property tax rebate will be given by the tax authorities.

Insurance expenses

Insurance expenses are incurred for certain insurance coverage, including fire insurance and physical damage for the Properties, as well as rental losses from business interruption for the

Excluded Commercial Premises. Insurance expenses are estimated based on the insurance contracts currently in place as of the Listing Date.

Sinking Fund Contributions

Landmark Village Hotel, together with the 54 strata-titled shop units within Golden Landmark Shopping Centre, forms part of a MCST. As such, the owner of the Landmark Village Hotel is required to pay its share value of contributions towards maintenance and other expenses of the development to the MCST. Under the Master Lease Agreements, the Master Lessee will bear the Maintenance Fund contributions levied for regular maintenance of the development, while Far East H-REIT will bear the Sinking Fund Contributions levied for the eventual replacement of a facility or asset.

Oasia Hotel, Hougang Village Residences and Riverside Village Residences are part of a MCST, after which Far East H-REIT will bear the contributions to the sinking fund of the MCST.

Other property expenses

Other property expenses comprise expenses incurred for the Excluded Commercial Premises such as staff costs, property management fees, property tax for the Excluded Commercial Premises, marketing expenses, utilities, repair and maintenance expenses, general and administrative expenses and other miscellaneous operating expenses. Other property expenses for Forecast Period 2012 and Projection Year 2013 have been forecast and projected based on the historical expenses and existing service and maintenance contracts with suppliers.

REIT Manager's management fee

Pursuant to the Far East H-REIT Trust Deed, the REIT Manager is entitled to a management fee comprising a Base Fee of 0.3% per annum of the value of the Far East H-REIT Deposited Property and a Performance Fee of 4.0% of Net Property Income.

The REIT Manager has been assumed to receive 80.0% of its management fees in the form of Stapled Securities and the balance in cash for Forecast Period 2012 and Projection Year 2013. Where the management fees are payable in Stapled Securities, the REIT Manager has assumed that such Stapled Securities are issued at the Offering Price.

The portion of the management fees payable in cash shall be payable monthly in arrears and the portion of the management fees payable in the form of Stapled Securities shall be payable quarterly in arrears.

(See "Management and Corporate Governance — Fees Payable to the REIT Manager" for further details.)

REIT Trustee's fees

Pursuant to the Far East H-REIT Trust Deed, the REIT Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the Far East H-REIT Deposited Property, subject to a minimum of S\$20,000 per month, excluding out-of-pocket expenses and GST. The REIT Trustee will also be paid a one-time inception fee of S\$50,000.

(See “Management and Corporate Governance — Fees Payable to the REIT Trustee” for further details.)

Trustee-Manager’s fees

Pursuant to the Far East H-BT Trust Deed, the Trustee-Manager is entitled to:

- (i) a management fee comprising 10.0% of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year), payable in the event that Far East H-BT becomes active; and
- (ii) a trustee fee of a maximum of 0.1% per annum of the value of the Far East H-BT Trust Property if any, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million and Far East H-BT has become active.

For the Profit Forecast and Profit Projection, it has been assumed that Far East H-BT is dormant, and the value of the Far East H-BT Trust Property is less than S\$50.0 million in Forecast Period 2012 and Projection Year 2013, and that, as a result, no Trustee-Manager fees are payable.

(See “Management and Corporate Governance — Fees Payable to the Trustee-Manager” for further details.)

Other trust expenses

Other expenses of Far East H-Trust include one-off non-capitalised issuance costs and recurring trust expenses such as annual listing fees, registry fees, audit and tax advisory fees, valuation fees, legal fees, costs associated with the preparation of annual reports, investor communication costs and other miscellaneous costs.

Finance costs

Finance costs consist of interest expense, amortisation of upfront debt financing costs and other bank charges and fees. As of the Listing Date, Far East H-REIT has put in place the Far East H-REIT Debt Facilities.

The REIT Manager has assumed an effective interest rate for Forecast Period 2012 and Projection Year 2013 to be approximately 2.5% per annum using the effective interest rate method. Finance costs in relation to the Far East H-REIT Debt Facilities are assumed to be S\$6.7 million and S\$16.4 million in Forecast Period 2012 and Projection Year 2013 respectively.

Capital expenditure

Certain forecast and projected capital expenditure has been included based on the REIT Manager’s budgets. The budgeted capital expenditure is intended to fund asset enhancement works such as the upgrading of lifts, room renovations and refurbishments and the renovation of the façade of the Properties.

It had been assumed that such capital expenditure will be funded by capital expenditure provisions and borrowings under the Far East H-REIT Debt Facilities. Capital expenditure incurred is capitalised as part of the value of the relevant Property and has no impact on the forecast and projected statements of total return or forecast and projected distributions other

than the interest incurred on borrowings and increasing the value of the Far East H-REIT Deposited Property for the purposes of computation of the REIT Manager's management fees and the REIT Trustee's fees.

Capital expenditure is expected to be S\$6.2 million for Forecast Period 2012 and S\$12.6 million for Projection Year 2013 respectively, and such capital expenditure is expected to be funded by working capital and/or borrowings under the Far East H-REIT Debt Facilities.

(See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditure".)

Issue expenses

The costs associated with the issue of the Stapled Securities will be paid by Far East H-REIT. Costs attributable to the Sponsor Stapled Securities are non-capitalised and are charged as a one-off expense under "other trust expenses". As proceeds have been raised for these costs, they are added back to net income after tax for distribution to Stapled Securityholders. Costs attributable to the Stapled Securities of other Stapled Securityholders are charged against net assets attributable to holders of Far East H-REIT Units in the balance sheet and have no impact on the forecast and projected statements of total return of Far East H-REIT.

Properties

The aggregate value of the Properties as at 31 March 2012 was S\$2,139.9 million, based on average of the two independent valuations undertaken for each Property. For the purposes of the profit forecasts and profit projections, the REIT Manager has assumed an increase in the value of the Properties only to the extent of the budgeted capital expenditure described in "— Capital Expenditure" above for each of the relevant periods.

Accounting standards

The REIT Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast or projected net income.

Significant accounting policies adopted by the REIT Manager in the preparation of the profit forecasts and profit projections are set out in Appendix B, "Independent Accountants' Report on the Examination of the Unaudited Pro Forma Financial Information".

Other Assumptions

The REIT Manager has made the following additional assumptions in preparing the profit forecasts for Forecast Period 2012 and the profit projections for Projection Year 2013:

- (i) the Initial Portfolio remains unchanged throughout the periods;
- (ii) no further capital will be raised during the periods;
- (iii) there will be no material change in taxation legislation or other applicable legislation;
- (iv) there will be no material change to the Tax Ruling and that the terms and conditions of the Tax Ruling are complied with;

- (v) the Far East H-REIT Debt Facilities are available during the periods at the same effective interest rate;
- (vi) all leases are enforceable and will be performed in accordance with their terms;
- (vii) there will be no pre-termination of any committed leases;
- (viii) 100.0% of the Taxable Income will be distributed; and
- (ix) where derivative financial instruments are undertaken to hedge against interest rate movements, there is no change in the fair value of such instruments during Forecast Period 2012 and Projection Year 2013.

SENSITIVITY ANALYSIS

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in "Risk Factors".

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the profit forecasts and profit projections, a series of tables demonstrating the sensitivity of the distribution per Stapled Security to changes in the principal assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Total Gross Revenue

Changes in Total Gross Revenue will impact the Net Property Income of Far East H-REIT and, consequently, the distribution yield. The assumptions for Total Gross Revenue have been set out earlier in this section.

The effect of variations in the Total Gross Revenue on the distribution yield is set out below:

	Forecast Period 2012 (%)	Projection Year 2013 (%)
	Based on the Offering Price	Based on the Offering Price
5.0% above base case	6.4	6.7
Base Case	6.0	6.3
5.0% below base case	5.6	5.9

Property Expenses

Changes in Property Expenses will impact the Net Property Income of Far East H-REIT and, consequently, the distribution yield. The assumptions for the Property Expenses have been set out earlier in this section.

The effect of variations in the Property Expenses on the distribution yield is set out below:

	Forecast Period 2012 (%)	Projection Year 2013 (%)
	Based on the Offering Price	Based on the Offering Price
5.0% above base case	6.0	6.2
Base Case	6.0	6.3
5.0% below base case	6.0	6.3

Finance costs

Changes in finance costs will impact the net income of Far East H-REIT and, consequently, distribution yield. The assumptions for finance costs have been set out earlier in this section.

The effect of variations in the finance costs on the distribution yield is set out below:

	Forecast Period 2012 (%)	Projection Year 2013 (%)
	Based on the Offering Price	Based on the Offering Price
5.0% above base case	5.9	6.2
Base Case	6.0	6.3
5.0% below base case	6.1	6.3

REIT Manager's Management Fees Payable in Stapled Securities

The REIT Manager has assumed, for the Forecast Period 2012 and the Projection Year 2013, that 80.0% of the REIT Manager's management fees will be paid in Stapled Securities and the balance will be paid in cash. The REIT Manager has assumed that such Stapled Securities are issued at the Offering Price.

The effect of a change in the level of portion of the Management Fees payable in Stapled Securities on the distribution yield is set out below:

	Forecast Period 2012 (%)	Projection Year 2013 (%)
	Based on the Offering Price	Based on the Offering Price
100% of management fees payable in cash	5.4	5.7
Base Case	6.0	6.3
100% of management fees payable in Stapled Securities	6.1	6.4

STRATEGY

INVESTMENT POLICY

Far East H-REIT is a Singapore-based REIT and Far East H-BT is a Singapore-based business trust. Far East H-Trust is regulated by the Deeds as well as any legislation and regulations governing Far East H-Trust, Far East H-REIT and Far East H-BT.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. Far East H-REIT is principally regulated by the SFA, the CIS Code, including the Property Funds Appendix, other relevant regulations as well as the Stapling Deed and the Far East H-REIT Trust Deed.

In accordance with the requirements of the Listing Manual, this principal investment strategy will be adhered to for at least three years following the Listing Date unless changed by Extraordinary Resolution passed by the holders of Far East H-REIT Units and/or holders of Far East H-BT Units. After the expiry of the three-year period, the REIT Manager may from time to time change the principal investment strategy of Far East H-REIT so long as the REIT Manager has given not less than 30 days' prior notice of the change.

OBJECTIVES

The initial portfolio of Far East H-Trust will, on the Listing Date, comprise 11 properties consisting of seven Hotels and four Serviced Residences held through Far East H-REIT. The Managers' principal objectives are to deliver stable and growing distributions to Stapled Securityholders and to achieve long-term growth in DPS and in the NAV per Stapled Security, while maintaining an appropriate capital structure.

KEY STRATEGIES

Far East H-REIT's Strategies

The REIT Manager plans to achieve its objectives through the following key strategies:

- **Acquisition Growth Strategy Supported by Acquisition Opportunities in respect of the Sponsor ROFR Properties and Other Third Party Properties** — The REIT Manager will source for and pursue asset acquisition opportunities which provide attractive cash flows and yields and which satisfy the REIT Manager's investment mandate for Far East H-REIT to enhance the returns to Stapled Securityholders and improve potential opportunities for future income and capital growth.
- **Active Asset Management and Enhancement Strategy** — The REIT Manager will implement pro-active measures to enhance the Properties and to improve their operational performance, so as to optimise the cash flow and value of the Properties.

Through such active management, the REIT Manager seeks to enhance the efficiency of the Properties to improve occupancy rates and average RevPAR and RevPAU, as well as to create a better lodging experience for their clientele.
- **Capital and Risk Management Strategy** — The REIT Manager will endeavour to maintain a strong balance sheet, employ an appropriate mix of debt and equity in

financing acquisitions of properties, secure diversified funding sources to access both financial institutions and capital markets, optimise its cost of debt financing and utilise interest rate hedging strategies, where appropriate, in order to reduce exposure to market volatility.

Far East H-BT's Strategies

As at the Listing Date, Far East H-BT will be dormant. It will, however, become active if any of the following occurs:

- it is appointed by Far East H-REIT, in the absence of any other master lessee(s) being appointed, as a master lessee of one of the Properties. Far East H-BT exists primarily as “a master lessee of last resort”;
- Far East H-REIT acquires hotels or serviced residences in the future, and, if there are no other suitable master lessees, Far East H-REIT will lease these acquired hotels or serviced residences to Far East H-BT. Far East H-BT will then become a master lessee for that hotel or serviced residence and will appoint a professional manager to manage that hotel or serviced residence; or
- it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for Far East H-REIT.

Far East H-BT will generally be considered to be active in the event that it carries on any business activity other than:

- activities which Far East H-BT is required to carry out under any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body;
- the lending or use of the initial S\$30,000 working capital raised from the Offering; and
- equity fund-raising activities and issue of Far East H-BT Units carried out in conjunction with Far East H-REIT which are solely for the purposes of funding Far East H-REIT's business activities.

When Far East H-BT becomes active, the Trustee-Manager intends, where appropriate, to manage the exposure arising from adverse market movements in interest rates through appropriate hedging strategies.

Far East H-REIT will not guarantee any debt of Far East H-BT, and *vice versa*. This will help to shield each entity from the other's financial obligations because each entity's creditors will not have recourse to the other.

Acquisition Growth Strategy Supported by Acquisition Opportunities in respect of the Sponsor ROFR Properties and Other Third Party Properties

The REIT Manager intends to meet its objectives of enhancing the returns to Stapled Securityholders and improving potential opportunities for future income and capital growth by carefully evaluating acquisition opportunities in accordance with the REIT Manager's strategy and investment mandate for Far East H-REIT.

In evaluating future acquisition opportunities, the REIT Manager will rely on the following investment criteria in relation to the property under consideration:

- ***Yield requirements***

The REIT Manager will seek to acquire only properties which are value-enhancing after taking into account regulatory, commercial, political and other relevant factors, with yields that are estimated to be above the cost of capital and which are expected to maintain or enhance returns to Stapled Securityholders while balancing the various risks associated with such an investment.

- ***Geographical location***

The REIT Manager will assess each property's location and the potential for business growth in its market, as well as its impact on the overall geographic diversification of its asset portfolio. The REIT Manager will also evaluate a range of location-related criteria, including, but not limited to, ease of access, connectivity to major business, tourist and transportation hubs, visibility of properties from the surrounding markets and the presence and concentration of competitors in the vicinity of the property.

- ***Strong fundamentals and organic growth potential***

The REIT Manager will seek to acquire properties with good potential for increasing RevPAR / RevPAU and occupancy rates going forward.

- ***Asset enhancement potential***

The REIT Manager may also seek to acquire properties which have the potential to add value through improved hotel and serviced residence management, market repositioning or other asset enhancements.

- ***Building and facilities specification***

With respect to potential properties to be acquired by Far East H-REIT, the REIT Manager will endeavour to conduct thorough property due diligence and adhere strictly to relevant legal and zoning regulations as well as quality specifications, with consideration given to the size and age of the buildings. The properties will be assessed by independent experts relating to repairs, maintenance and capital expenditure requirements in the short to medium term.

The acquisition strategy will be supported by opportunities arising from trends in the hospitality industry. The REIT Manager believes that hospitality service providers are increasingly looking to free up capital for business expansion, which may increase the availability of hotels and serviced residences for acquisition.

With the buoyant Singapore hospitality industry outlook, coupled with the increase in hospitality assets which are either new hospitality properties or existing properties that could present further enhancement opportunities, Far East H-Trust will focus primarily on the Singapore market to identify acquisition opportunities.

In addition, Far East H-Trust's acquisition strategy is complemented by the Sponsor ROFRs. Collectively, the Sponsor ROFRs will provide Far East H-Trust with access to future

acquisition opportunities of income-producing properties located in Singapore which are primarily used for hospitality and/or hospitality-related purposes.

Far East H-REIT may also leverage on the Sponsor's extensive industry experience, expertise in assessing potential acquisition opportunities and track record in developing integrated mixed-use developments, and may also tap into the established network of relationships which the Sponsor has developed in the local hospitality industry to pursue its growth strategy. Leveraging on this strategy, the REIT Manager believes that it will be able to source value-enhancing acquisitions within the Sponsor's immediate network of relationships.

As at 31 December 2011, the Sponsor has identified seven¹ Sponsor ROFR Properties, which could potentially be offered to Far East H-Trust as hotels or, as the case may be, serviced residences, under the Sponsor ROFRs.

The following location map sets out the location of these seven Sponsor ROFR Properties:



Notes:

- (1) To be converted from the existing Far East Square.
- (2) This picture is an artist's impression of the property and may differ from the actual view of the property.

1 Excluding Leonie View, which the Sponsor intends to redevelop into residential units for sale, and excluding Far East Plaza Residences which, in the Sponsor's view, consent from the subsidiary proprietors of Far East Plaza is unlikely to be obtained for the acquisition of common property to upgrade Far East Plaza Residences as full-service serviced residences.

Selected details of the seven Sponsor ROFR Properties identified as at 31 December 2011 which could potentially be offered to Far East H-Trust as hotels or, as the case may be, serviced residences, under the Sponsor ROFRs are set out in the table below:

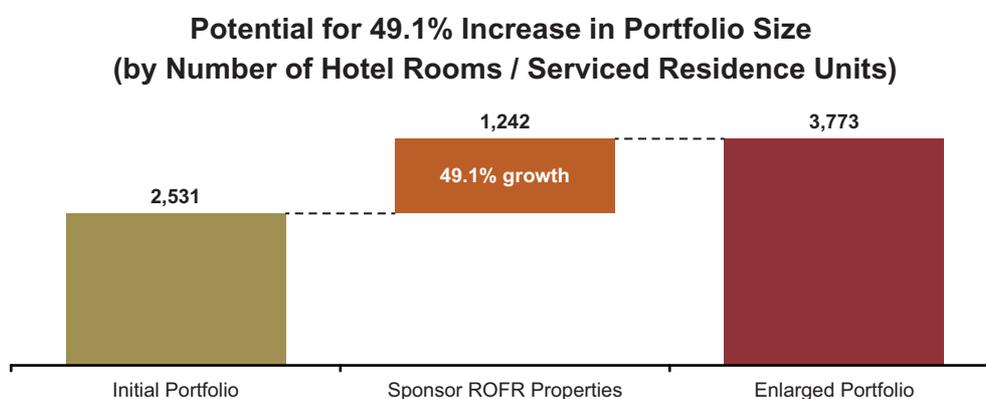
Name of Sponsor ROFR Property	Market segment	Hospitality segment	Expected completion date ⁽¹⁾	Estimated number of hotel rooms / serviced residence units
Completed				
Orchard Parksuites	Upscale	Serviced Residence	Completed	225
Orchard Scotts Residences	Upscale	Serviced Residence	Completed	207
West Coast Village Residences	Mid-tier	Serviced Residence	Completed	51
Completed Total				483
Under Development				
The Amoy Hotel	Boutique Upscale	Hotel	1H2013	37
Oasia Downtown Hotel	Mid-tier / Upscale	Hotel	2H2015	314
Oasia West Residences	Mid-tier / Upscale	Serviced Residence	2H2015	116
The Outpost Hotel	Mid-tier / Upscale	Hotel	1H2016	292
Under Development Total				759
Total estimated number of hotel rooms				643
Total estimated number of serviced residence units				599
Total estimated number of hotel rooms and serviced residence units				1,242

Note:

(1) Subject to change, pending the finalisation of development plans at the discretion of the Sponsor.

Far East H-Trust is expected to benefit from the large identified pipeline of Sponsor ROFR Properties which could potentially be acquired from the Sponsor if the Sponsor chooses to divest them at the appropriate time.

The following graph illustrates the potential for growth of Far East H-Trust's portfolio based on the seven Sponsor ROFR Properties set out above:



The seven Sponsor ROFR Properties, totalling an estimated 643 hotel rooms and 599 serviced residence units, provide a visible pipeline to Far East H-Trust, offering potential opportunities for portfolio growth. Assuming Far East H-Trust proceeds with the acquisition of the seven Sponsor ROFR Properties, the total number of hotel rooms and serviced residence units of Far East H-Trust will increase by 29.7% and 162.8% respectively, resulting in a total increase in portfolio size of approximately 49.1%.

The Managers will therefore be able to leverage on and benefit from the Sponsor's network for a future pipeline of assets that Far East H-Trust could potentially acquire, where these assets meet Far East H-Trust's investment criteria. This will in turn further enhance Far East H-Trust's strong position in the Singapore hospitality market.

Active Asset Management and Enhancement Strategy

The REIT Manager will implement pro-active measures to enhance the Properties and to improve their operational performance in order to optimise the cash flow and value of the Properties, as well as to leverage upon its strategic relationship with the Sponsor, which has extensive experience in the hospitality and real estate industries. Through such active management, the REIT Manager seeks to enhance the efficiency of the Properties to improve occupancy rates and average RevPAR and RevPAU, as well as to create a better lodging experience for its customers. The REIT Manager will conduct refurbishment programmes on selected Properties which will be aimed at maintaining and improving the image and attractiveness of the Properties to increase patronage, and potentially, the Properties' RevPAR and RevPAU.

Measures that the REIT Manager may implement to meet its objectives include, but are not limited to:

- ***Continuous portfolio optimisation***

The REIT Manager intends to hold assets on a long-term basis, but with a pro-active approach towards optimising the yield and value of Far East H-REIT's portfolio. This includes identifying assets for divestment within the portfolio which have reached their optimal maturity for sale and recycling capital from the sale proceeds towards higher yielding growth opportunities.

- ***Effective collaboration with the Master Lessees***

The Hospitality Management Agreements between the Master Lessees and the Hotel and Serviced Residence Operator enable the Master Lessees to closely monitor the performance of the Hotel and Serviced Residence Operator. The REIT Manager will work closely with the Master Lessees to ensure that the Hotel and Serviced Residence Operator uses its best efforts to optimise the performance of each Property. The Master Lessees, in consultation with the REIT Manager, will oversee the annual budgeting process for the Properties and will be responsible for devising strategies to improve the Properties' revenue and performance against competitors in similar market segments. This will include drawing upon the Sponsor's extensive industry experience to provide strategic direction in areas such as room yield management, optimising guest mix, developing marketing programmes, accessing global hospitality market intelligence, and leveraging upon the Sponsor's in-depth understanding of the latest hospitality industry trends to implement innovative hotel and F&B concepts.

In addition, the REIT Manager will work actively with the Master Lessees to create opportunities to enhance the Properties, such as by engaging the Master Lessees on discussions relating to renovation and refurbishment exercises designed to enhance guest experience and improve the overall market share, cash flow, and returns on invested capital of the Properties. It is intended that this close interaction and consultation between the REIT Manager and the Master Lessees, and in turn between the Master Lessees and the Hotel and Serviced Residence Operator, will ensure that the REIT Manager's asset management strategies are implemented.

- ***Refurbishments currently undertaken or being planned***

The Managers and the Hotel and Serviced Residence Operator intend to conduct refurbishment programs on selected Properties in a staged manner in order to ensure income stability. The refurbishments will be aimed at maintaining and improving the image and attractiveness of the Properties to increase patronage, and potentially, the Properties' RevPAR and RevPAU.

Certain recent and proposed refurbishment programmes on the Hotels include:

- *The Elizabeth Hotel*: major refurbishment was completed on 100 executive rooms (out of a total inventory of 256 hotel rooms) in 2H2011 with a view to repositioning and rebranding the executive wing of the Hotel as an attractive choice for higher-yield corporate customers, so as to optimise the Hotel's value in being located in the prime Orchard/Mount Elizabeth district.

Refurbishment Works for The Elizabeth Hotel

Before



After



- *Landmark Village Hotel*: major refurbishment works on the Landmark Village Hotel commenced in May 2012, and are expected to be completed in March 2013. 213 superior and deluxe hotel rooms (out of a total inventory of 393 hotel rooms) are being upgraded.

Refurbishment Works for Landmark Village Hotel

Before



After



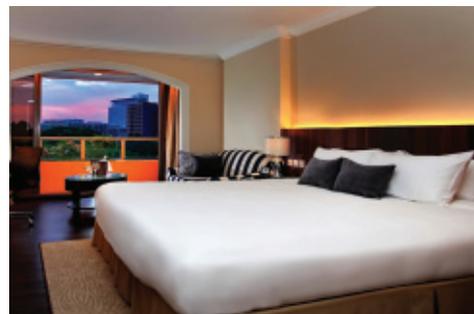
- *Orchard Parade Hotel*: major refurbishment works to upgrade Orchard Parade Hotel is expected to occur over two phases, with 40 hotel rooms being upgraded between August 2012 and September 2012, and another 61 hotel rooms to be upgraded between December 2012 and February 2013. In all, 101 superior hotel rooms (out of a total inventory of 388 hotel rooms) will be upgraded.

Refurbishment Works for Orchard Parade Hotel

Before



After



Post-refurbishment, the upgraded Hotels are expected to show an improvement in their operating performance.

Certain upcoming refurbishments on the Serviced Residences include:

- *Central Square Village Residences*: minor refurbishment mainly involving the replacement of soft furnishings in the living rooms is currently ongoing on 127 serviced residence units (out of a total inventory of 128 serviced residence units) of Central Square Village Residences. It is expected to be completed in 2H2012.

Refurbishment Works for Central Square Village Residences

Before



After



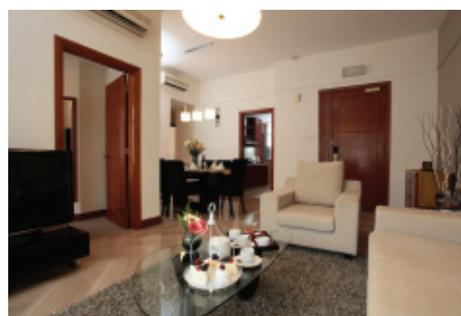
- *Riverside Village Residences*: minor refurbishment mainly involving the replacement of soft furnishings in the living rooms is currently ongoing on 71 serviced residence units (out of a total inventory of 72 serviced residence units, of which one serviced residence unit has been designated as the breakfast lounge). It is expected to be completed in 2H2012.

Refurbishment Works for Riverside Village Residences

Before



After



The refurbishment works for Landmark Village Hotel, Orchard Parade Hotel, Central Square Village Residences and Riverside Village Residences as described in this section will be fully funded by the respective Vendors.

- ***Optimisation of commercial spaces through repositioning***

The REIT Manager believes that there is potential within the Initial Portfolio to further identify development works to optimise the use of the commercial spaces. This may possibly be done by improving tenant mix and by repositioning the commercial spaces for alternative uses for other income-generating opportunities, so as to potentially improve returns to Stapled Securityholders.

Capital and Risk Management Strategy

The REIT Manager will endeavour to maintain a strong balance sheet, employ an appropriate mix of debt and equity in financing acquisitions of properties, secure diversified funding sources to access both financial institutions and capital markets, optimise its cost of debt financing and utilise interest rate hedging strategies, where appropriate, in order to reduce exposure to market volatility.

The REIT Manager intends to achieve the above by pursuing the following strategies:

- ***Optimal capital structure strategy***

The REIT Manager endeavours to optimise the capital structure and cost of capital, within the borrowing limits set out in the Property Fund Appendix, by employing an optimal capital structure comprising an appropriate mix of debt and equity in financing acquisitions of properties and any asset enhancement activities. The REIT Manager's capital management strategy involves adopting and maintaining appropriate aggregate leverage levels to ensure optimal returns to Stapled Securityholders, while maintaining flexibility in respect of future capital expenditures or acquisitions.

In the event that Far East H-REIT incurs any future borrowings, the REIT Manager will periodically review Far East H-REIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in the light of prevailing market conditions. The REIT Manager will endeavour to match the maturity of Far East H-REIT's indebtedness with the maturity of its investment assets, and to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time. As and when appropriate, the REIT Manager will consider diversifying its sources of debt financing in the future, including by way of accessing the public debt capital markets. The public debt capital markets may also provide Far East H-REIT with the ability to secure longer-term funding options in a more cost efficient manner. Nevertheless, the REIT Manager intends to maintain a prudent level of borrowings while maximising returns for Stapled Securityholders.

As at the Listing Date, Far East H-REIT is expected to have incurred borrowings of S\$650.0 million.

(See "Capitalisation and Indebtedness" for further details.)

- ***Proactive interest rate management strategy***

The REIT Manager endeavours to utilise interest rate hedging strategies, where appropriate, in order to reduce exposure to market volatility. The REIT Manager will adopt a proactive interest rate management policy to manage the risk associated with changes in interest rates on Far East H-REIT's borrowings while also seeking to ensure that Far East H-REIT's ongoing cost of debt capital remains competitive.

- ***Other financing strategies***

The REIT Manager may, in future, consider other opportunities to raise additional equity capital for Far East H-REIT through the issue of new Stapled Securities, for example to finance acquisitions of properties. The decision to raise additional equity will also take into account the stated strategy of maintaining an optimal capital structure.

BUSINESS AND PROPERTIES

OVERVIEW

The Managers' principal objectives are to deliver regular and stable distributions to Stapled Securityholders and to achieve long-term growth in DPS and in the NAV per Stapled Security, while maintaining an appropriate capital structure.

INITIAL PORTFOLIO OF FAR EAST H-TRUST

The Initial Portfolio will, on the Listing Date, comprise 11 Properties consisting of seven Hotels and four Serviced Residences located in Singapore. Each of the Properties will be leased to a Master Lessee¹. The Vendors of the Properties will, as at the Listing Date, be the Master Lessees of the Properties.

The table below sets out the Properties and the respective Vendors / Master Lessees as at the Listing Date:

Name of Property	Market Segment	Vendor / Master Lessee
Hotels		
Albert Court Village Hotel	Mid-tier	First Choice Properties Pte Ltd
Changi Village Hotel	Mid-tier	Far East Organization Centre Pte. Ltd.
The Elizabeth Hotel	Mid-tier	Golden Development Private Limited
Landmark Village Hotel	Mid-tier	Golden Landmark Pte Ltd
Oasia Hotel	Mid-tier /Upscale	Transurban Properties Pte. Ltd.
Orchard Parade Hotel	Mid-tier /Upscale	Far East Orchard Limited
The Quincy Hotel	Upscale	Golden Development Private Limited
Serviced Residences		
Central Square Village Residences	Mid-tier	OPH Riverside Pte Ltd
Hougang Village Residences	Mid-tier	Serene Land Pte Ltd
Regency House	Upscale	Oxley Hill Properties Pte Ltd
Riverside Village Residences	Mid-tier	Riverland Pte Ltd

According to CBRE, hospitality properties are generally classified into four categories, as set out below:

- (i) **“Economy-scale”** hospitality properties generally comprise hospitality properties which provide comfortable, no-frills and well-equipped accommodation with standard facilities, internet connection and an en-suite bath or shower room. Bedrooms are simple, with basic furnishings and sizes ranging from 12 to 18 sq m. In-house restaurants serve breakfast, lunch and dinner.
- (ii) **“Mid-tier”** hospitality properties generally comprise hospitality properties which have greater quality and a broad range of facilities, such as bars, restaurants, meeting

¹ Excluding the Excluded Commercial Premises.

rooms and in-room dining. Bedrooms will be spacious with fully en-suite bathrooms, and offer a good standard of comfort and amenities.

- (iii) **“Upscale”** hospitality properties generally comprise hospitality properties which have a degree of luxury and quality in the furnishings, décor and equipment used in the hospitality property. Bedrooms will offer more space and are usually well-designed. Such hospitality properties would also provide services such as concierge and porter services, 24-hour room service, laundry and dry cleaning services, while in-house restaurants will provide high-quality cuisine.
- (iv) **“Luxury-scale”** hospitality properties generally comprise hospitality properties in the luxury segment and are predominantly found in prime locations and/or historical buildings.

(See Appendix D, “Independent Hospitality Industry Report” for further details.)

The Master Lessor will receive rental payments for each Property from the relevant Master Lessee comprising (i) a Fixed Rent and (ii) a Variable Rent. The Master Lease Agreements will be entered into between Far East H-REIT and the relevant Master Lessees on the Listing Date.

Each of the Master Lease Agreements has an initial term of 20 years from the Listing Date, with an option exercisable by the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments required due to any change in law.

(See “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Master Lease Agreements” for further details.)

Hotel and Serviced Residence Operator

As at the Listing Date, the Hotel and Serviced Residence Operator is Jelco, which is a company incorporated in Singapore on 6 October 1989. Jelco will purchase the entire hospitality management business of Far East Hospitality Services Pte Ltd, the current operator of the hospitality assets in Far East Organization, and such purchase will be completed on the completion date of the acquisition of the Properties. The hospitality management business to be acquired by Jelco will include the transfer of employees employed by Far East Hospitality Services Pte Ltd in connection with the hospitality management business, the transfer of all hospitality management agreements to which Far East Hospitality Services Pte Ltd is a party as the operator of the 18 completed hospitality assets in Far East Organization (including the Properties to be owned by Far East H-REIT) and the transfer of licences for the use of certain information technology systems and computer software as well as certain intellectual property used and/or owned by Far East Hospitality Services Pte Ltd in connection with its hospitality management business. These include hospitality brands “Oasia”, “Village” and “Quincy”. In addition, the REIT Manager has engaged Jelco to be the property manager of the Excluded Commercial Premises, which will not be subject to any master lease arrangement upon acquisition by Far East H-REIT.

Jelco will run the day-to-day operations, managing and marketing of the Properties. In addition, Jelco will be responsible for identifying and capitalising on opportunities to enhance and improve the operating performance of the Properties, through active operational improvements and asset enhancements. Its registered address is 14 Scotts Road #06-01, Far

East Plaza, Singapore 228213. As at 31 March 2012, Jelco has an issued and paid-up capital of approximately S\$396.1 million. Jelco is a wholly-owned subsidiary of Far East Orchard.

Jelco will be engaged by the Master Lessees under management contracts as the Hotel and Serviced Residence Operator for a period of 20 years from the Listing Date, with an option exercisable by Jelco to renew the contract for a further 20 years on the same terms. It will provide, among others, the following services for the Properties¹:

- hotel and serviced residence management services such as the daily running and managing of each Property and related activities (e.g. the management of hotel rooms or serviced residence units, banquet and function rooms, F&B services, laundry services etc.);
- marketing services, including the planning, preparation and conduct of marketing, advertising, promotion, public relations, publicity and related activities for the purpose of promoting the business and enhancing the reputation of each Property;
- sales and distribution activities, including signing corporate accounts, running a central reservation system, managing a booking engine on the internet, contracting with online travel agents and wholesalers, and signing up with a global distribution system to make the hotel room inventory available to agents worldwide;
- development of programmes and policies to maximise patronage of the facilities of each Property;
- collecting charges, rents and other amounts due from hotel guests, patrons and tenants;
- employing, supervising and training the hospitality employees and staff required to operate, manage, market and maintain the Properties in accordance with the annual budget agreed with each Master Lessee;
- establishing the details of the refurbishment plans for each Property, in consultation with each Master Lessee;
- purchasing all FF&E for the Properties in accordance with capital refurbishment programmes or the approved annual budget for the Properties;
- preparing the annual business plans of the Properties, including the annual budget and marketing strategy;
- negotiating new or renewed lease / licence agreements;
- establishing the cash management and banking arrangements for the Properties;
- establishing each Property's policy regarding its association with any credit card system; and
- allowing its existing brands to be used on the Properties.

Jelco will also be engaged by Far East H-REIT under management contracts as the property manager of the Excluded Commercial Premises for a period of 20 years from the Listing Date. Six months prior to expiry of the initial term of the management contracts, Jelco may request to extend its appointment for a further 20 years on the same terms and conditions, except for revision of all fees payable to Jelco to revised rates determined by the REIT Trustee on the

¹ Excluding the Excluded Commercial Premises.

recommendation of the REIT Manager, having regard to prevailing market rates. Jelco will provide property management services, lease management services, property tax services and marketing coordination services in relation to the Excluded Commercial Premises.

OUTLOOK FOR THE HOSPITALITY SECTOR IN SINGAPORE

In the view of the Managers, Far East H-Trust's Singapore-focused strategy will benefit from the strength of Singapore's economy. Singapore remains one of the world's most vibrant business and tourism destinations, with multiple demand drivers and solid growth prospects. The Managers believe that the three main drivers of growth for the hospitality market in Singapore are:

- (i) Business travel, given Singapore's rising repute as a key regional financial centre and its increased profile as a global MICE destination;
- (ii) The tourism industry, which experienced a growth of 58.4% in tourist arrivals and a growth of 126.5% in tourism receipts between 2004 and 2011, with 2011 being a record year for Singapore's tourism and hospitality sector with 13.2 million visitors; and
- (iii) Medical tourism, which is one of the fastest-growing industries in Singapore and is expected to attract 1.0 million medical tourists by the end of 2012, a 37.9% growth from 2010.

(See Appendix D, "Independent Hospitality Industry Report" for further details.)

Growing number of MNCs

Singapore's stature as a key financial destination in Asia and globally, as well as the presence of many regional offices of major global corporations in Singapore, ensure that there are a large number of business visitors to Singapore. According to CBRE, as of 31 December 2011, there were approximately 14,000 MNCs in Singapore, including 8,400 MNCs with their regional headquarters in Singapore. This number is expected to grow as Singapore continues to attract international companies and international talent.

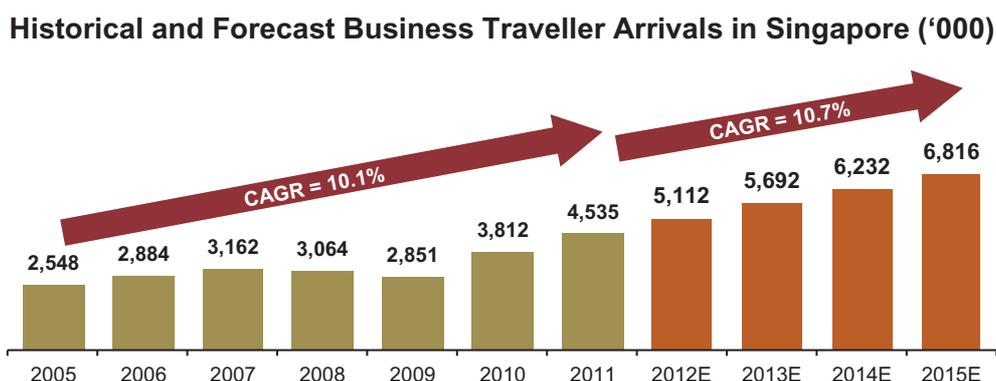
Growth of business travellers and the MICE sector

According to Business Monitor International, growth in the arrival of business travellers to Singapore increased by 19.0% in 2011, consistent with the Singapore government's initiatives to promote Singapore as a financial and high value-add services hub. Singapore is also a leading hub for the oil and gas and IT sectors, which are two industries that generate a significant amount of project-based work. The share of business travellers as a percentage of total visitors to Singapore increased rapidly from 28.5% in 2005 to 34.4% in 2011, and is expected to reach 40.1% by 2015¹.

¹ Business Monitor International has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by Business Monitor International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Singapore is a premier global convention destination and has received multiple awards in recent years, including Asia's Top Convention City for the past 10 years (ICCA Global Rankings 2011), Top International Meeting City for the fourth consecutive year and Asia's Top Country and City for Meetings for 28 consecutive years (Union of International Associations 2011). According to CBRE, hotels in Singapore with high room capacity would benefit from this increase in business traveller arrivals. (See Appendix D, "Independent Hospitality Industry Report" for further details.)

The following diagram sets out the historical and forecast business traveller arrivals in Singapore for 2005 to 2015E:



Source: Business Monitor International.¹

Continued Development as a Premier Tourist Destination

According to STB, the Singapore government continues to actively enhance the business and tourism landscape of Singapore to meet STB's target of 17.0 million tourist arrivals and S\$30 billion in tourism revenue by 2015².

STB reported that preliminary tourism receipts for 2011 were estimated at S\$22.3 billion, a 17.8% growth over 2010. International visitor arrivals for 2011 stood at 13.2 million, charting a new high and exceeding the year's forecast range of 12.0 to 13.0 million after achieving a 20.2% year-on-year increase in 2010². All major components of tourism receipts posted double-digit growth in 2011. Accommodation, shopping, sightseeing and entertainment made up approximately 44.1% of tourism receipts for 2011.

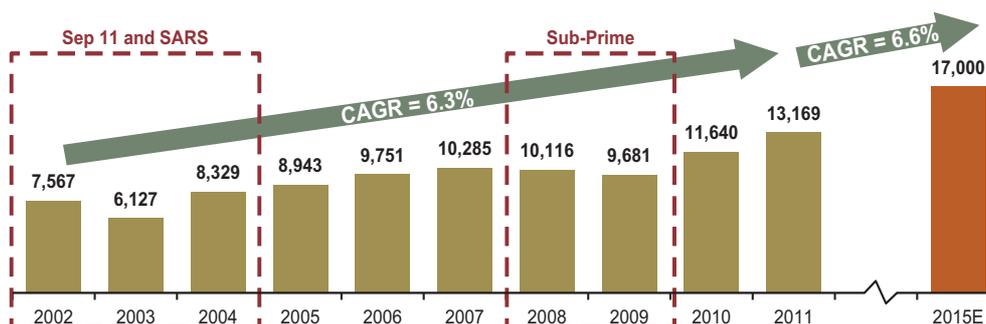
1 Business Monitor International has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by Business Monitor International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

2 Source: STB, Tourism Performance Report — Quarter Four and Full Year 2011, Tourism Sector Performance for 2011. STB has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the report published by STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

In 2011, the top five countries by visitor arrivals, namely Indonesia, China, Malaysia, Australia and India, contributed to 54.2% of all international visitors arriving in Singapore. The strength of economies in the Asia-Pacific region has supported the growth in visitors from these countries, coupled with their enhanced ability to travel due to rising levels of affluence. In FY2011, 57.8% of Far East H-Trust's hotel customers originated from Asian countries¹, with the majority electing to stay in mid-tier to upscale hospitality accommodation for their travels. The Managers believe that Far East H-Trust will be able to benefit from the growth in arrivals from these regions.

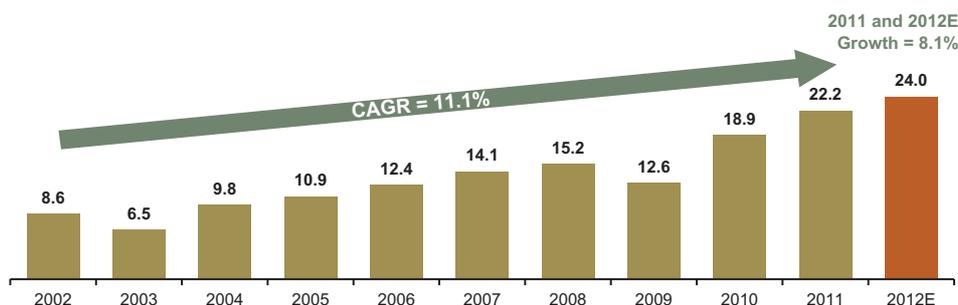
The following graphs show the growth of visitor arrivals for 2002 to 2015E and tourism receipts in Singapore for 2002 to 2012E:

Historical and Forecast Visitor Arrivals in Singapore ('000)



Source: CBRE Hotels.

Historical Tourism Receipts (\$ billion)

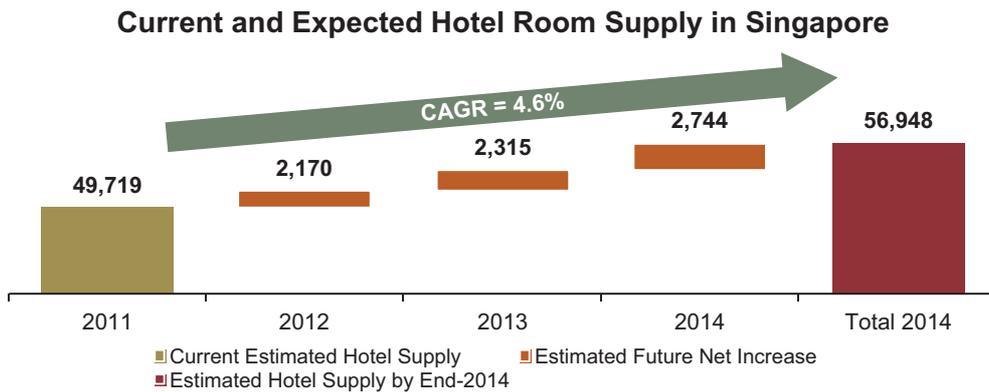


Source: CBRE Hotels.

The REIT Manager believes that the strong growth in projected tourism arrivals will be more than sufficient to meet the projected increase in the number of hotel rooms over the next three years.

¹ Including Indonesia, China (including Hong Kong), Malaysia, India, Singapore, Taiwan, South Korea, Japan, Thailand and Vietnam.

The following graph shows the current and expected hotel room supply in Singapore for 2011 to 2014E:

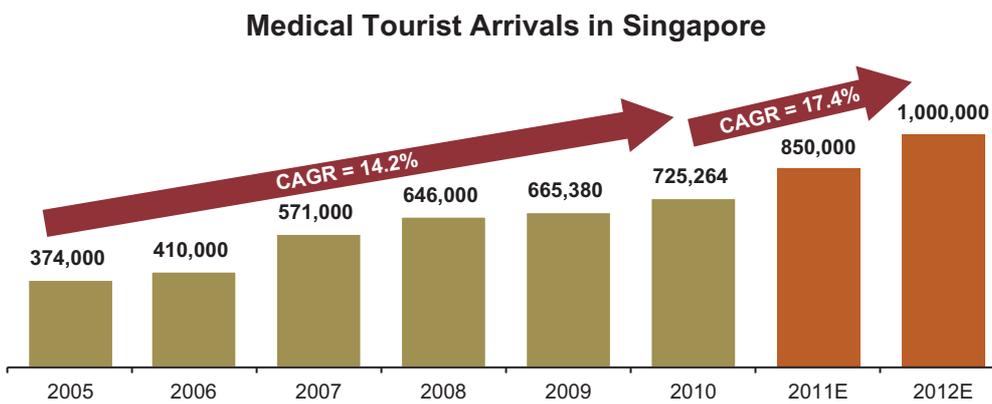


Source: CBRE Hotels.

Growth in Medical Tourism

The Singapore government developed the Singapore Medicine Initiative in 2003 to promote Singapore as a destination for medical tourism, which is targeted at strengthening Singapore's position as Asia's leading medical hub, and promoting Singapore as a world-class destination for advanced patient care. Some of the Properties, being strategically located near various reputable private hospitals such as Mount Elizabeth Hospital, Gleneagles Hospital and Novena Medical Center, are expected to be able to greatly benefit from the growing number of medical tourists going forward. According to CBRE, Singapore aims to attract one million medical tourists by 2012, representing a CAGR of 17.4% from 2010.

The following diagram sets out the historical and forecast foreign patient arrivals in Singapore for 2005 to 2012E:



Source: CBRE Hotels.

COMPETITIVE STRENGTHS OF THE PROPERTIES

The REIT Manager believes that the Properties enjoy the following competitive strengths:

Hotels

Albert Court Village Hotel

Albert Court Village Hotel is a pre-war conservation building and its architecture comprises restored pre-war shop houses with Straits Chinese carvings and motifs, reflecting the cultural heritage of its surroundings. It is situated in the Bras Basah-Bugis district, which has been designated as the “arts, design, culture, learning and entertainment hub” of Singapore by URA and is an area rich in history, religion, art and cultural and architectural diversity reflecting Singapore’s diverse ethnic identity, and is located in close proximity to the popular Sim Lim Square electronics and computer shopping centre. Its rooms and suites offer modern facilities and amenities catering to both business and leisure travellers. The Hotel is easily accessible by public transport and within walking distance of Little India and Bugis MRT stations. There is a complimentary shuttle bus service daily from the Hotel to City Hall MRT station.

Changi Village Hotel

Changi Village Hotel is situated by the sea, with a wellness centre, infinity pool and function rooms that support meetings and events. It is one of the few hotels in the Changi area and is an attractive venue for wedding events.

Changi Business Park, Loyang Industrial Park and Changi South Logistics Park, with their multitude of MNCs such as Honeywell, IBM, Citibank and Standard Chartered Bank, and Singapore Expo, are in close proximity to the Hotel, making the Hotel a popular choice for business and MICE guests. There is a complimentary shuttle bus service available daily from the Hotel to Changi International Airport, making the Hotel a popular choice for stop-over passengers.

The Elizabeth Hotel

The Elizabeth Hotel is situated in the private enclave of Mount Elizabeth, with a prime location adjacent to Mount Elizabeth Hospital, one of Singapore’s leading hospitals, and a short walk away from the Orchard Road shopping and entertainment belt. There are numerous shopping malls located conveniently nearby, which provide hotel guests with a wide range of shopping, dining, and entertainment options. The Hotel is also within walking distance to Orchard MRT station for easy access to the CBD and other areas of Singapore. With its close proximity to both Mount Elizabeth Hospital and Paragon Medical Centre, the Hotel appeals to medical tourists, in addition to business and leisure travellers.

Landmark Village Hotel

Landmark Village Hotel is located in the Arab Street-Kampong Glam area, the Malay heritage district of Singapore, with convenient access to a variety of modern shopping malls and a popular destination for tourists and locals alike. As with Albert Court Village Hotel, Landmark Village Hotel is located in the Bras Basah-Bugis district. Refurbishment works on the Hotel commenced in May 2012 and are expected to be completed in March 2013, and such refurbishment works will be fully funded by the Vendor.

The Hotel is within walking distance from Bugis MRT station, and is located in close proximity to the popular Sim Lim Square electronics and computer shopping centre and various shopping malls such as Parco Bugis Junction, Bugis Village and Iluma. It is also a short drive to two major MICE facilities in Singapore, namely Marina Bay Sands and Suntec Singapore International Convention & Exhibition Centre. In addition, Raffles Hospital is located across the road from the Hotel, making Landmark Village Hotel a popular accommodation option for the growing number of medical tourists.

Oasia Hotel

Oasia Hotel is the maiden hotel of the new hospitality brand, Oasia. Oasia Hotel was opened in April 2011 and became fully operational in October 2011. The Hotel's interior was partly designed in collaboration with internationally-renowned interior design firm Super Potato, and the rooms feature an interactive TV service and iPod docking system.

The Hotel is strategically located in the prime Novena district next to Novena MRT station, which is Singapore's premier medical hub and two MRT stations away from Orchard Road, Singapore's prime shopping district. The medical hub is made up of key medical facilities, including the National Skin Centre, Novena Medical Center, Novena Specialist Center, Tan Tock Seng Hospital and the Mount Elizabeth Novena Hospital, which opened in July 2012. The surrounding malls, which include Square 2, United Square and Novena Square Velocity, provide a wide variety of dining and shopping options. Anchor tenants at the adjacent Novena Square office building include Procter & Gamble and CPG Corporation Pte Ltd. Given its location, the Hotel is popular amongst medical tourists and corporate travellers.

Orchard Parade Hotel

Orchard Parade Hotel is located in the Orchard Road area with easy access to the CBD and is within walking distance to the Singapore Botanic Gardens. Its location along the Orchard Road shopping belt provides guests with a wide variety of dining and shopping options, appealing to both business and leisure travellers. In addition, the Hotel is in the vicinity of Camden Medical Centre and Gleneagles Hospital, making the Hotel an attractive choice for medical tourists. The Hotel's MICE facilities are a popular venue for meetings and conferences. The Hotel will undergo refurbishment in two phases between August 2012 and February 2013, which will be fully funded by the Vendor.

The Quincy Hotel

The Quincy Hotel is an award-winning boutique club hotel featuring a distinctive façade with bold colours, a glass-enclosed pool and LED-illuminated pool deck and an iMac station in the lobby. The Hotel was the winner of TripAdvisor® Travelers' Choice® awards in 2011 and 2012 and offers guests an all-inclusive package, in which hotel guests pay a flat rate which includes room, meals and drinks, and limousine airport pickup service.

The Quincy Hotel is located in close proximity to Orchard Road and is within walking distance from Orchard MRT station. There are numerous shopping malls nearby, providing guests with a wide variety of dining and shopping options.

Serviced Residences

Central Square Village Residences

Central Square Village Residences is located strategically near the historic Chinatown, the trendy entertainment hub of Clarke Quay and the CBD, providing residents with easy access to both work and play venues. It is within walking distance to many restaurants along Clarke Quay, which is an entertainment district situated near the mouth of the Singapore River, providing patrons with a range of restaurants, wine bars, entertainment spots and retail shops set amongst rows of shophouses. Chinatown retains historical and cultural significance with its many conservation shophouses. The Serviced Residence is near Clarke Quay MRT station and also provides a shuttle bus service to Raffles Place, Suntec City, Marina Bay Financial Centre and City Hall.

Hougang Village Residences

Hougang Village Residences is located in the northeast of Singapore in the Hougang residential neighbourhood. The Serviced Residence is located adjacent to Hougang 1 shopping mall, which provides residents with convenient access to a shopping mall with food courts, supermarkets and fashion outlets.

Hougang Village Residences is a short drive from the electronics and manufacturing hub in Ang Mo Kio, as well as Seletar Aerospace Park, which houses tenants such as Rolls Royce, ST Aerospace, Bell Helicopter and Eurocopter. In addition, it is the only serviced residence in the northern part of Singapore according to CBRE.

Regency House

Regency House is an upscale serviced residence popular with young professionals, and is located at the junction of Penang Road and Oxley Road, within close proximity to Orchard Road, Singapore's prime shopping belt. The Serviced Residence is within walking distance from the University of Chicago Booth School of Business and is a short drive away from entertainment hotspots such as Robertson Quay and Clarke Quay. It is also within walking distance from Somerset and Dhoby Ghaut MRT stations, connecting residents with the rest of Orchard Road and the CBD.

Riverside Village Residences

Riverside Village Residences is located on the banks of the Singapore River, in the trendy dining and entertainment district of Robertson Quay. The Serviced Residence is within walking distance from the CBD and is a short drive away from Orchard Road. Residents are connected to the rest of the island by Clarke Quay MRT station, which is within walking distance from the Serviced Residence. The Serviced Residence also provides residents with a daily shuttle service to Raffles Place, DBS Building, Temasek Tower, Suntec City, Marina Bay Financial Centre and City Hall.

RECENT OR UPCOMING REFURBISHMENTS CARRIED OUT ON THE PROPERTIES

The Managers and the Hotel and Serviced Residence Operator intend to conduct refurbishment programs on selected Properties in a staged manner in order to ensure income stability. The Sponsor undertakes refurbishment and repositioning works of its properties on a regular basis, in order to ensure that they are in a good state of upkeep and are able to meet

the changing demands of their target markets. The refurbishments will be aimed at maintaining and improving the image and attractiveness of the Properties to increase patronage, and potentially, the Properties' RevPAR and RevPAU, thereby optimising the Properties' revenue-generating capabilities.

The Sponsor plans to fund refurbishments amounting to approximately S\$9.8 million in FY2012. The REIT Manager believes that the refurbishments will allow the relevant Properties to increase their current RevPARs or, as the case may be, their RevPAUs.

Recent or upcoming refurbishments on the Hotels funded by the respective Vendors

The Elizabeth Hotel

Major refurbishment was completed on 100 executive rooms (out of a total inventory of 256 hotel rooms) in 2H2011 with a view to repositioning and rebranding the executive wing of the Hotel as an attractive choice for higher-yield corporate customers, so as to optimise the Hotel's value in being located in the prime Orchard/Mount Elizabeth district. The full benefits are expected to be realised during the strong corporate months between May to November in 2012.

Landmark Village Hotel

The Sponsor has commenced major refurbishment works in May 2012, and such refurbishment works are expected to be completed in March 2013. 213 superior and deluxe hotel rooms (out of a total inventory of 393 hotel rooms) will be upgraded. After the refurbishment, the ADR of the refurbished room categories is expected to improve.

Orchard Parade Hotel

The Sponsor also plans to carry out refurbishment works to upgrade Orchard Parade Hotel over two phases, with 40 hotel rooms being upgraded between August 2012 and September 2012, and another 61 hotel rooms to be upgraded between December 2012 and February 2013. In all, 101 superior hotel rooms (out of a total inventory of 388 hotel rooms) will be upgraded. After the refurbishment, the ADR of the refurbished room categories is expected to improve.

Upcoming refurbishments on the Serviced Residences funded by the respective Vendors

Central Square Village Residences

Minor refurbishment is to be completed on 127 serviced residence units (out of a total inventory of 128 serviced residence units) of the Serviced Residence in 2H2012 to upgrade the Serviced Residence to meet market expectations and optimise value, involving mainly the replacement of soft furnishings in the living rooms.

Riverside Village Residences

Minor refurbishment is to be completed on 71 serviced residence units (out of a total inventory of 72 serviced residence units, of which one serviced residence unit has been designated as the breakfast lounge) in 2H2012 to upgrade the Serviced Residence to meet market expectations and optimise value, involving mainly the replacement of soft furnishings in the living rooms.

Upcoming refurbishments on the Hotels and Serviced Residences funded by Far East H-Trust

Capital expenditure is expected to be S\$6.2 million for Forecast Period 2012 and S\$12.6 million for Projection Year 2013 respectively, and such capital expenditure is expected to be funded by working capital and/or borrowings under the Far East H-REIT Debt Facilities. The budgeted capital expenditure is intended to fund asset enhancement works such as the upgrading of lifts, room renovations and refurbishments and the renovation of the façade of the Properties. Room refurbishments will be undertaken at Albert Court Village Hotel, Changi Village Hotel, Landmark Village Hotel, and Orchard Parade Hotel, and refurbishment of serviced residence units will be carried out at Regency House and Hougang Village Residences.

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information with respect to each of the Hotels as at 31 March 2012:

	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Location	180 Albert Street, Singapore 189971	1 Netheravon Road, Singapore 508502	24 Mount Elizabeth, Singapore 228518	390 Victoria Street, Singapore 188061	8 Sinaran Drive, Singapore 307470	1 Tanglin Road, Singapore 247905	22 Mount Elizabeth, Singapore 228517	N.A.
Completion Date	3 October 1994	30 January 1990 ⁽²⁾	3 May 1993	19 October 1988	2 June 2011 ⁽¹⁾	20 June 1987 ⁽²⁾	27 November 2008	N.A.
Market Segment	Mid-tier	Mid-tier	Mid-tier	Mid-tier	Mid-tier / Upscale	Mid-tier / Upscale	Upscale	N.A.
Leasehold Tenure⁽³⁾	Leasehold of 75 years commencing from Listing Date	Leasehold of 65 years commencing from Listing Date	Leasehold of 75 years commencing from Listing Date	Leasehold of 66 years commencing from Listing Date	Leasehold of 92 years commencing from Listing Date	Leasehold of 50 years commencing from Listing Date	Leasehold of 75 years commencing from Listing Date	N.A.
Approximate GFA / Strata Area⁽⁴⁾ (sq m)	11,426	22,826	11,723	21,676 ⁽⁵⁾	22,457 ⁽⁶⁾	34,072	4,810	128,990⁽⁵⁾⁽⁶⁾
Retail and Office NLA (sq m)	Retail: 1,002	Retail: 778	Retail: 595	Retail: 1,164	N.A.	Retail: 3,694 Office: 2,509	N.A.	Retail: 7,233 Office: 2,509
Number of Available Rooms	210	380	256	393	428	388	108	2,163
Carpark Lots	65	107	97	217 ⁽⁷⁾	148 ⁽⁷⁾	176	N.A. ⁽⁸⁾	810
RevPAR (FY2011) (S\$)	142	153	167	148	117 ⁽⁹⁾	203	229	150⁽¹⁰⁾
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	126.0	257.0	193.0	227.0	322.0	419.0	84.0	1,628.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	107.3	228.0	186.6	217.0	324.9	409.0	83.4	1,556.2
Purchase Price (based on the Offering Price) (S\$m)	120.7	238.5	186.7	218.4	318.2	412.5	82.3	1,577.3
Fixed Rent (per annum) (S\$m)	3.5	7.5	5.5	7.0	8.0 ⁽¹¹⁾	10.0	2.5	44.0

	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total
Variable Rent (per annum)	33% of Gross Operating Revenue and 25% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 24% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 34% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 29% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 28% of Gross Operating Profit less Fixed Rent	33% of Gross Operating Revenue and 37% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 23% of Gross Operating Profit less the Fixed Rent	N.A.
Pro Forma Variable Rent (FY2011) (S\$m)	2.3	5.3	4.1	5.3	1.7 ⁽¹¹⁾	9.8	2.1	30.6
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽¹²⁾ (FY2011) (%)	39.9	41.6	42.9	43.2	36.4 ⁽¹¹⁾	49.5	45.3	44.0
Vendor and Master Lessee⁽¹³⁾⁽¹⁴⁾	First Choice Properties Pte Ltd	Far East Organization Centre Pte. Ltd.	Golden Development Private Limited	Golden Landmark Pte Ltd	Transurban Properties Pte. Ltd.	Far East Orchard Limited	Golden Development Private Limited	N.A.
Term of Master Lease (years)	20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)							

Notes:

- (1) The TOP for the entire development comprising Oasia Hotel was issued on 2 June 2011. An earlier TOP for the said development, excluding water features and landscape planters at certain parts of the development, was issued on 7 March 2011.
- (2) Date of acquisition by Sponsor, as property is not developed by Sponsor.
- (3) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreements.
- (4) For Landmark Village Hotel and Oasia Hotel.
- (5) In addition, Landmark Village Hotel also includes accessory lots with an aggregate area of 85 sq m.
- (6) In addition, Oasia Hotel also includes an accessory lot with an area of 30 sq m.
- (7) These carpark lots belong to the MCST and will not be acquired by Far East H-REIT.
- (8) Guests at The Quincy Hotel may use the carpark lots at the Elizabeth Hotel.
- (9) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.
- (10) The weighted average RevPAR of the Hotels. The weighted average RevPAR of the Hotels excluding Oasia Hotel would be S\$169.
- (11) As Oasia Hotel's operations have yet to be stabilised, the total rental income of Oasia Hotel under the relevant Master Lease Agreement is subject to a minimum guarantee of S\$7.3 million and S\$18.2 million for Forecast Period 2012 and Projection Year 2013 respectively. As Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011, the pro-rated pro forma Fixed Rent for Oasia Hotel in FY2011 was assumed to be S\$3 million.
- (12) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.
- (13) The Properties being leased to the respective Master Lessees excludes the Excluded Commercial Premises.
- (14) The Vendors are members of the Sponsor.

The table below sets out certain information with respect to each of the Serviced Residences as at 31 March 2012:

	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Location	20 Havelock Road, Singapore 059765	1 Hougang Street 91, Singapore 538692	121 Penang Road, Singapore 238464	30 Robertson Quay, Singapore 238251	N.A.
Completion Date	19 February 1998	30 December 1999	24 October 2000	12 July 1996	N.A.
Market segment	Mid-tier	Mid-tier	Upscale	Mid-tier	N.A.
Leasehold Tenure⁽¹⁾	Leasehold of 80 years commencing from Listing Date	Leasehold of 81 years commencing from Listing Date	Leasehold of 81 years commencing from Listing Date	Leasehold of 78 years commencing from Listing Date	N.A.
Approximate GFA / Strata Area⁽²⁾ (sq m)	17,858	14,635	10,723	10,570 ⁽³⁾	53,786⁽³⁾
Retail and Office NLA (sq m)	Retail: 2,213 Office: 1,474 Serviced Office: 696	N.A.	Retail: 539 Office: 2,322	Retail: 1,179	Retail: 3,931 Office: 3,796 Serviced Office: 696
Number of Serviced Residence Units	128	78	90	72	368
Carpark Lots	205	364	102	87	758
RevPAU (FY2011) (S\$)	208	191	223	240	214⁽⁴⁾
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	208.0	66.0	170.0	117.0	561.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	187.6	65.5	168.3	113.1	534.5
Purchase Price (based on the Offering Price) (S\$m)	183.3	64.7	166.4	113.2	527.6
Fixed Rent (per annum) (S\$m)	3.5	1.5	2.5	2.5	10.0
Variable Rent (per annum)	33% of Gross Operating Revenue and 41% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 38% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent	33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent	N.A.
Pro Forma Variable Rent (FY2011) (S\$m)	2.8	1.6	2.1	1.4	7.9

	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽⁵⁾ (FY2011) (%)	44.8	52.3	45.1	35.2	44.1
Vendor and Master Lessee⁽⁶⁾⁽⁷⁾	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Oxley Hill Properties Pte Ltd	Riverland Pte Ltd	N.A.
Term of Master Lease (years)	20 + 20 years commencing from the Listing Date (at the option of the Master Lessee)				

Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreements.
- (2) For Hougang Village Residences and Riverside Village Residences.
- (3) In addition, Riverside Village Residences also includes an accessory lot with an area of 22 sq m.
- (4) The weighted average RevPAU of the Serviced Residences.
- (5) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.
- (6) The Properties being leased to the respective Master Lessees excludes the Excluded Commercial Premises.
- (7) The Vendors are members of the Sponsor.

OPERATIONAL DATA OF THE PROPERTIES

The weighted average ADR, weighted average occupancy rate and weighted average RevPAR of the Hotels for FY2009, FY2010 and FY2011 are set out below:

Weighted Average	FY2009	FY2010	FY2011	
			Including Oasia Hotel ⁽¹⁾	Excluding Oasia Hotel ⁽¹⁾
ADR ⁽²⁾ (S\$)	144	182	198	199
Occupancy Rate ⁽³⁾ (%)	83.7	87.9	75.4	84.9
RevPAR ⁽⁴⁾ (S\$)	121	160	150	169

Notes:

- (1) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.
- (2) Weighted by the total number of hotel rooms sold at the Hotels for the relevant period.
- (3) Weighted by the total number of Available Rooms of the Hotels for the relevant period.
- (4) Computed based on total room revenue of the Hotels divided by the total number of Available Hotel Rooms of the Hotels for the relevant period.

The weighted average ADR, weighted average occupancy rate and weighted average RevPAU for the Serviced Residences for FY2009, FY2010 and FY2011 are set out below:

Weighted Average	FY2009	FY2010	FY2011
ADR ⁽¹⁾ (S\$)	178	197	232
Occupancy Rate ⁽²⁾ (%)	82.3	92.3	92.2
RevPAU ⁽³⁾ (S\$)	146	182	214

Notes:

- (1) Weighted by the total number of serviced residence units sold at the Serviced Residences for the relevant period.
- (2) Weighted by the total number of Available Serviced Residence Units at the Serviced Residences for the relevant period.
- (3) Computed based on total rental revenue of the Serviced Residences divided by the total number of available serviced residence units for the relevant period.

Operational Data of the Hotels

The graph below shows weighted average ADR, weighted average occupancy rate and weighted average RevPAR of the Hotels for FY2009, FY2010 and FY2011:

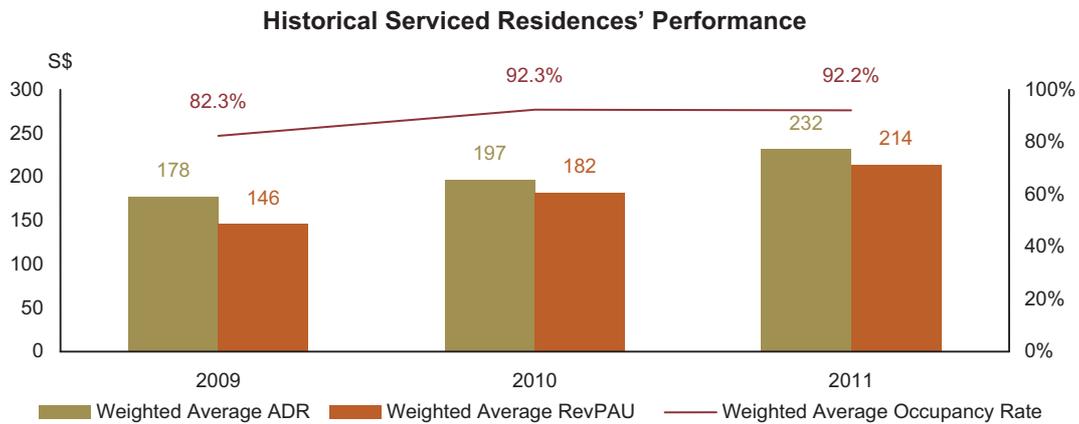


Note:

- (1) Excludes Oasia Hotel, which commenced operations only in April 2011 and became fully operational only in October 2011.

Operational Data of the Serviced Residences

The graph below shows weighted average ADR, weighted average occupancy rate and weighted average RevPAU of the Serviced Residences for FY2009, FY2010 and FY2011:

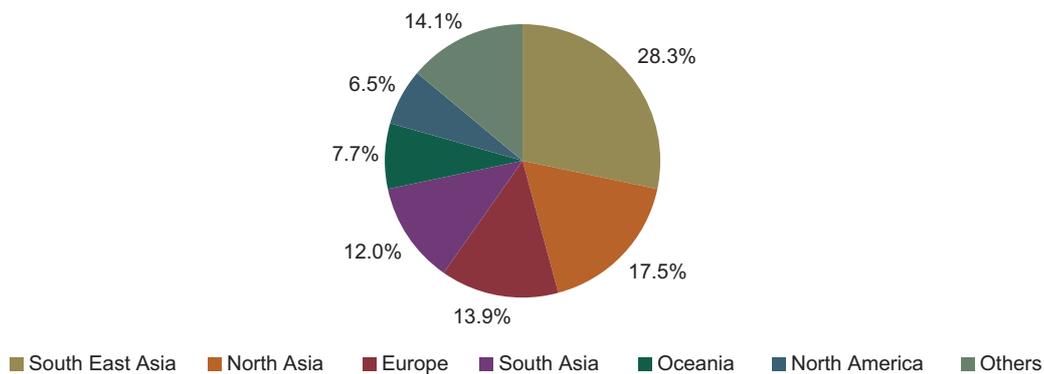


Hotel Guest Profile

The following table sets out a breakdown of the guest profile of the Properties by country of origin as of FY2011:

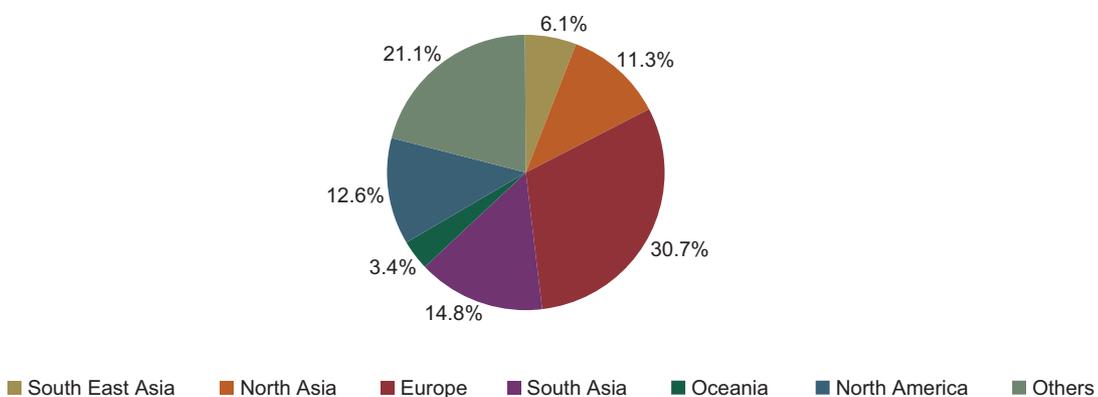
Geographic Breakdown by Room Nights of the Hotels (FY2011)

FY2011 Geographic Breakdown by Room Nights



Geographic Breakdown by Room Nights of the Serviced Residences (FY2011)

FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China, Hong Kong, Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.

- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

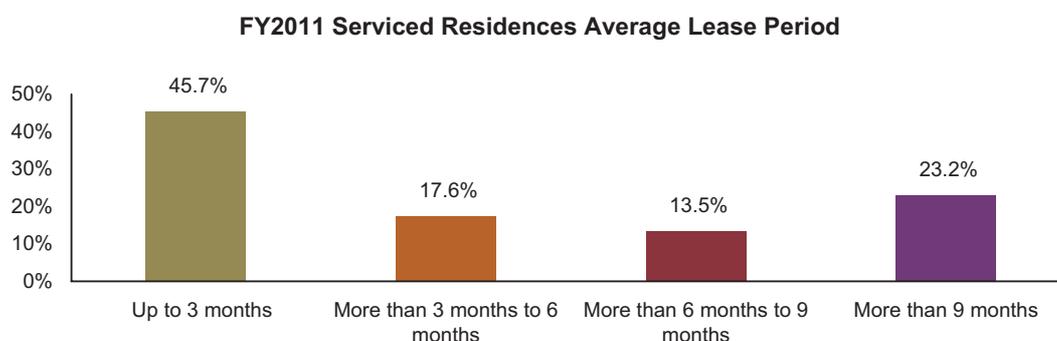
Top 10 Corporate Clients of the Serviced Residences

The top ten corporate clients of the Serviced Residences comprise less than 30% of the Gross Operating Revenue of the Serviced Residences.

Length of Stay Profile for the Serviced Residences

The leases or licences entered into for the serviced residence units in the Serviced Residences may be for a week or up to several years. In line with normal commercial practice, renewals are generally on the same terms and conditions as the original lease/licence agreements except for the rental rate, which will be revised to the prevailing market rate.

The graph below sets out the length of stay profile of the Serviced Residences on a portfolio basis, in terms of rental income generated from the serviced residence units for FY2011:



Fire Protection

The fire protection and security measures for each of the Properties are manned on a 24-hour basis at the fire control centre. Each of the Properties is equipped with fire protection systems which may include an automatic sprinkler system with water tank and accessories, smoke detectors, hosereels, dry and wet risers, fire extinguishers and break-glass alarm systems. Each of the Properties has maintenance contractors for these fire protection systems.

Capital Expenditure

During each fiscal year, the Master Lessee at each of the Properties will submit an FF&E plan to the REIT Manager for review, discussion and approval (“**Agreed FF&E Plan**”) listing out the existing FF&E items, the anticipated FF&E works proposed for the year, including acquisitions, replacements and estimated costs, and a rolling three-year FF&E forward plan.

The Master Lessee at each of the Properties, save for Oasia Hotel, will also set aside, in an FF&E reserve, an amount equal to 2.5% of the anticipated revenue (“**FF&E Reserve**”) as set out in the agreed budget for that year. As Oasia Hotel is a new property, its FF&E Reserve will amount to 1.0% of the anticipated revenue for the first three years of the Master Lease Agreement, and 2.5% thereafter. The FF&E Reserve will be used and disbursed only in accordance with the Agreed FF&E Plan. Any unused amount in the FF&E Reserve at the end

of a fiscal year will be carried forward to the next year, but does not reduce the required contribution to the FF&E Reserve for that year. At the end of the initial Master Lease term (or option term), any outstanding balance in the FF&E Reserve will become the property of, and will be transferred to, Far East H-REIT.

Insurance

Far East H-REIT has put in place for the Properties fire insurance and all risks policies and insurance policies against physical damage and rental losses from business interruption (in relation to the Excluded Commercial Premises). The insurance policies taken out by Far East H-REIT do not cover certain types of risks such as acts of war, contamination or other environmental breaches. Far East H-REIT would also be responsible for the deductibles to its policies.

Currently, the Sponsor also maintains various policies on a group basis. For cost efficiency reasons, Far East H-REIT may participate and insure against public liability under these policies up to certain limits. The Sponsor has given an undertaking to Far East H-REIT that it is able, or would continue, to allow Far East H-REIT to participate in the Sponsor's policies and that it would keep these policies in full force and effect, continue to pay premiums in a timely manner and ensure that they are not voidable or breached on the part of the Sponsor.

Legal Proceedings

None of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the Trustee-Manager or the Master Lessees are currently involved in any material litigation nor, to the best of the knowledge of the REIT Manager and the Trustee-Manager, is any material litigation currently contemplated or threatened against Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the Trustee-Manager, or any of the Master Lessees.

Encumbrances

Albert Court Village Hotel

Title searches show that, as at 2 August 2012, there is a mortgage (IA/510146S) created in favour of Oversea-Chinese Banking Corporation Limited over Lots 797T and 813N of Town Subdivision 12, which is the official address of Albert Court Village Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of Albert Court Village Hotel by Far East H-REIT.

Changi Village Hotel

Title searches show that, as at 2 August 2012, there is (i) a mortgage (IA/63201N) created in favour of Oversea-Chinese Banking Corporation Limited and (ii) a mortgage (IA/119494S) created in favour of Oversea-Chinese Banking Corporation Limited over Lot 1215V of Mukim 31, which is the official address of Changi Village Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of Changi Village Hotel by Far East H-REIT.

The Elizabeth Hotel

Title searches show that, as at 2 August 2012, there is (i) a mortgage (IA/694843J) created in favour of United Overseas Bank Limited and (ii) a variation of mortgage (IC/854909L) in favour of United Overseas Bank Limited over Lot 552N of Town Subdivision 27, which is the

official address of The Elizabeth Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of The Elizabeth Hotel by Far East H-REIT.

Landmark Village Hotel

Title searches show that, as at 2 August 2012, there is (i) a mortgage (I/64943M) created in favour of The Development Bank of Singapore Limited, (ii) a mortgage (I/80302Q) created in favour of The Development Bank of Singapore Limited, (iii) a mortgage (IA/655079G) created in favour of DBS Bank Ltd. and (iv) a mortgage (IB/804599D) created in favour of DBS Bank Ltd. over Lot U573M and Accessory Lots A1N, A2X, A3L and A4C of Town Subdivision 13, which is the official address of Landmark Village Hotel. These mortgages will be discharged on the Listing Date upon the acquisition of Landmark Village Hotel by Far East H-REIT.

Oasia Hotel

Title searches show that, as at 2 August 2012, there is (i) a mortgage (IA/905831U) created in favour of Oversea-Chinese Banking Corporation Limited and (ii) a mortgage (IC/821278W) in favour of Overseas-Chinese Banking Corporation Limited over strata Lot U4834M of Town Subdivision 29 and accessory Lot A123C of Town Subdivision 29, which is the official address of Oasia Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of Oasia Hotel by Far East H-REIT.

Orchard Parade Hotel

Title searches show that, as at 2 August 2012, there is a mortgage (IC/736378P) created in favour of Oversea-Chinese Banking Corporation Limited over Lots 653V, 656A, 659X and 769W of Town Subdivision 24, which is the official address of Orchard Parade Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of Orchard Parade Hotel by Far East H-REIT.

The Quincy Hotel

Title searches show that, as at 2 August 2012, there is (i) a mortgage (IA/694843J) created in favour of United Overseas Bank Limited and (ii) a variation of mortgage (IC/854909L) in favour of United Overseas Bank Limited over Lots 544V, 547A and 550A of Town Subdivision 27, which is the official address of The Quincy Hotel. This mortgage will be discharged on the Listing Date upon the acquisition of The Quincy Hotel by Far East H-REIT.

Central Square Village Residences

Title searches show that, as at 2 August 2012, there is (i) a mortgage (I/1587Q) created in favour of The Development Bank of Singapore Limited, (ii) a mortgage (IA/442712J) created in favour of DBS Bank Ltd. and (iii) a mortgage (IC/672810E) in favour of DBS Bank Ltd. over Lot 320N of Town Subdivision 8, which is the official address of Central Square Village Residences. These mortgages will be discharged on the Listing Date upon the acquisition of Central Square Village Residences by Far East H-REIT.

Hougang Village Residences

Title searches show that, as at 2 August 2012, there is a mortgage (IB/792230A) created in favour of Oversea-Chinese Banking Corporation Limited over strata Lot U66063V of Mukim 22, which is the official address of Hougang Village Residences. This mortgage will be discharged on the Listing Date upon the acquisition of Hougang Village Residences by Far East H-REIT.

Regency House

Title searches show that, as at 2 August 2012, there is a mortgage (IB/856274N) created in favour of Australia and New Zealand Banking Group Limited, Singapore Branch over Lot 485A of Town Subdivision 20, which is the official address of Regency House. This mortgage will be discharged on the Listing Date upon the acquisition of Regency House by Far East H-REIT.

Riverside Village Residences

Title searches show that, as at 2 August 2012, there is a mortgage (IB/913691F) created in favour of Sumitomo Mitsui Banking Corporation, Singapore Branch over strata Lots U836V, U837P and U838T of Town Subdivision 9 and accessory Lot 103A of Town Subdivision 9, which is the official address of Riverside Village Residences. This mortgage will be discharged on the Listing Date upon the acquisition of Riverside Village Residences by Far East H-REIT.

Competition

The following table sets out some of the competition faced by the Properties:

Hotels	Competition
Albert Court Village Hotel	Parkroyal on Kitchener Road, Rendezvous Hotel, Ibis Bencoolen Hotel, Parc Sovereign Hotel
Changi Village Hotel	Grand Mercure Roxy Hotel, Crowne Plaza Changi Airport
The Elizabeth Hotel	Concorde Hotel, York Hotel, Copthorne Kings Hotel
Landmark Village Hotel	Peninsular Excelsior Hotel, Furama (City Center), Parkroyal on Beach Road, Rendezvous Hotel
Oasia Hotel	Novotel Clarke Quay, Swissotel Merchant Court Hotel, Royal Plaza on Scotts, Sheraton Towers Singapore
Orchard Parade Hotel	Traders Hotel Singapore, Orchard Hotel, Royal Plaza on Scotts, Carlton Hotel Singapore, Swissotel Merchant Court Hotel
The Quincy Hotel	Sheraton Towers Singapore, Naumi Hotel, Royal Plaza on Scotts, Pan Pacific Orchard, Grand Park Orchard
Serviced Residences	Competition
Central Square Village Residences	Somerset Liang Court, Fraser Place Robertson Walk, Park Avenue Robertson
Hougang Village Residences	No comparable competitors
Regency House	Lanson Place Winsland House, Somerset Grand Cairnhill, Pan Pacific Serviced Suites
Riverside Village Residences	Somerset Liang Court, Fraser Place Robertson Walk, Park Avenue Robertson

The hospitality sector in Singapore is highly competitive. The Properties are likely to face competition in attracting and retaining staff due to high demand in the hospitality sector, as well as potential competition from the entry of new hotels and serviced residences into the market.

(See Appendix D, "Independent Hospitality Industry Report" for further details.)

Future Competing Developments

An estimated 21 new mid-tier and upscale hotels, with a net supply totalling approximately 5,348 hotel rooms, are expected to enter the market by the end of 2014. Net supply of approximately 1,579 mid-tier and upscale hotel rooms is expected to be completed in 2012.

The table below sets out the new supply of mid-tier and upscale hotel rooms expected from 2012 to 2014:

Name of Hotel	Location	Segment	Number of Hotel Rooms
Hotels expected to commence operations in 2012			
Parkroyal @ CBD	Downtown	Mid-tier	363
Bay Hotel	Marina South	Upscale	333
Capri by Fraser @ Changi City	Changi	Mid-tier	313
Dorsett Regency Singapore	Outram	Mid-tier	285
W Singapore Sentosa Cove	Sentosa	Upscale	250
Equarius Hotel	Sentosa	Upscale	172
UE Park Avenue Changi	Changi	Mid-tier	170
Movenpick Hotel (additional rooms)	Sentosa	Upscale	61
Beach Villas	Sentosa	Upscale	22
Hotel Grand Central ⁽¹⁾	Orchard	Mid-tier	-390
Sub-total			1,579
Hotels expected to commence operations in 2013			
Traders Hotel (formerly known as "Phoenix Hotel")	Orchard	Upscale	502
Ramada Singapore	Novena	Mid-tier	396
Carlton Project	Marina East	Mid-tier	387
Connexion at Farrer Park	Rochor	Upscale	230
Fairy Hill Point Hotel	East Region	Mid-tier	186
Sofitel Singapore (Ogilvy Centre)	CBD	Upscale	134
Sub-total			1,835
Hotels expected to commence operations in 2014			
Hotel Grand Central Project 1	Orchard	Mid-tier	488
Hotel to be named	Singapore River	Mid-tier	310
Hotel to be named	Rochor	Upscale	339
Westin SG Marina Bay	CBD	Upscale	305
Hotel Grand Central Project 2	Orchard	Mid-tier	264
Laguna Golf Green Hotel	Changi	Mid-tier	191
Amoy Hotel	CBD	Upscale	37
Sub-total			1,934
TOTAL			5,348

Note:

(1) Hotel expected to close in 2012.

Source: CBRE Hotels.

An estimated seven new mid-tier and upscale serviced residences, totalling approximately 783 serviced residence units, are expected to enter the market by the end of 2014, with approximately 158 mid-tier and upscale serviced residence units expected to be completed in 2012.

The table below sets out the new supply of mid-tier and upscale serviced residence units expected from 2012 to 2014:

Name of Serviced Residence	Location	Number of Serviced Residence Units
Serviced residences expected to commence operations in 2012		
Park Avenue Changi	Changi	130
CherryLoft	Rangoon Road	28
Sub-total		158
Serviced residences expected to commence operations in 2013		
Modena Frasers Suites	Changi	313
Pan Pacific Serviced Apartments	Beach Road	180
Heritage Residences	Telok Kurau	34
Farrer Park Serviced Apartments	Race Course Road	30
Sub-total		557
Serviced residences expected to commence operations in 2014		
Dorsett Residences	New Bridge Road	68
Sub-total		68
TOTAL		783

Source: CBRE Hotels.

Seasonality

Generally, the Singapore hospitality sector experiences higher activity levels and better performance in the second half of the year as compared to the first half. Different seasonality trends impact different segments of Singapore's hospitality sector. For the Hotels, the months of May, June, October, and November typically experience the highest demand from corporate hotel guests, while the highest demand from leisure guests occurs during the Christmas and New Year festive season, as well as during Hari Raya, the holiday that marks the end of Ramadan. Hotel demand is also driven by major MICE events such as the annual Singapore Formula 1 race in September, the biennial Singapore Airshow which typically takes place in February, the annual CommunicAsia which typically takes place in June, and the biennial Food&HotelAsia which typically takes place in April.

The Serviced Residences typically experience the highest demand during the months of July and August, which are the peak months for corporate relocations.

Marketing Activities

The Hotel and Serviced Residence Operator will engage in sales and marketing activities targeted at the Properties' main sources of bookings as broken down by industry segment

and channel, including corporate procurement and human resource departments, corporate secretaries, travel agents, relocation agents, housing agents and customers.

Examples of marketing activities undertaken by the Hotel and Serviced Residence Operator include:

- participation in international and local trade-related shows;
- sales trips to key countries, such as Indonesia, Malaysia, Australia, China (including Hong Kong) and India;
- “Village Experience” activities on site at Properties under the “Village” brand;
- participation in wedding shows for hotel catering segments;
- e-marketing, social media marketing and partnership marketing;
- lifestyle activities with respect to Oasia Hotel and The Quincy Hotel; and
- Far East Rewards, a loyalty programme for members making frequent bookings at any of the properties managed by the Hotel and Serviced Residence Operator.

Far East H-BT

Far East H-BT will be dormant as at the Listing Date. It exists primarily as “a master lessee of last resort” and will only become active if Far East H-REIT is unable to appoint a master lessee for any of the Properties in its portfolio at the expiry of the relevant master lease agreement or for a newly acquired property. The Trustee-Manager expects Far East H-BT to be dormant for the period from the Listing Date to 31 December 2013. Save as disclosed in this Prospectus and based on the prevailing market conditions as at the date of this Prospectus, the Trustee-Manager is not aware of any event which may materially affect Far East H-BT’s business prospects in the current financial year.

ALBERT COURT VILLAGE HOTEL

180 Albert Street, Singapore 189971

General Description

Albert Court Village Hotel is a pre-war conservation building and its architecture comprises restored pre-war shop houses with Straits Chinese carvings and motifs, reflecting the cultural heritage of its surroundings. It is located in the Bras Basah-Bugis district, which has been designated as the “arts, design, culture, learning and entertainment hub” of Singapore by URA and is an area rich in history, religion, art and cultural and architectural diversity reflecting Singapore’s diverse ethnic identity, and is located in close proximity to the popular Sim Lim Square electronics and computer shopping centre. Its hotel rooms and suites offer modern facilities and amenities catering to both business and leisure travellers.

Cultural, civic, and arts attractions within walking distance from the Hotel include the Singapore Art Museum, National Library, LaSalle College of the Arts and Nanyang Academy of Fine Arts. Little India, with its wide variety of ethnic food, places of worship and shopping, is located across the street from the Hotel, and Waterloo Street is also a short walk away, with its juxtaposition of various religious sites including a Chinese Goddess of Mercy temple, a Hindu temple, a Catholic church, and a synagogue.

The Hotel is easily accessible by public transport within walking distance of Little India and Bugis MRT stations, and is close to the popular Sim Lim Square electronics and computer shopping centre and a short walk away from numerous shopping malls such as Parco Bugis Junction, Mustafa Centre and the Orchard Road shopping district. It is also conveniently located within a short drive to two of the major MICE facilities in Singapore, namely Marina Bay Sands and Suntec Singapore International Convention & Exhibition Centre. There is a complimentary shuttle bus service daily from the Hotel to City Hall MRT station.

Access to the upper floors of Albert Court Village Hotel is facilitated by three passenger lifts, while two service lifts are also provided to serve the various floors. The hotel room sizes range from approximately 20 to 30 sq m for a typical standard room to approximately 40 sq m for a suite or family room.

Facilities and amenities available to the guests include recreational facilities such as a gymnasium, jacuzzi and steam room, as well as shops, restaurants, beauty salons and boutiques, on the first storey and a café and two meeting rooms on the second storey. The Albert Café & Restaurant, Shish Mahal Restaurant, the new Kookaburra Restaurant and the Lobby Lounge also provide guests with the opportunity to sample International, Australian and Indian cuisines.

In 2011, minor refurbishment works were completed on Albert Court Village Hotel’s lobby, guest rooms, corridors and chiller room in relation to its cooling system.

A summary of selected information on Albert Court Village Hotel is set out in the table below:

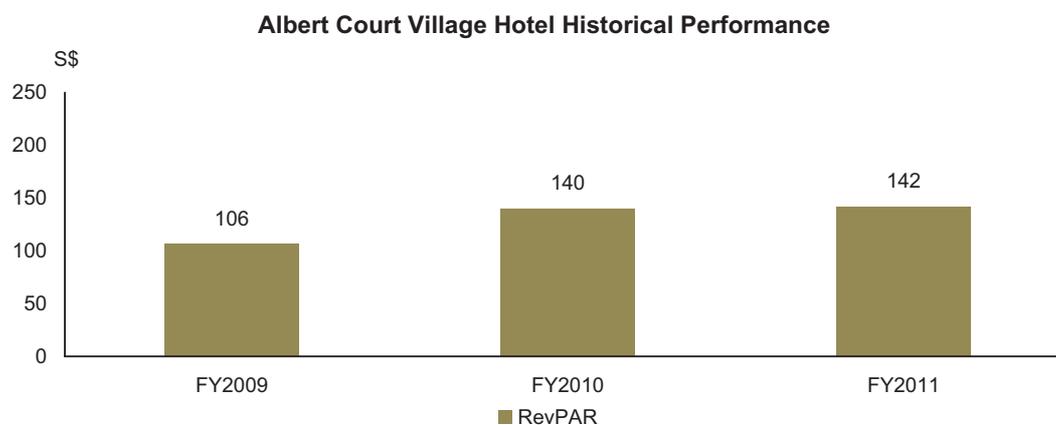
Completion Date	3 October 1994
Leasehold Tenure⁽¹⁾	Leasehold of 75 years commencing from Listing Date
Market Segment	Mid-tier
Approximate GFA (sq m)	11,426
Retail NLA (sq m) / Number of Lettable Units	1,002 / 25
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	210
Carpark Lots	65
RevPAR (FY2011) (S\$)	142
Pro Forma Variable Rent (FY2011) (S\$m)	2.3
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽²⁾ (FY2011) (%)	39.9
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	126.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	107.3
Master Lessee	First Choice Properties Pte Ltd

Notes:

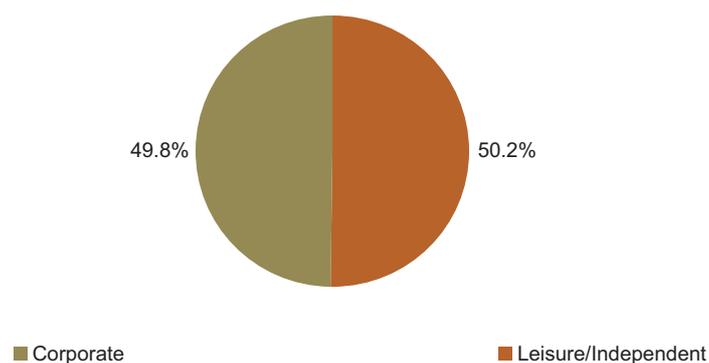
- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

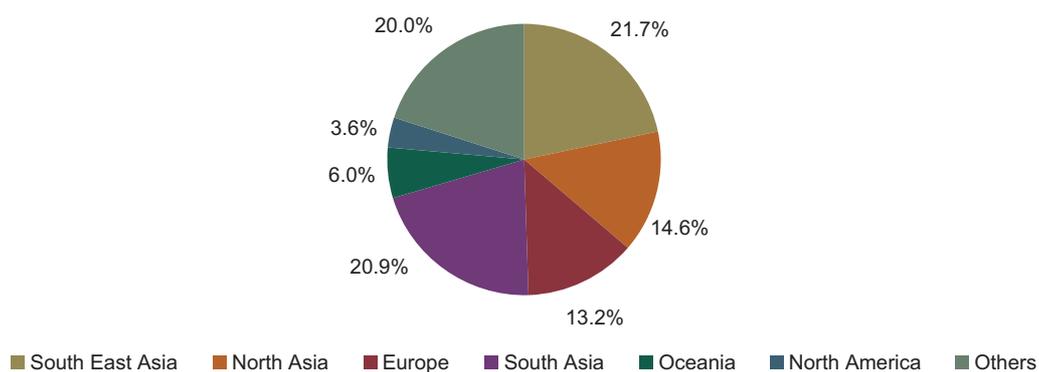
The following charts show certain information on the operations of Albert Court Village Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior / Deluxe Room	22	55
Executive Room	24	76
Family Room	26	5
Premier Room	25	27
Club Room	28	45
Club Suite	40	2
TOTAL		210

Meeting and Function Rooms

Albert Court Village Hotel has a variety of meeting and function rooms to cater to events of up to 80 persons. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms	Size (sq m)	Capacity ⁽¹⁾
Meeting Room 1	65	80
Meeting Room 2	40	40

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel features a selection of F&B options on its premises, such as:

- Albert Café, serving international cuisine;
- Shish Mahal Restaurant, serving Northern Indian cuisine; and
- Kookaburra Restaurant, serving Australian cuisine.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A gymnasium;
- A twin jacuzzi; and
- A steam room.

Overview of Retail Tenants

There are 15 retail tenants of Albert Court Village Hotel as at 31 March 2012. In addition to the F&B outlets, tenants include a souvenir shop, a tailor, a florist and a travel agent.

CHANGI VILLAGE HOTEL

1 Nettevaron Road, Singapore 508502

General Description

Changi Village Hotel is a 380-room hotel situated by the sea, with a wellness centre, infinity pool and function rooms that support meetings and events. An urban resort overlooking the sea, it is one of the few hotels in the Changi area and is a popular venue for wedding events.

Changi Beach's boardwalk and the shops, pubs and restaurants of Changi Village are within walking distance from the Hotel. The Hotel is adjacent to Changi Point Ferry Terminal to provide easy access to the island of Pulau Ubin, one of Singapore's most popular getaways for hiking, cycling and fishing amidst nature. Tanah Merah Country Club, National Service Resort & Country Club, Laguna National Golf & Country Club and Changi Golf Club are all minutes' drive away for golfing enthusiasts. The Hotel is also situated close to various cultural landmarks, such as the Changi Chapel & Museum, a WWII gun battery and Selarang Barracks.

Changi Business Park, Loyang Industrial Park and Changi South Logistics Park, with their multitude of multinational, banking, IT and R&D firms such as Honeywell, IBM, Citibank and Standard Chartered Bank, and Singapore Expo, one of Southeast Asia's largest exhibition centres, are a short drive from the Hotel, making the Hotel a popular choice for business and MICE guests as it is one of the few hotels in close proximity to these landmarks. The Hotel has a well-equipped business centre that makes the Hotel a popular choice for business meetings and corporate retreats in a more leisurely setting. There is a complimentary shuttle bus service available daily from the Hotel to Changi International Airport, Changi Business Park and Loyang Industrial Estate.

Access to the upper floors of Changi Village Hotel is facilitated by four glass passenger lifts, while four service lifts are also provided to serve the various floors. The hotel room sizes range from approximately 24 sq m for the superior room to approximately 35 to 75 sq m for the suites.

Facilities and amenities available to the guests include five F&B outlets, namely the Saltwater Café with its popular International buffet spreads, Vau Wine Bar, The Wine Company, La Cantina in Venezia and Chou Bei Japanese Restaurant. There are 17 meeting rooms, two retail units located on the first storey, two swimming pools, a rooftop jacuzzi, a gymnasium, a spa and an exclusive club lounge.

In 2011, there were minor refurbishments to Changi Village Hotel's meeting rooms, square ballroom and meeting facilities.

A summary of selected information on Changi Village Hotel is set out in the table below:

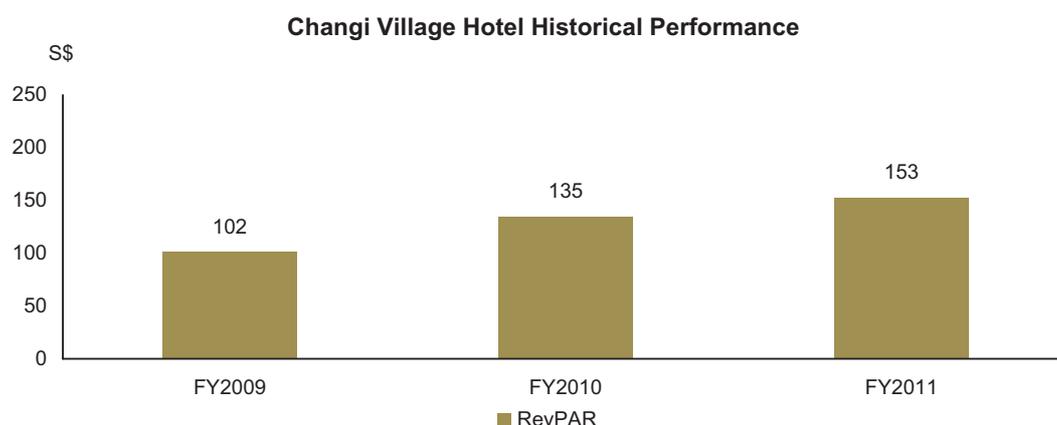
Completion Date	30 January 1990 ⁽¹⁾
Leasehold Tenure⁽²⁾	Leasehold of 65 years commencing from Listing Date
Market Segment	Mid-tier
Approximate GFA (sq m)	22,826
Retail NLA (sq m) / Number of Lettable Units	778 / 8
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	380
Carpark Lots	107
RevPAR (FY2011) (S\$)	153
Pro Forma Variable Rent (FY2011) (S\$'m)	5.3
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽³⁾ (FY2011) (%)	41.6
Appraised Value by Colliers (as at 31 March 2012) (S\$'m)	257.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$'m)	228.0
Master Lessee	Far East Organization Centre Pte. Ltd.

Notes:

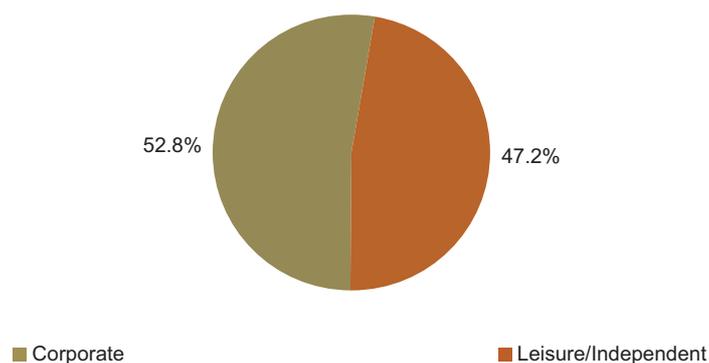
- (1) Date of acquisition by Sponsor, as property is not developed by Sponsor.
- (2) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (3) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

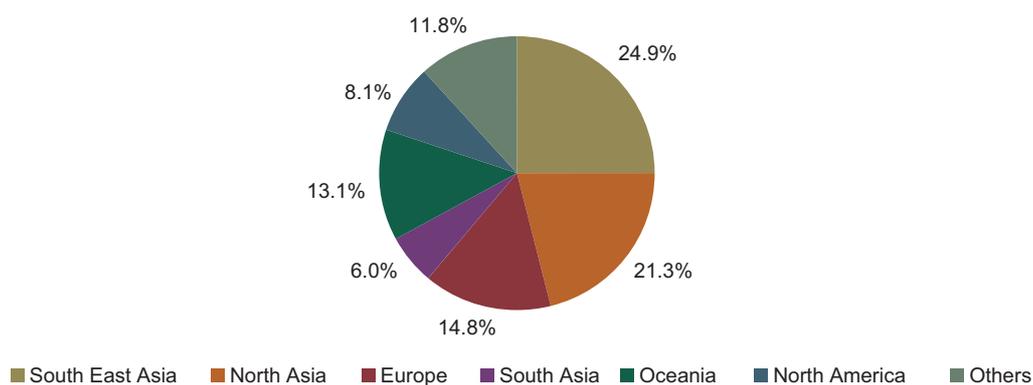
The following charts show certain information on the operations of Changi Village Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior Room	24-25	102
Deluxe Room	24-25	201
Executive Club Room	24-25	61
Junior Suite	35-41	10
Executive Suite	51	5
Royal Suite	75	1
TOTAL		380

Meeting and Function Rooms

Changi Village Hotel has a variety of meeting and function rooms to cater to events of up to 350 persons. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms		Size (sq m)	Capacity ⁽¹⁾
Lower Lobby	Cube 1-6	36-48	20-40
	Square-Square 2	101-335	90-350
Lower Level	Creek	202	50
	Oval 1-Oval 4	15-31	N.A.
	Oval Foyer	N.A.	N.A.
	Quad 1-Quad 3	46-55	40-70
	Sphere 1-Sphere 3	58-101	48-60
Level 8	Poolside	N.A.	90

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel features a selection of F&B options on its premises, such as:

- Saltwater Café, serving international cuisine;
- Vau Wine Bar, serving mainly wine, cocktails and bar bites;
- La Cantina de Venezia Restaurant, serving Italian cuisine;
- Chou Bei Restaurant, serving Japanese cuisine; and
- The Wine Company, serving mainly wine and appetisers.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A creek pool;
- A gymnasium;
- An infinity pool;
- The Retreat Spa and Thalasso Centre; and
- A club lounge.

Overview of Retail Tenants

There are two retail tenants of Changi Village Hotel in two sectors as at 31 March 2012. In addition to the F&B outlets, tenants include a convenience store and spa.

THE ELIZABETH HOTEL

24 Mount Elizabeth, Singapore 228518

General Description

The Elizabeth Hotel is a 256-room hotel situated in the private enclave of Mount Elizabeth, with a prime location adjacent to Mount Elizabeth Hospital, one of Singapore's leading hospitals, and a short walk away from the Orchard Road shopping and entertainment belt. There are numerous shopping malls located conveniently nearby, which provide hotel guests with a wide range of shopping, dining, and entertainment options. The Hotel is also within walking distance to Orchard MRT station for easy access to the CBD and other areas of Singapore. With its close proximity to both Mount Elizabeth Hospital and Paragon Medical Centre, the Hotel appeals to medical tourists, in addition to business and leisure travellers. The Hotel's executive wing recently completed a refurbishment programme in 2011, providing 100 upgraded rooms positioned to attract higher-yield corporate customers.

Access to the upper floors of The Elizabeth Hotel is facilitated by four passenger lifts, while two service lifts and one car park lift are also provided to serve the various floors. The Hotel room sizes range from approximately 24 sq m for the superior hotel room to approximately 55 sq m for the suites.

Facilities and amenities available to the guests include an outdoor swimming pool as well as two in-house restaurants. F&B outlets located on the first storey include the Elizabeth Pub & Lounge, a popular venue for the Arsenal Fan Club, Modesto's @ Elizabeth and the poolside terrace and bar. The three function rooms are located on the first and second storeys, while there is also a landscaped garden and waterfall feature within the external compound of the Hotel. Other amenities are conveniently available in the Orchard Road shopping district nearby.

In 2011, renovation works were done on all hotel rooms on the fifth to eight storeys, in order to upgrade them to executive rooms.

A summary of selected information on The Elizabeth Hotel is set out in the table below:

Completion Date	3 May 1993
Leasehold Tenure⁽¹⁾	Leasehold of 75 years commencing from Listing Date
Market Segment	Mid-tier
Approximate GFA / (sq m)	11,723
Retail NLA (sq m) / Number of Lettable Units	595 / 5
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	256
Carpark Lots	97
RevPAR (FY2011) (S\$)	167
Pro Forma Variable Rent (FY2011) (S\$m)	4.1
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽²⁾ (FY2011) (%)	42.9
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	193.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	186.6
Master Lessee	Golden Development Private Limited

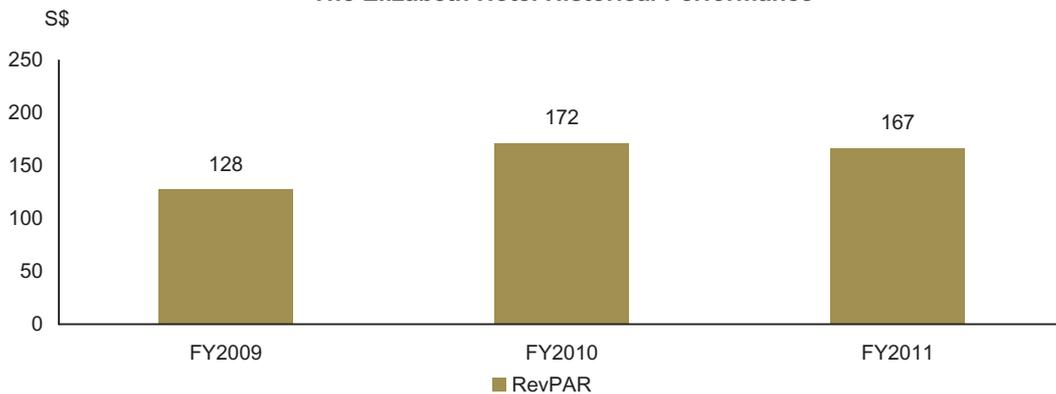
Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

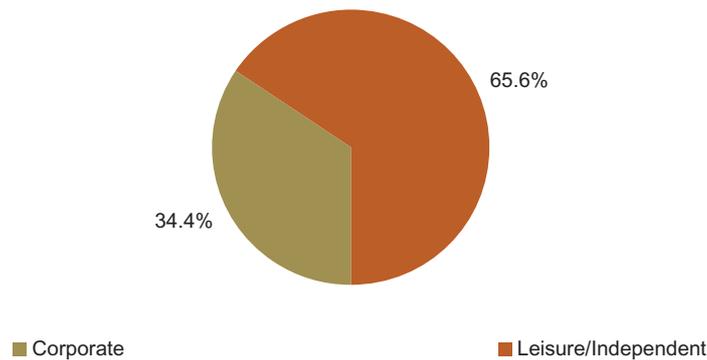
Operating Statistics

The following charts show certain information on the operations of The Elizabeth Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:

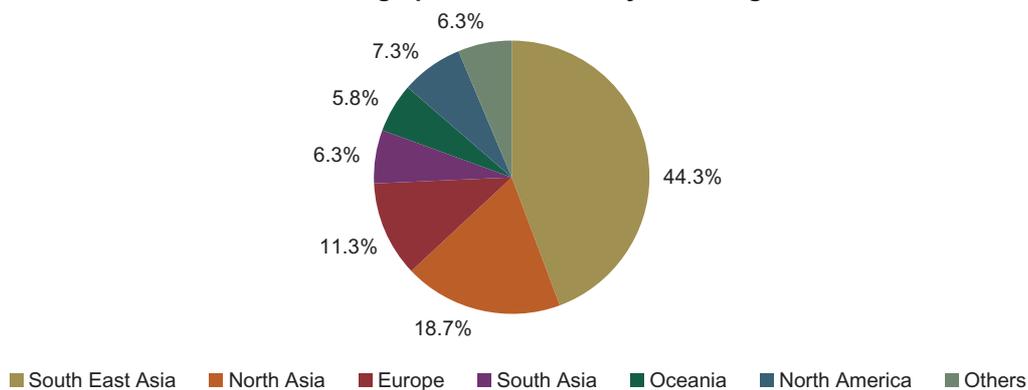
The Elizabeth Hotel Historical Performance



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior Room	24	64
Deluxe Room	24	80
Executive Room	24	100
Premier Room	36	7
Suite	55	5
TOTAL		256

Meeting and Function Rooms

The Elizabeth Hotel has a variety of meeting and function rooms to cater to events of up to 80 persons. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms	Size (sq m)	Capacity ⁽¹⁾
Windsor I/Windsor II	49	40
Windsor I and Windsor II	98	80

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel features a selection of F&B options on its premises, such as:

- Modesto's @ Elizabeth, serving international cuisine; and
- Elizabeth Pub and lounge.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- An outdoor swimming pool.

Overview of Retail Tenants

There are three retail tenants of The Elizabeth Hotel in two sectors as at 31 March 2012. In addition to the F&B outlet, tenants include a souvenir and convenience shop.

LANDMARK VILLAGE HOTEL

390 Victoria Street, Singapore 188061

General Description

Landmark Village Hotel is a 393-room hotel located in the Arab Street-Kampong Glam area, the Malay heritage district of Singapore, with convenient access to a variety of modern shopping malls. With its rows of conserved shophouses that house vibrant coffee shops, craft shops, art galleries and boutiques, the Arab Street-Kampong Glam area is a popular destination for tourists and locals alike. As with Albert Court Village hotel, the Landmark Village Hotel is located in the Bras Basah-Bugis district, which has been designated as the “arts, design, culture, learning and entertainment hub” of Singapore by URA.

The hotel is easily accessible by public transport within walking distance from Bugis MRT station, and is located in close proximity to the popular Sim Lim Square electronics and computer shopping centre and various shopping malls such as Parco Bugis Junction, Bugis Village and Iluma. It is also a short drive to two of the major MICE facilities in Singapore, Marina Bay Sands and Suntec Singapore International Convention & Exhibition Centre. In addition, Raffles Hospital is located across the road from the Hotel, making Landmark Village Hotel a popular accommodation option for the growing number of medical tourists.

Access to the upper floors of Landmark Village Hotel is facilitated by four passenger lifts, while two service lifts are also provided to serve the various floors. The standard room size for all superior, deluxe and executive club rooms is approximately 32 sq m, while the suites are approximately 64 sq m in size.

Facilities and amenities available to the guests include authentic Chinese, Indian, as well as international cuisines available in the hotel’s two restaurants, namely the Riverwalk Tandoor and Mooi Chin. Services offered at Landmark Village Hotel include concierge and security, in-room dining service, laundry, dry cleaning, travel and tour reservation services.

In 2011, refurbishment was undertaken on the meeting rooms on the fifth and sixth storeys.

A summary of selected information on Landmark Village Hotel is set out in the table below:

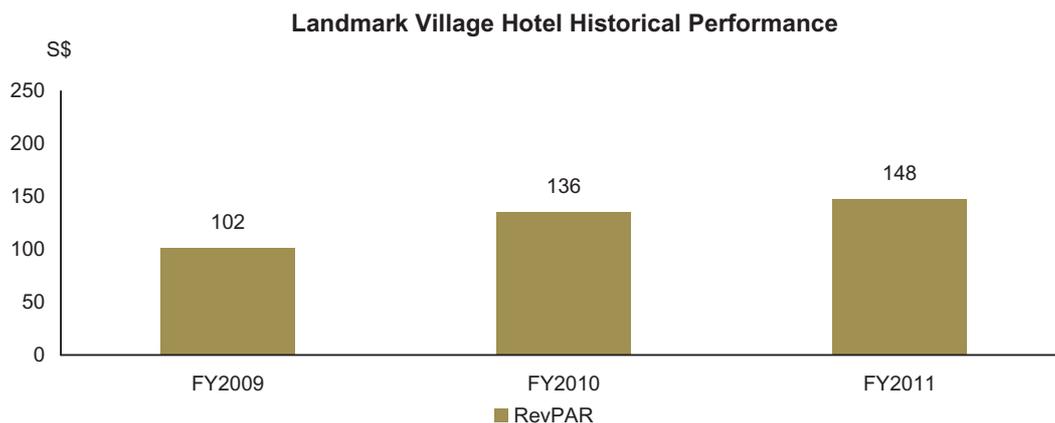
Completion Date	19 October 1988
Leasehold Tenure⁽¹⁾	Leasehold of 66 years commencing from Listing Date
Market Segment	Mid-tier
Approximate Strata Area (sq m)	21,676 ⁽²⁾
Retail NLA (sq m) / Number of Lettable Units	1,164 / 9
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	393
Carpark Lots	217 ⁽³⁾
RevPAR (FY2011) (S\$)	148
Pro Forma Variable Rent (FY2011) (S\$’m)	5.3
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽⁴⁾ (FY2011) (%)	43.2
Appraised Value by Colliers (as at 31 March 2012) (S\$’m)	227.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$’m)	217.0
Master Lessee	Golden Landmark Pte Ltd

Notes:

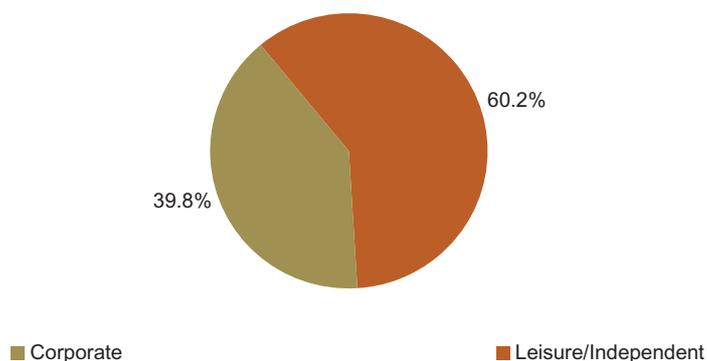
- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) In addition, Landmark Village Hotel also includes accessory lots with an aggregate area of 85 sq m.
- (3) These carpark lots belong to the MCST and will not be acquired by Far East H-REIT.
- (4) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

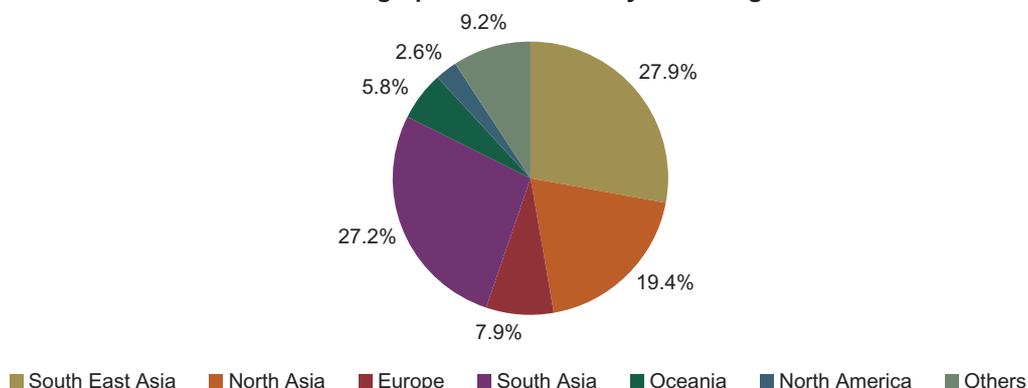
The following charts show certain information on the operations of Landmark Village Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.

(5) Oceania comprises Australia and New Zealand.

(6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior Room	32	152
Deluxe Room	32	155
Executive Club Room	32	82
Executive Club Suite	64	4
TOTAL		393

Meeting and Function Rooms

Landmark Village Hotel has a variety of meeting and function rooms to cater to events of up to 500 persons. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms	Size (sq m)	Capacity ⁽¹⁾
Poolside (Lower Deck-Upper Deck)	400-500	N.A.
Galaxy Room	144	170
Landmark 1-Landmark 2	102	120

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel features a selection of F&B options on its premises, such as:

- The Riverwalk Tandoor, serving Northern Indian cuisine; and
- Mooi Chin, serving Chinese cuisine.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A gymnasium; and
- An outdoor swimming pool.

Overview of Retail Tenants

There are eight retail tenants of Landmark Village Hotel as at 31 March 2012. In addition to the F&B outlets, these include travel agents and a wellness centre.

OASIA HOTEL

8 Sinaran Drive, Singapore 307470

General Description

Oasia Hotel is the 428-room maiden hotel of the new hospitality brand, Oasia which opened in April 2011 and became fully operational in October 2011. Part of the Hotel interior was designed in collaboration with internationally-renowned interior design firm Super Potato and the rooms feature an interactive TV service and iPod docking system. Oasia Hotel provides guests with a 24-hour club lounge and gymnasium access, sky terrace and two lap pools, one of which is an exclusive infinity pool on the club floor.

The Hotel is strategically located in the prime Novena district next to Novena MRT station, which is Singapore's premier medical hub and two MRT stations away from Orchard Road, Singapore's prime shopping district. The medical hub is made up of key medical facilities, including the National Skin Centre, Novena Medical Center, Novena Specialist Center, Tan Tock Seng Hospital and the Mount Elizabeth Novena Hospital, which opened in July 2012. The surrounding malls, which include Square 2, United Square and Novena Square Velocity, provide a wide variety of dining and shopping options. Anchor tenants at the adjacent Novena Square office building include Procter & Gamble and CPG Corporation Pte Ltd. Given its location, the Hotel is popular amongst medical tourists and corporate travellers. The Hotel has a restaurant named Zaffron serving International cuisine. Additionally, there are three other restaurants located within the same building, namely Rakuichi, Doodles and Old Hong Kong Essence serving Japanese, Western and Chinese cuisines respectively.

Access to the upper floors of Oasia Hotel is facilitated by six passenger lifts, while one service lift and one fireman lift are also provided to serve the various floors. The average room size of a typical hotel room is approximately 25 sq m. The hotel room sizes range from approximately 25 sq m for the superior room to approximately 54 sq m for the suites.

A summary of selected information on Oasia Hotel is set out in the table below:

Completion Date	2 June 2011
Leasehold Tenure⁽¹⁾	Leasehold of 92 years commencing from Listing Date
Market Segment	Mid-tier / Upscale
Approximate Strata Area (sq m)	22,457 ⁽²⁾
Retail NLA (sq m) / Number of Lettable Units	N.A.
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	428
Carpark Lots	148 ⁽³⁾
RevPAR (FY2011) (S\$)	117 ⁽⁴⁾
Pro Forma Variable Rent (FY2011) (S\$m)	1.7 ⁽⁵⁾
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽⁶⁾ (FY2011) (%)	36.4
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	322.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	324.9
Master Lessee	Transurban Properties Pte. Ltd.

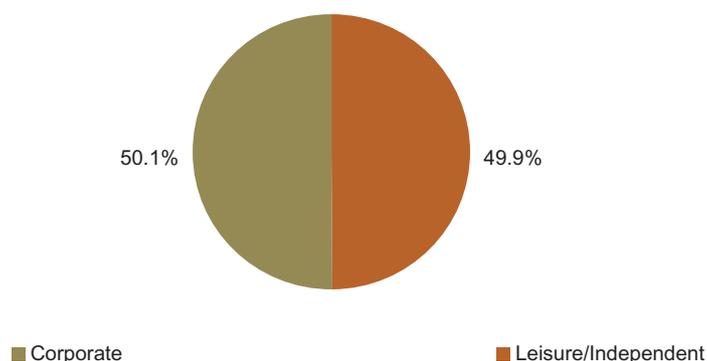
Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) In addition, Oasia Hotel also includes an accessory lot with an area of 30 sq m.
- (3) These carpark lots belong to the MCST and will not be acquired by Far East H-REIT.
- (4) Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011.
- (5) As Oasia Hotel commenced operations only in April 2011 and became fully operational only in October 2011, the pro-rated pro forma Fixed Rent for Oasia Hotel was assumed to be S\$3 million.
- (6) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

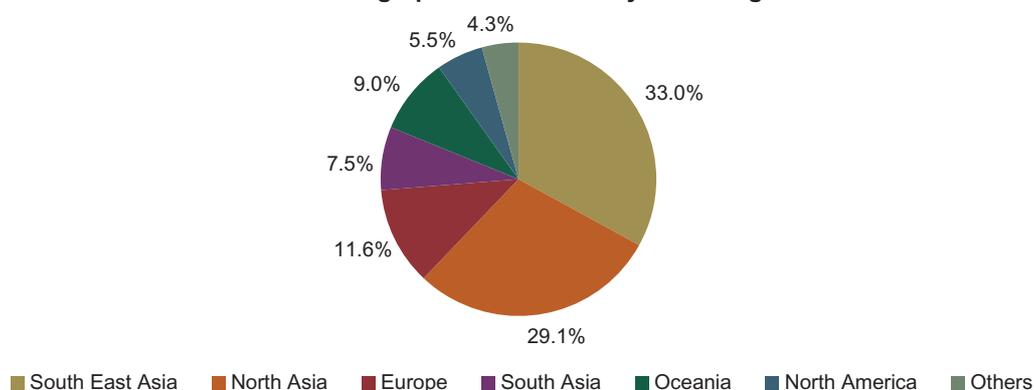
Operating Statistics

The following charts show certain information on the operations of Oasia Hotel and a breakdown of the guest profile of the Hotel by market segment and country of origin:

FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior Room	25	88
Deluxe Room	25	224
Club Room	25	100
Club Suite	54	4
Handicap-friendly Rooms	25	12 (11 with connecting rooms)
TOTAL		428

Meeting and Function Rooms

Oasia Hotel has three meeting rooms that can accommodate a maximum of 150 guests and a VIP meeting room that can accommodate a maximum of 20 guests. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms	Size (sq m)	Capacity ⁽¹⁾
The Courtyard One/The Courtyard Three	53-55	55
The Boardroom	59	20

Note:

- (1) Based on a theatre setting for the Courtyard meeting rooms and based on a boardroom setting for the Boardroom. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

Medical Facilities

The Hotel is situated within a medical hub, which includes:

- The National Skin Centre;
- Novena Medical Center;
- Novena Specialist Center;
- Tan Tock Seng Hospital; and
- Mount Elizabeth Novena Hospital.

F&B Facilities

The Hotel features a restaurant named Zaffron serving International cuisine with a variety of other cuisines located adjacent to the hotel premises.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A swimming pool and landscape garden on the eighth storey;
- A sky terrace with an infinity pool on the 22nd storey;
- A gymnasium; and
- The Oasia Club Lounge.

ORCHARD PARADE HOTEL

1 Tanglin Road, Singapore 247905

General Description

Orchard Parade Hotel is a 388-room hotel located in the Orchard Road area and is within walking distance to Orchard MRT station. Its location along the Orchard Road shopping belt provides guests with a wide variety of dining and shopping options, appealing to both business and leisure travellers. In addition, the Hotel is in the vicinity of Camden Medical Centre and Gleneagles Hospital, making the Hotel an attractive choice for medical tourists. The Hotel's MICE facilities are a popular venue for meetings and conferences. The Hotel is set for further refurbishment between August 2012 and September 2012 and between December 2012 and February 2013, with the Hotel's executive club rooms, lobby and lobby lounge having been refurbished in 2006. The Hotel features seven F&B outlets, including Tung Lok Classic, Modesto's, Stuart Anderson's Black Angus, Akashi, Akanoya, Kam Boat Teochew Restaurant and Starbucks. Other amenities in the Hotel include a spacious pool-side terrace ideal for corporate retreats or evening cocktail receptions. The Hotel has also received several awards recognising the hotel's excellent service.

The Hotel is within walking distance to the Botanic Gardens and is also situated close to shopping malls such as the Tanglin Shopping Centre, Forum, Far East Shopping Centre, Orchard Towers, Orchard Ion, Shaw House and Shaw Centre, appealing to both business and leisure travellers. In addition, the Hotel is also in close proximity to Camden Medical Centre and Gleneagles Hospital, making the Hotel an attractive choice for medical tourists.

Access to the upper floors of Orchard Parade Hotel is facilitated by seven passenger lifts, while three service lifts are also provided to serve the various floors. The average size of the hotel rooms is approximately 30 sq m. The hotel room sizes range from approximately 26 sq m for the superior rooms to approximately 120 sq m for the Presidential suite.

Services offered at Orchard Parade Hotel include concierge, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services. Orchard Parade Hotel incorporates a 6-storey office arcade known as the Orchard Parade Hotel Office Podium which has function rooms and a swimming pool on the top floor. The office podium's main entrance is along Tanglin Road.

In 2011, minor refurbishment works were done on the meeting and function rooms in relation to the carpets and the AV system.

A summary of selected information on Orchard Parade Hotel is set out in the table below:

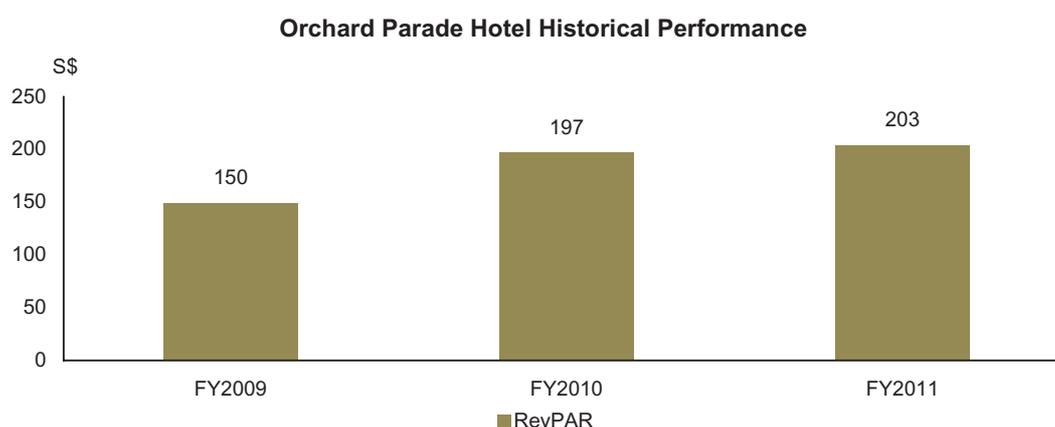
Completion Date	20 June 1987 ⁽¹⁾
Leasehold Tenure⁽²⁾	Leasehold of 50 years commencing from Listing Date
Market Segment	Mid-tier / Upscale
Approximate GFA (sq m)	34,072
Retail NLA (sq m) / Number of Lettable Units	3,694 / 33
Office NLA (sq m) / Number of Lettable Units	2,509 / 52
Number of Available Hotel Rooms	388
Carpark Lots	176
RevPAR (FY2011) (S\$)	203
Pro Forma Variable Rent (FY2011) (S\$m)	9.8
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽³⁾ (FY2011) (%)	49.5
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	419.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	409.0
Master Lessee	Far East Orchard Limited

Notes:

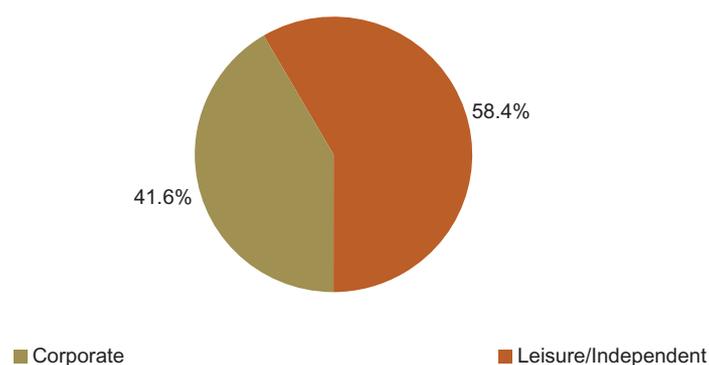
- (1) Date of acquisition by Sponsor, as property is not developed by Sponsor.
- (2) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (3) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

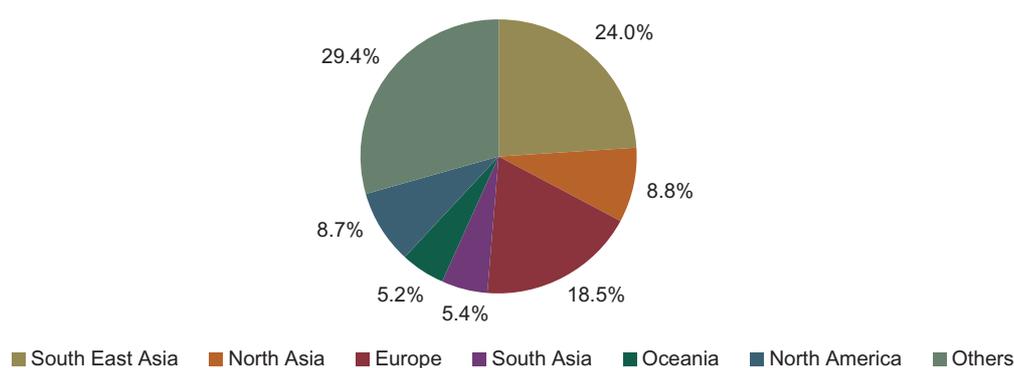
The following charts show certain information on the operations of Orchard Parade Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Superior Room	26	101
Deluxe Room	28	122
Executive Room	30	60
Club Room	30	58
Family Room	58-67	33
Suite	42-76	13
Presidential Suite	120	1
TOTAL		388

Meeting and Function Rooms

Orchard Parade Hotel has a variety of meeting and function rooms to cater to events of up to 300 persons. The following table sets out selected information on the Hotel's meeting and function rooms:

Meeting and Function Rooms	Size (sq m)	Capacity ⁽¹⁾
Antica I/Antica III	81-185	50-80
Antica I and Antica II	280	250
Antica II and Antica III	176	80
Antica I, Antica II and Antica III	361	300
Antica V	89	60

Note:

- (1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel features a selection of F&B options on its premises, such as:

- Tung Lok Classic, serving Chinese cuisine;
- Modesto's, serving Italian cuisine;
- Stuart Anderson's Black Angus, serving Western cuisine;
- Akashi, serving Japanese cuisine;
- Akanoya, serving Japanese cuisine;
- Kam Boat Teochew Restaurant, serving Chinese cuisine;
- Starbucks Coffee; and
- Lobby bar.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A gymnasium;
- An outdoor swimming pool; and
- A tour desk.

Overview of Retail and Office Tenants

There are 15 retail and 33 office tenants of Orchard Parade Hotel as at 31 March 2012. In addition to the F&B outlets, retail tenants include a souvenir shop, tailor, wine shop and hair salon. Office tenants include companies in the education and healthcare sectors, as well as members of Far East Organization.

THE QUINCY HOTEL

22 Mount Elizabeth, Singapore 228517

General Description

The Quincy Hotel is a 108-room boutique club hotel featuring a distinctive façade with bold colours, a glass-enclosed cantilevered pool, an LED-illuminated pool deck and an iMac station in the lobby. The Hotel was the winner of TripAdvisor's® Travelers' Choice® awards in 2011 and 2012 and also won the HA+D Award for Hotel Architecture and the SIA Architectural Design Award in 2011. The Hotel offers guests an all-inclusive package in which Hotel guests pay a flat rate that includes hotel room, meals and drinks and exclusive limousine airport pickup service.

The Quincy Hotel is located in close proximity to Orchard Road and is within walking distance from Orchard MRT station. There are numerous shopping malls nearby, providing guests with a wide range of facilities and shopping opportunities.

Access to the upper floors of The Quincy Hotel is facilitated by three passenger lifts, while one service lift is also provided to serve the various floors. The hotel room sizes range from approximately 26 sq m for the studio room to approximately 32 sq m for the deluxe studio room.

Facilities and amenities available to the guests include iMac stations in the lobby, a gymnasium, sauna and steam room with sauna facilities and swimming pool on the 12th storey. There is an all-day dining restaurant serving international cuisine.

A summary of selected information on The Quincy Hotel is set out in the table below:

Completion Date	27 November 2008
Leasehold Tenure⁽¹⁾	Leasehold of 75 years commencing from Listing Date
Market Segment	Upscale
Approximate GFA (sq m)	4,810
Retail NLA (sq m) / Number of Lettable Units	N.A.
Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Available Hotel Rooms	108
Carpark Lots	N.A. ⁽²⁾
RevPAR (FY2011) (S\$)	229
Pro Forma Variable Rent (FY2011) (S\$m)	2.1
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽³⁾ (FY2011) (%)	45.3
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	84.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	83.4
Master Lessee	Golden Development Private Limited

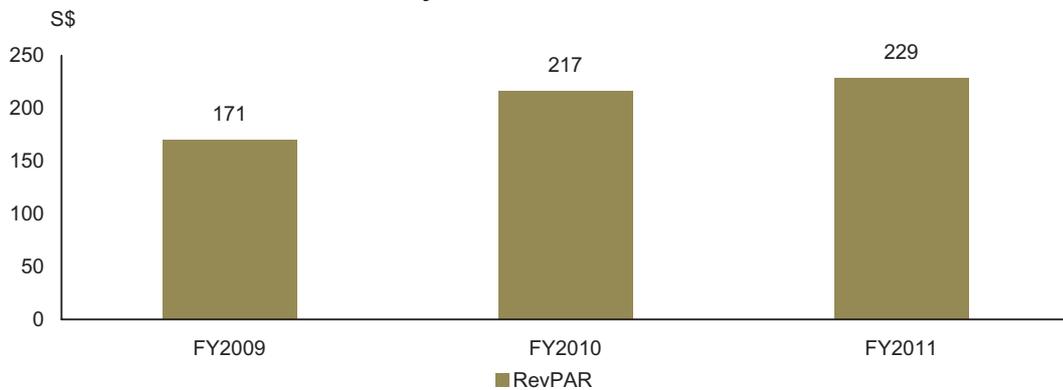
Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Guests at The Quincy Hotel may use the carpark lots at the Elizabeth Hotel.
- (3) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

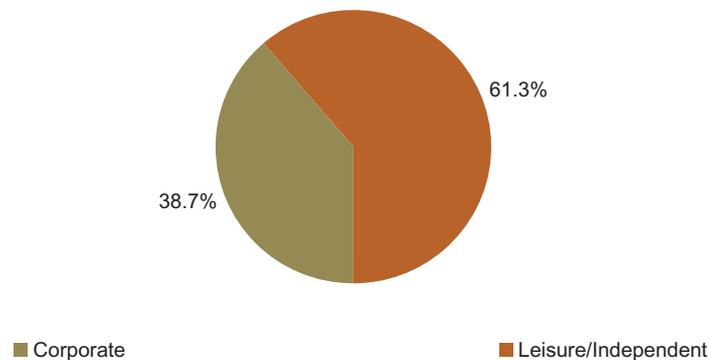
Operating Statistics

The following charts show certain information on the operations of The Quincy Hotel, including the RevPAR of the Hotel for FY2009, FY2010 and FY2011 and a breakdown of the guest profile of the Hotel by market segment and country of origin:

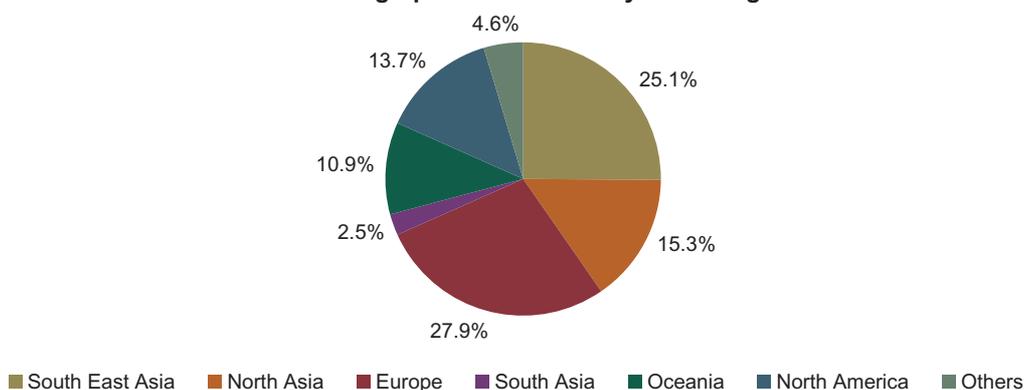
The Quincy Hotel Historical Performance



FY2011 Customer Profile Breakdown by Room Revenue



FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

Hotel Rooms

The following table sets out selected information on the Hotel's available hotel rooms as at 31 March 2012:

Type of Hotel Room	Size (sq m)	Number of Hotel Rooms
Studio Room	26	84
Deluxe Studio Room	32	24
TOTAL		108

F&B Facilities

The Hotel features an all-day dining restaurant on its premises, which serves international cuisine.

Recreational and Other Facilities

Recreational and other facilities available at the Hotel include:

- A gymnasium;
- A steam and sauna room; and
- A cantilevered swimming pool.

CENTRAL SQUARE VILLAGE RESIDENCES

20 Havelock Road, Singapore 059765

General Description

Central Square Village Residences, which comprises 128 self-contained serviced residence units, is part of a residential development comprising commercial and residential components, which accommodates several shops and restaurants. In addition to the immediate F&B options available, residents are within walking distance to many restaurants along Clarke Quay. The Serviced Residence provides a shuttle bus service which provides residents with daily shuttle service to Raffles Place and Marina Bay Financial Centre, and is within walking distance to Clarke Quay MRT station, which connects residents with the rest of Singapore. The Serviced Residence features a business centre, swimming pool and outdoor jacuzzi, gymnasium and sauna.

The Serviced Residence is located strategically near the historic Chinatown, the trendy entertainment hub of Clarke Quay and the CBD, providing residents with easy access to both work and play venues. It is within walking distance to many restaurants along Clarke Quay, which is an entertainment district situated near the mouth of the Singapore River, providing patrons with a range of restaurants, wine bars, entertainment spots and retail shops set amongst rows of shophouses. Chinatown retains historical and cultural significance within its many conservation shophouses. Clarke Quay is an entertainment district situated at the mouth of the Singapore River, providing patrons with a range of restaurants, wine bars, entertainment spots and retail shops set amongst rows of shophouses.

Access to the upper floors of Central Square Village Residences is facilitated by three passenger lifts to the serviced residence and two passenger lifts to the serviced office, while two service lifts are also provided to serve the various floors. The sizes of serviced residence units in the Serviced Residence range from approximately 67 sq m for a one-bedroom serviced residence unit to approximately 95 sq m for a 3-bedroom serviced residence unit.

Each serviced office is provided with standard office equipment and other amenities provided include complimentary usage of meeting rooms, office cleaning services and general maintenance services

Central Square Village Residences has F&B outlets serving Indian, Thai and Western cuisine.

A summary of selected information on Central Square Village Residences is set out in the table below:

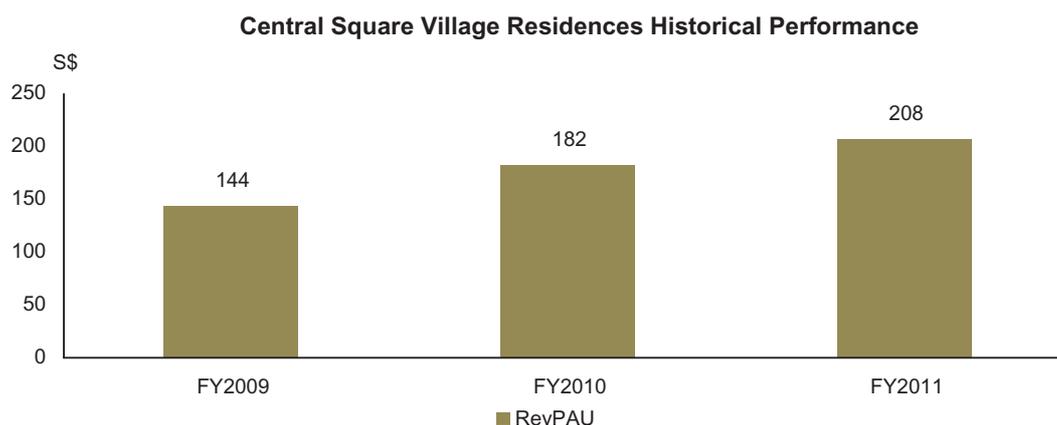
Completion Date	19 February 1998
Leasehold Tenure⁽¹⁾	Leasehold of 80 years commencing from Listing Date
Market Segment	Mid-tier
Approximate GFA (sq m)	17,858
Retail NLA (sq m) / Number of Lettable Units	2,213 / 25
Office NLA (sq m) / Number of Lettable Units	1,474 / 24
Serviced Office NLA (sq m) / Number of Lettable Units	696 / 52
Number of Serviced Residence Units	128
Carpark Lots	205
RevPAU (FY2011) (S\$)	208
Pro Forma Variable Rent (FY2011) (S\$m)	2.8
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽²⁾ (FY2011) (%)	44.8
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	208.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	187.6
Master Lessee	OPH Riverside Pte Ltd

Notes:

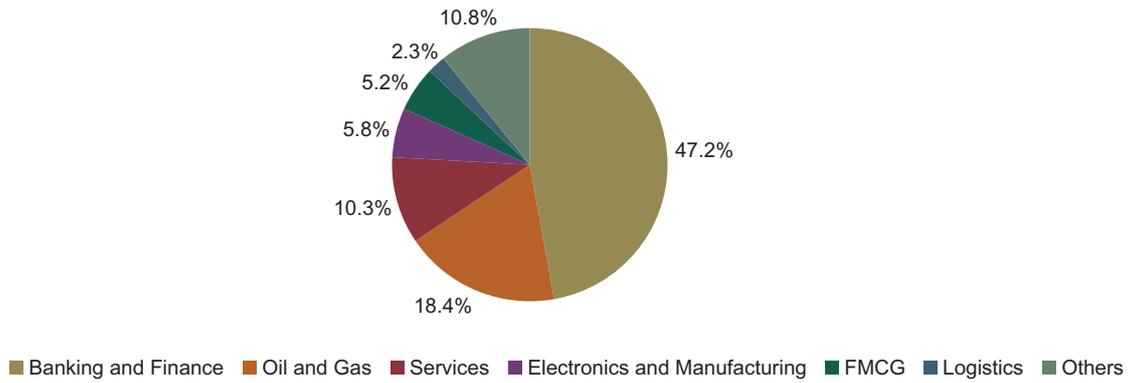
- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

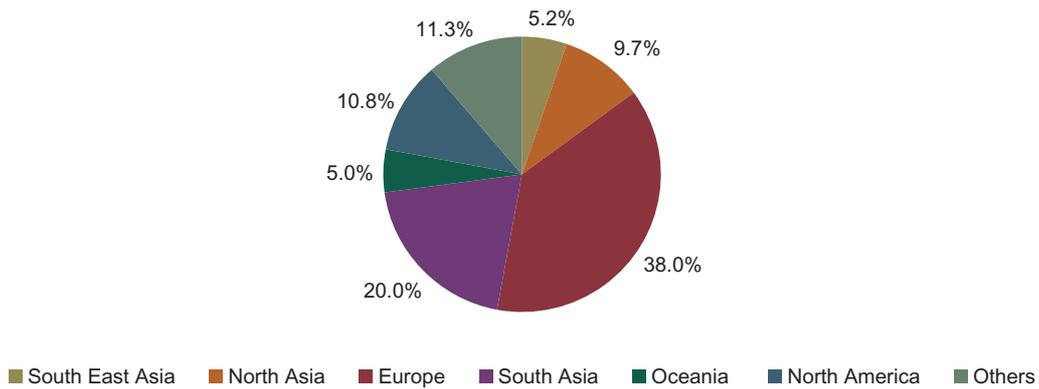
The following charts show certain information on the operations of Central Square Village Residences, including the RevPAU of the Serviced Residence for FY2009, FY2010 and FY2011, breakdowns of the guest profile of the Serviced Residence by industry and country of origin of the Serviced Residence's rental income:



FY2011 Tenant industry breakdown by Rental Revenue



FY2011 Geographic Breakdown by Room Nights

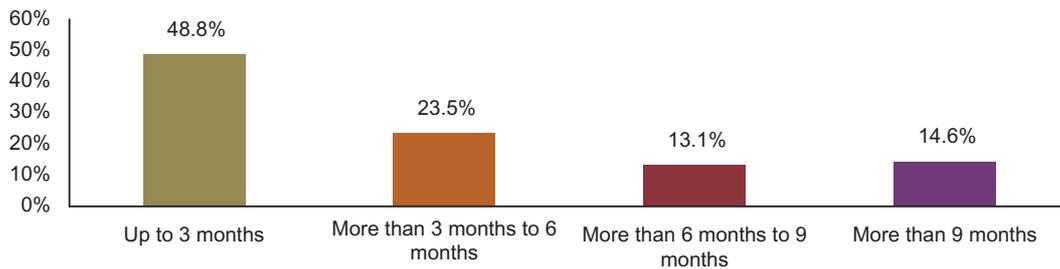


Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

The chart below shows the breakdown of average lease period for FY2011 for Central Square Village Residences:

FY2011 Average Lease Period



Serviced Residence Units

The following table sets out selected information on the Serviced Residence's serviced residence units as at 31 March 2012:

Type of Serviced Residence Unit	Size (sq m)	Number of Serviced Residence Units
Studio Suite	67	4
One Bedroom Suite	55-64	52
Two Bedroom Suite	73-76	64
Three Bedroom Suite	94-95	8
TOTAL		128

Recreational and Other Facilities

Recreational and other facilities available at Central Square Village Residences include:

- A business centre;
- A swimming pool and outdoor jacuzzi;
- A gymnasium;
- A sauna; and
- BBQ pits.

F&B Facilities

The Serviced Residence features a selection of F&B options on its premises, such as:

- Annalashmi Group, serving Indian cuisine;
- Spicy Route, serving Indian cuisine;
- Sky Lucky Café, serving Thai cuisine; and
- Clermont Bakery, serving Western cuisine.

Overview of Retail, Office and Serviced Office Tenants

There are 12 retail, 22 office and 47 serviced office tenants of Central Square Village Residences as at 31 March 2012. Retail tenants include a convenience shop, jewellery shop, florist and travel agency. Office tenants include tenants in the real estate, legal and professional services sectors.

HOUGANG VILLAGE RESIDENCES

1 Hougang Street 91, Singapore 538692

General Description

Hougang Village Residences is a 78-unit Serviced Residence located in the northeast of Singapore in the Hougang residential neighbourhood. According to CBRE, it is the only serviced residence in the northern part of Singapore. Facilities at the Serviced Residence include a swimming pool, jacuzzi, sauna, gymnasium, children's playground and tennis court. The Serviced Residence is located adjacent to Hougang Shopping Mall, which provides residents with convenient access to a shopping mall with food courts, supermarkets and fashion outlets.

Hougang Village Residences is a short drive away from the electronics and manufacturing hub in Ang Mo Kio, which is in close proximity to Seletar Aerospace Park which houses tenants such as Rolls Royce, ST Aerospace and Bell Helicopter.

Access to the upper floors of Hougang Village Residences is facilitated by one passenger lift, while one fireman lift are also provided to serve the various floors. The sizes of serviced residence units in the Serviced Residence range from approximately 79 sq m for a two-bedroom unit to approximately 148 sq m for a three-bedroom unit.

A summary of selected information on Hougang Village Residences is set out in the table below:

Completion Date	30 December 1999
Leasehold Tenure⁽¹⁾	Leasehold of 81 years commencing from Listing Date
Market Segment	Mid-tier
Approximate Strata Area (sq m)	14,635
Retail NLA (sq m) / Number of Lettable Units	N.A.
Office NLA (sq m) / Number of Lettable Units	N.A.
Serviced Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Serviced Residence Units	78
Carpark Lots	364
RevPAU (FY2011) (S\$)	191
Pro Forma Variable Rent (FY2011) (S\$m)	1.6
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽²⁾ (for FY2011) (%)	52.3
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	66.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	65.5
Master Lessee	Serene Land Pte Ltd

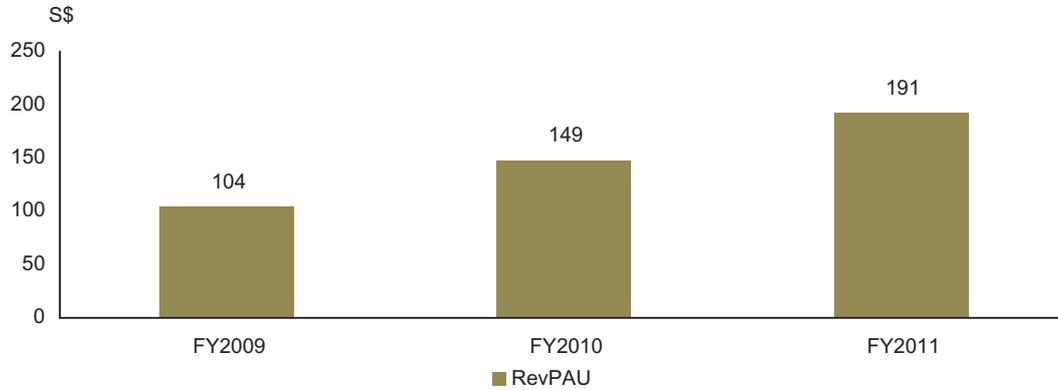
Notes:

- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

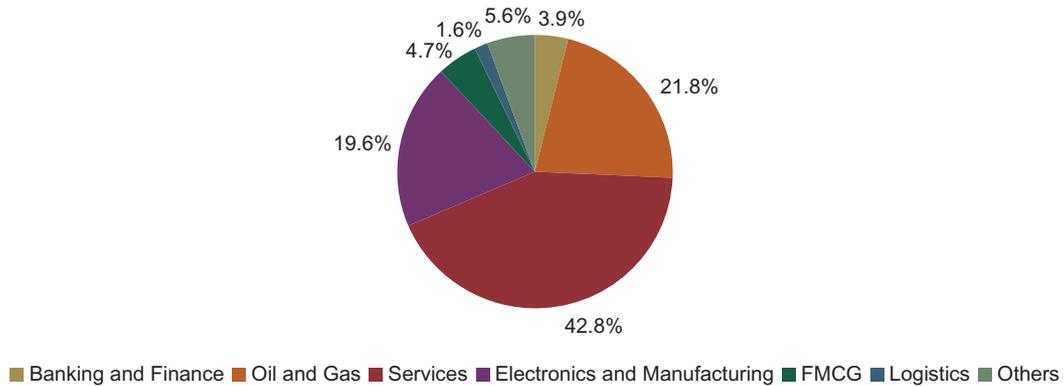
Operating Statistics

The following charts show certain information on the operations of Hougang Village Residences, including the RevPAU of the Serviced Residence for FY2009, FY2010 and FY2011 and breakdowns of the guest profile of the Serviced Residence by industry and country of origin of the Serviced Residence's rental income:

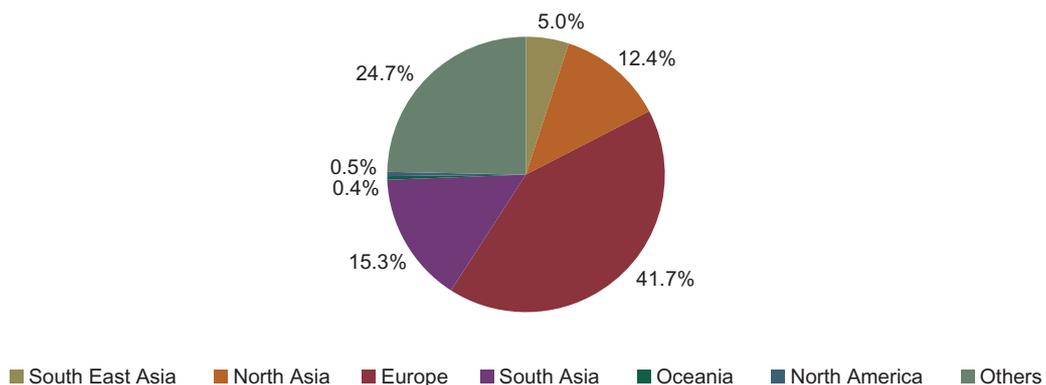
Hougang Village Residences Historical Performance



FY2011 Tenant Industry Breakdown by Rental Revenue



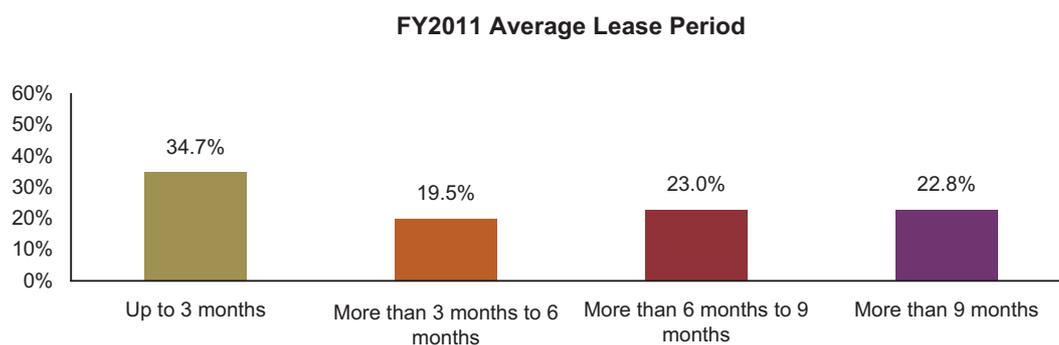
FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

The chart below shows the breakdown of average lease period for FY2011 for Hougang Village Residences:



Serviced Residence Units

The following sets out selected information on the Serviced Residence's serviced residence units as at 31 March 2012:

Type of Serviced Residence Unit	Size (sq m)	Number of Serviced Residence Units
Two Bedroom Suite	79-82	30
Three Bedroom Suite	99-148	48
TOTAL		78

Recreational and Other Facilities

Recreational and other facilities available at Hougang Village Residences include:

- Swimming and wading pools;
- A sun-tanning timber pool deck;
- A jacuzzi and sauna;
- A gymnasium;
- A tennis court;
- A roof garden with BBQ pits; and
- A children's playground.

REGENCY HOUSE

121 Penang Road, Singapore 238464

General Description

Regency House is a an upscale serviced residence popular with young professionals, and is located at the junction of Penang Road and Oxley Road, and is within close proximity to Orchard Road, Singapore's prime shopping belt. The Serviced Residence also contains commercial components. Its facilities include a newly renovated rooftop recreation area, pool and jacuzzi, as well as a cascading water feature, exercise room and business centre.

The Serviced Residence is also within walking distance from the Chicago Booth School of Business and is a short drive away from entertainment hot spots Robertson and Clarke Quay. It is within walking distance from Somerset and Dhoby Ghaut MRT stations, connecting residents with the rest of Orchard Road and the CBD.

Access to the upper floors of Regency House is facilitated by three passenger lifts, while two service lifts are also provided to serve the various floors. The sizes of serviced residence units in the Serviced Residence range from approximately 36 sq m for a studio unit to approximately 112 sq m for a three-bedroom unit.

Services offered at Regency House include housekeeping services, continental breakfast, wireless broadband channels, one way airport transfer and shuttle services to Raffles Place MRT and Suntec City. Regency House incorporates an eight-storey shopping and office arcade.

In 2011, refurbishment was undertaken on the pool deck.

A summary of selected information on Regency House is set out in the table below:

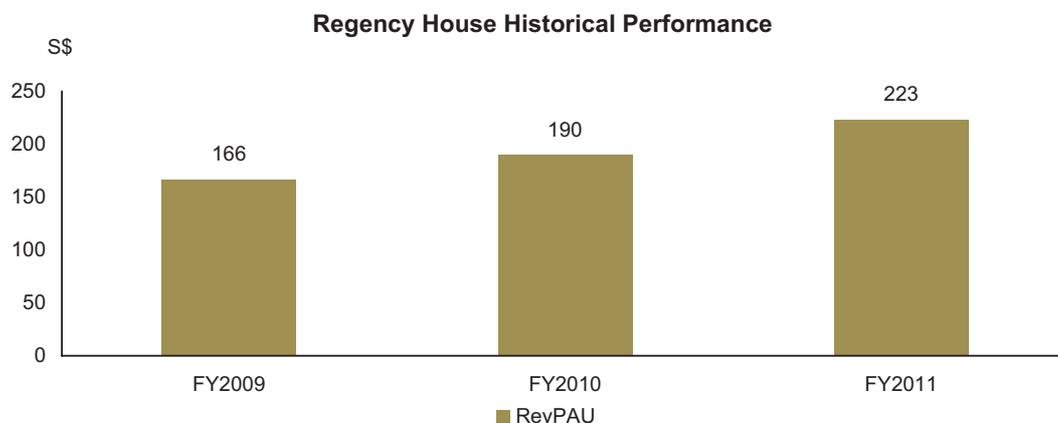
Completion Date	24 October 2000
Leasehold Tenure⁽¹⁾	Leasehold of 81 years commencing from Listing Date
Market Segment	Upscale
Approximate GFA (sq m)	10,723
Retail NLA (sq m) / Number of Lettable Units	539 / 3
Office NLA (sq m) / Number of Lettable Units	2,322 / 13
Serviced Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Serviced Residence Units	90
Carpark Lots	102
RevPAU (FY2011) (S\$)	223
Pro Forma Variable Rent (FY2011) (S\$m)	2.1
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽²⁾ (FY2011) (%)	45.1
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	170.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	168.3
Master Lessee	Oxley Hill Properties Pte Ltd

Notes:

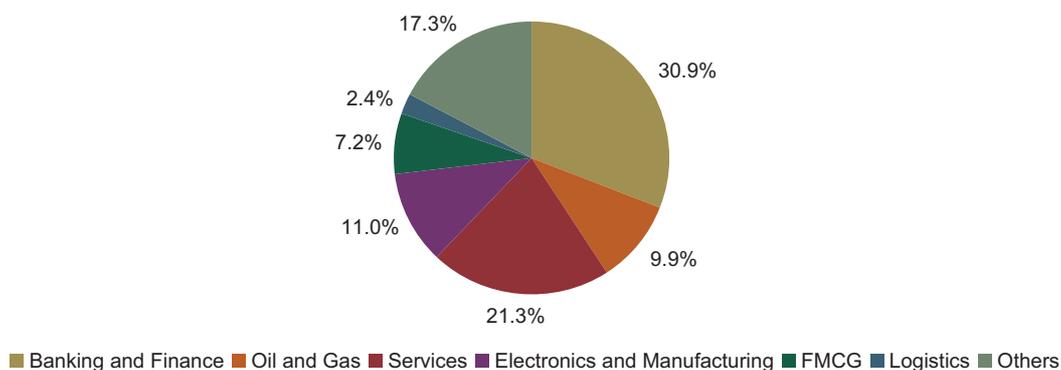
- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

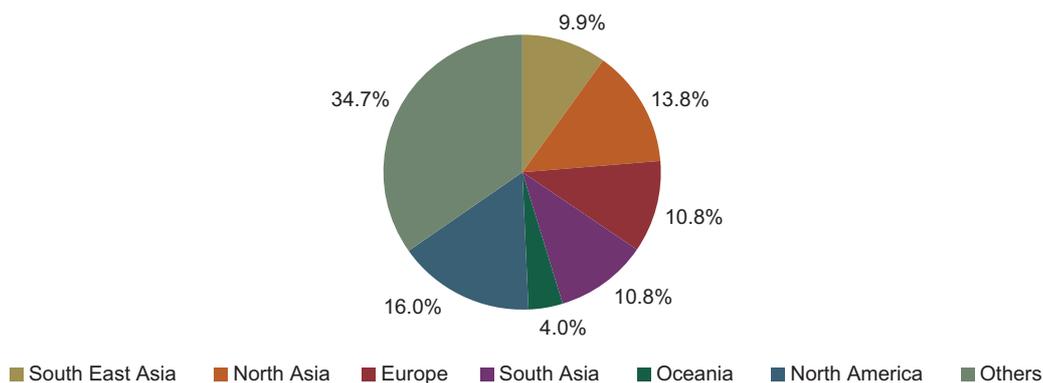
The following charts show certain information on the operations of Regency House, including the RevPAU of the Serviced Residence for FY2009, FY2010 and FY2011 and breakdowns of the guest profile of the Serviced Residence by industry and country of origin of the Serviced Residence's rental income:



FY2011 Tenant Industry Breakdown by Rental Revenue



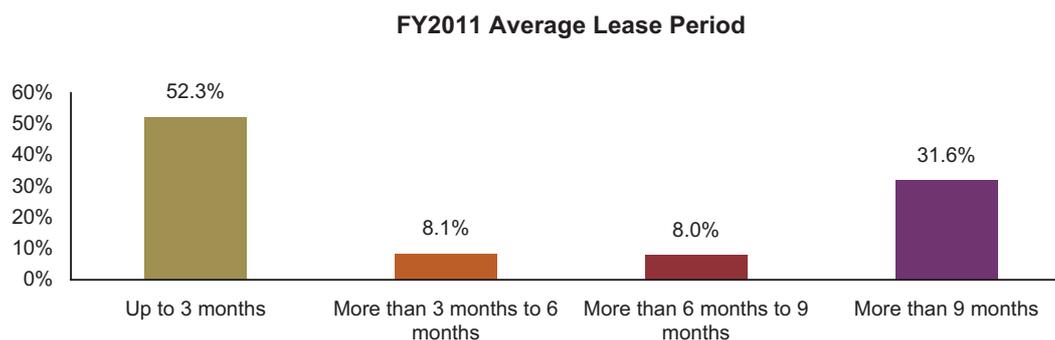
FY2011 Geographic Breakdown by Room Nights



Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

The chart below shows the breakdown of average lease period for FY2011 for Regency House:



Serviced Residence Units

The following table sets out selected information on the Serviced Residence's serviced residence units as at 31 March 2012:

Type of Serviced Residence Unit	Size (sq m)	Number of Serviced Residence Units
Studio Suite	36-50	41
Two Bedroom Suite	58-98	37
Three Bedroom Suite	99-112	12
TOTAL		90

Recreational and Other Facilities

Recreational and other facilities available at Regency House include:

- A rooftop swimming pool;
- Two jacuzzis;
- A gymnasium;
- BBQ pit; and
- A business centre.

Overview of Retail and Office Tenants

There are two retail and 11 office tenants of Regency House as at 31 March 2012. Retail tenants include a beauty and wellness shop, while office tenants include tenants in engineering and other sectors.

RIVERSIDE VILLAGE RESIDENCES

30 Robertson Quay, Singapore 238251

General Description

Riverside Village Residences is a 72-unit Serviced Residence situated on the banks of the Singapore River and is part of a residential development comprising commercial and residential components, with 15 shops, restaurants and pubs on the first storey and 72 serviced residence units on the upper floors. Each serviced residence unit provides residents with a fully equipped home entertainment system, IDD telephones and broadband internet access.

The Serviced Residence is within walking distance from many F&B outlets located in the trendy dining and entertainment district of Robertson Quay, and is within walking distance from the CBD and is a short drive away from Orchard Road. The CBD is also a short walk away. Residents are connected to the rest of the island by Clarke Quay MRT station, which is within walking distance from the Serviced Residence. The Serviced Residence also provides residents with a daily shuttle service to Raffles Place, DBS Building, Temasek Tower, Suntec City, Marina Bay Financial Centre and City Hall.

Access to the upper floors of Riverside Village Residences is facilitated by three passenger lifts, while two service lifts are also provided to serve the various floors. The sizes of serviced residence units in the Serviced Residence range from approximately 62 sq m for a studio unit to approximately 105 sq m for a 2-bedroom unit, to approximately 94 sq m for a 3-bedroom unit.

Facilities and amenities available to the guests include a swimming pool, jacuzzi, gymnasium, children's playground, BBQ pits, breakfast lounge and business centre/meeting room. A wide range of F&B outlets are located in the ground level retail units serving a variety of cuisine, including Japanese, Italian, Thailand and Taiwanese cuisine.

A summary of selected information on Riverside Village Residences is set out in the table below:

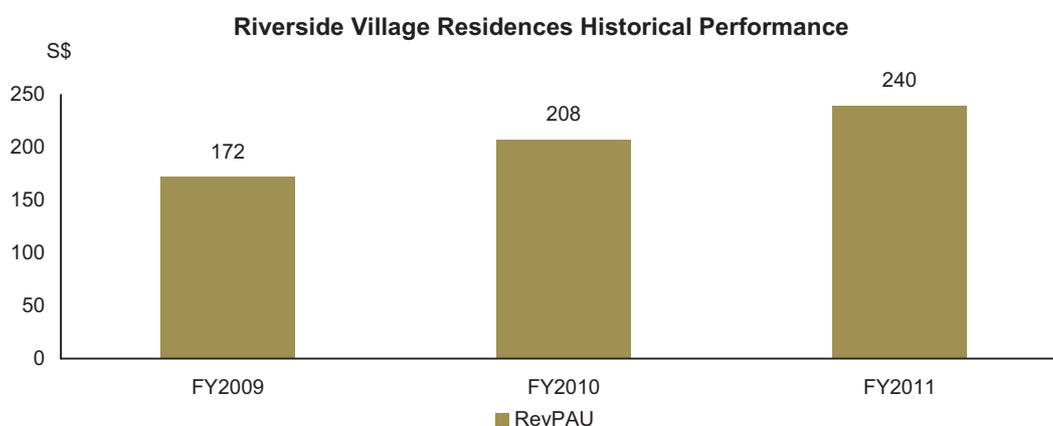
Completion Date	12 July 1996
Leasehold Tenure⁽¹⁾	Leasehold of 78 years commencing from Listing Date
Market Segment	Mid-tier
Approximate Strata Area (sq m)	10,570 ⁽²⁾
Retail NLA (sq m) / Number of Lettable Units	1,179 / 14 ⁽³⁾
Office NLA (sq m) / Number of Lettable Units	N.A.
Serviced Office NLA (sq m) / Number of Lettable Units	N.A.
Number of Serviced Residence Units	72
Carpark Lots	87
RevPAU (FY2011) (S\$)	240
Pro Forma Variable Rent (FY2011) (S\$m)	1.4
Proportion of Pro Forma Variable Rent to gross rental income under the Master Lease Agreements⁽⁴⁾ (FY2011) (%)	35.2
Appraised Value by Colliers (as at 31 March 2012) (S\$m)	117.0
Appraised Value by Knight Frank (as at 31 March 2012) (S\$m)	113.1
Master Lessee	Riverland Pte Ltd

Notes:

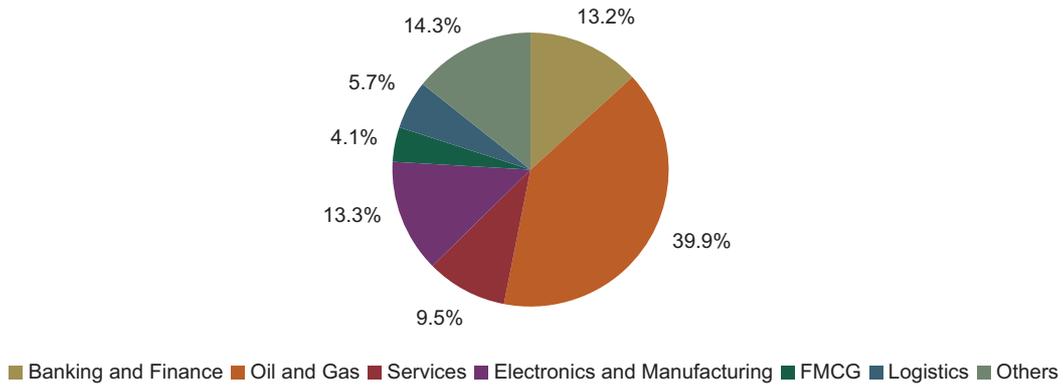
- (1) This refers to the length of leasehold title acquired by Far East H-REIT under the respective Property Sale and Purchase Agreement.
- (2) In addition, Riverside Village Residences also includes an accessory lot with an area of 22 sq m.
- (3) The total number of lettable units excludes one strata-titled unit (#01-01).
- (4) Gross rental income under the terms of the Master Lease Agreements comprises Fixed Rent and Variable Rent.

Operating Statistics

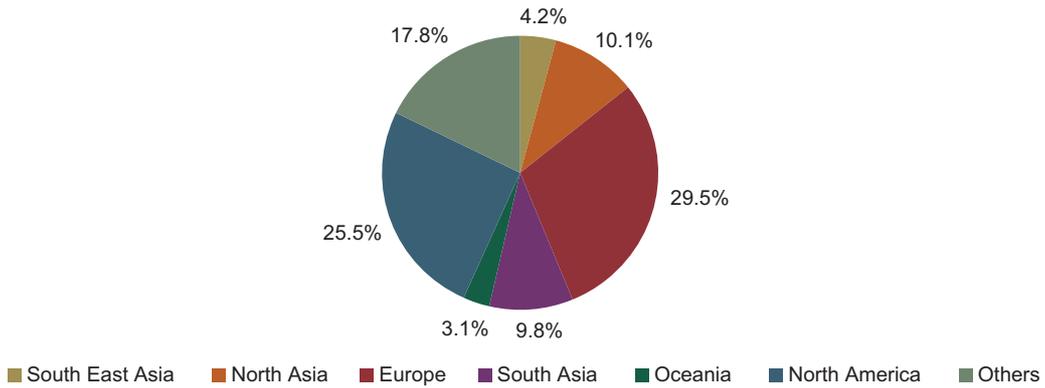
The following charts show certain information on the operations of Riverside Village Residences, including the RevPAU of the Serviced Residence for FY2009, FY2010 and FY2011 and breakdowns of the guest profile of the Serviced Residence by industry and country of origin of the Serviced Residence's rental income:



FY2011 Tenant Industry Breakdown by Rental Revenue



FY2011 Geographic Breakdown by Room Nights

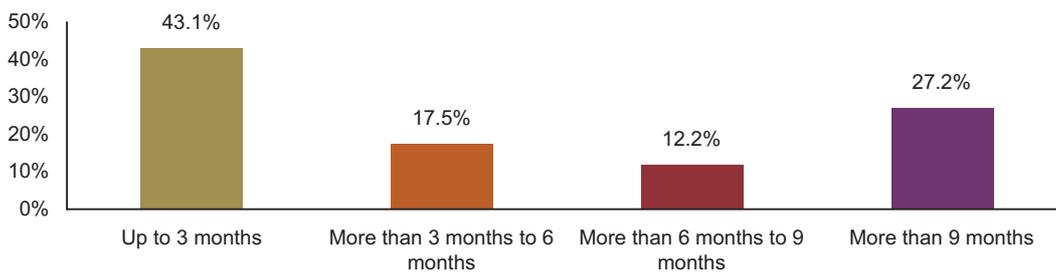


Notes:

- (1) North Asia comprises China (including Hong Kong), Taiwan, Macau, Mongolia, North Korea, South Korea and Japan.
- (2) South Asia comprises India, Pakistan, Bangladesh, Sri Lanka and Nepal.
- (3) South East Asia includes Malaysia, Indonesia, Thailand and Philippines.
- (4) North America comprises United States and Canada.
- (5) Oceania comprises Australia and New Zealand.
- (6) Others include Africa, Middle East and others.

The chart below shows the breakdown of average lease period for FY2011 for Riverside Village Residences:

FY2011 Average Lease Period



Serviced Residence Units

The following table sets out selected information on the Serviced Residence's serviced residence units as at 31 March 2012:

Type of Serviced Residence Unit	Size (sq m)	Number of Serviced Residence Units
Studio Suite	62-81	12
Two Bedroom Suite	85-105	44
Three Bedroom Suite	94	16
TOTAL		72

Recreational and Other Facilities

Recreational and other facilities available at Riverside Village Residences include:

- A swimming and wading pool;
- A jacuzzi;
- A children's playground;
- A gymnasium; and
- BBQ pits.

F&B Facilities

The Serviced Residence features a selection of F&B options on its premises such as:

- Mondo Mio G&R, serving Italian cuisine;
- RTK Ryoriya, serving Japanese and Taiwan cuisine;
- Café Supunsa, serving Thai Cuisine;
- Daikokuya, serving Japanese cuisine;
- Bella Pasta, serving Italian cuisine;
- Ginza Kuroson, serving Japanese restaurant;
- Incontro Restaurant, serving Italian cuisine;
- Bella Pizza, serving Italian cuisine;
- Shujuu Izakaya Sumiyaki, serving Japanese cuisine; and
- Sugisawa Japanese Restaurant, serving Japanese cuisine.

Overview of Retail Tenants

There are 12 retail tenants of Riverside Village Residences in the F&B sector as at 31 March 2012, who are primarily in the F&B sector.

MANAGEMENT AND CORPORATE GOVERNANCE

FAR EAST H-TRUST

Far East H-Trust comprises Far East H-REIT, a Singapore-based REIT, and Far East H-BT, a Singapore-based business trust registered under the BTA. The REIT Manager and the Trustee-Manager, being the responsible entities of Far East H-REIT and Far East H-BT, respectively, each have their own board of directors and their own set of procedures in relation to corporate governance.

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance procedures and disclosure requirements in relation to the REIT Manager are different from those in relation to the Trustee-Manager.

The REIT Manager

The manager of Far East H-REIT is FEO Hospitality Asset Management Pte. Ltd., and is 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor.

The REIT Manager was incorporated in Singapore under the Companies Act on 28 January 2011. It has an issued and paid-up capital of S\$2,110,000 and its registered office is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. The telephone and facsimile numbers of the REIT Manager are +65 6833 6688 and +65 6833 6622, respectively.

The REIT Manager has been issued a CMS Licence for REIT management pursuant to the SFA on 10 August 2012.

The REIT Trustee

The trustee of Far East H-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S\$2.5 million. The REIT Trustee has a place of business in Singapore at 12 Marina Boulevard, #44-01 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982.

The Trustee-Manager

The trustee-manager of Far East H-BT is FEO Hospitality Trust Management Pte. Ltd., and is 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor.

The Trustee-Manager was incorporated in Singapore under the Companies Act on 30 April 2012. It has an issued and paid-up capital of S\$100 and its registered office is located at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. The telephone and facsimile numbers of the Trustee-Manager are +65 6833 6688 and +65 6833 6622 respectively.

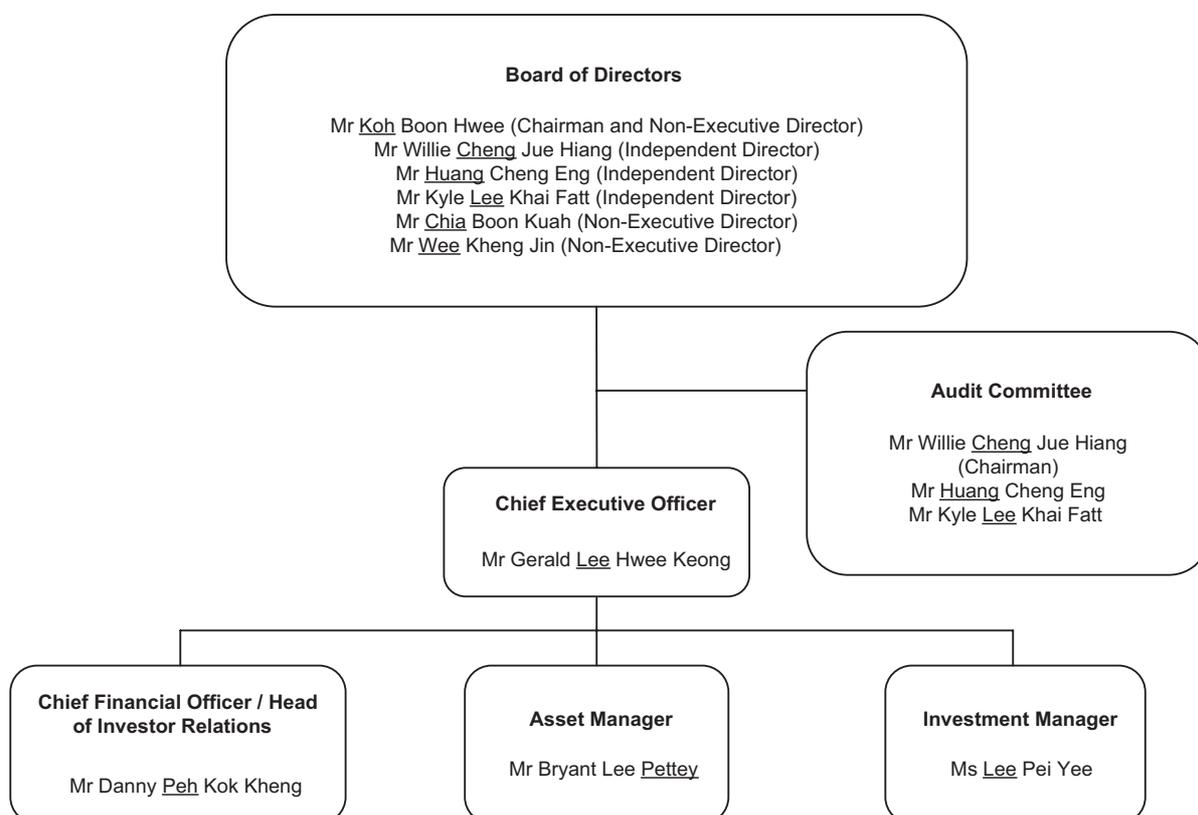
Under Section 10(2)(a) of the BTA, the Trustee-Manager is required to act in the best interests of all the holders of Far East H-BT Units as a whole. Further, under Section 11(1)(a)

of the BTA, a Director of the Trustee-Manager is required to act honestly and exercise reasonable diligence in the discharge of the duties of his office and, in particular, shall take all reasonable steps to ensure that the Trustee-Manager discharges its duties under, among other things, Section 10(2)(a) of the BTA.

The MAS has granted the Trustee-Manager an exemption from compliance with sections 10(2)(a) and 11(1)(a) of the BTA to the extent that sections 10(2)(a) and 11(1)(a) of the BTA require the Trustee-Manager and the Trustee-Manager Directors to act in the best interests of the holders of Far East H-BT Units only, subject to the conditions that (a) the Trustee-Manager shall ensure that the Far East H-BT Units remain stapled to the Far East H-REIT Units, and (b) the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole.

In the event that Far East H-BT becomes active and engages in development contracts which carry a substantially different risk *vis-a-vis* Far East H-REIT, such transactions (including contracts) should be subject to the threshold set out in Rule 1006 of the Listing Manual.

Management Reporting Structure of the REIT Manager



The REIT Manager Board

The REIT Manager Board is entrusted with the responsibility for the overall management of the REIT Manager. The following table sets forth information regarding the directors of the REIT Manager:

Name	Age	Address	Position
Mr <u>Koh</u> Boon Hwee	61	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chairman and Non-Executive Director
Mr Willie <u>Cheng</u> Jue Hiang	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr <u>Huang</u> Cheng Eng	64	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr Kyle <u>Lee</u> Khai Fatt	60	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr <u>Chia</u> Boon Kuah	55	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Non-Executive Director
Mr <u>Wee</u> Kheng Jin	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Non-Executive Director

As at the Latest Practicable Date, none of the REIT Manager Directors have any family relationship with or is related to one another.

In addition, save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the REIT Manager Directors are related to any person with an interest in not less than 5.0% of the shares in issue (“**Substantial shareholder**”) of the Managers or any Stapled Securityholder with an interest in one or more Stapled Securities constituting not less than 5.0% of all the Stapled Securities in issue (“**Substantial Stapled Securityholder**”) as at the Listing Date.

Experience and Expertise of the Boards of the Managers

Information on the business and working experience of the Directors of the Managers are set out below.

Mr Koh Boon Hwee is the Chairman of the REIT Manager Board and of the Trustee-Manager Board.

Mr Koh Boon Hwee has extensive experience in corporate management. He is currently Chairman (executive) at Credence Capital Fund II (Cayman) Ltd and Credence Partners Pte Ltd. He is also currently Non-Executive Chairman of Sunningdale Tech Ltd (formerly known as “Tech Group Asia Ltd”), Yeo Hiap Seng Limited, Yeo Hiap Seng (Malaysia) Berhad, AAC Technologies Holdings Inc and Rippledote Capital Advisers Pte Ltd.

He started his career in 1977 at Hewlett Packard and rose to become its Managing Director in Singapore, a post he held from 1985 to 1990. From 1991 to 2000, he was Executive Chairman of the Wuthelam Group, and from 2002 to 2009, Mr Koh was at S i2i Limited (formerly known as “MediaRing Ltd”) where his last held position was Executive Director. He was responsible for overseeing the corporate strategy and management of these companies. Mr Koh has concurrently been with Sunningdale Tech Ltd (formerly known as “Tech Group

Asia Ltd”) since 2003, where he oversaw the operations of the company as Executive Chairman and Chief Executive Officer from 2005 to 2008 and where he now acts in a non-executive capacity as Chairman.

Mr Koh was also the Non-Executive Chairman of the Singapore Telecom Group (SingTel) and its predecessor organisations from 1986 to 2001. From 2001 to 2005, Mr Koh served as Non-Executive Chairman of Singapore Airlines Limited, and from 2005 to 2010 as Non-Executive Chairman of DBS Group Holdings Ltd and DBS Bank Ltd.

From 1996 to 2010, Mr Koh served on the board of Temasek Holdings Pte Ltd, and was a member of the Executive Committee from 1997 to 2010.

Mr Koh is also a director of China Great Wall Electric Holdings Limited and Agilent Technologies, Inc, as well as a number of local and overseas private companies and local non-profit organisations, including the Harvard Singapore Foundation, Nanyang Technological University Board of Trustees, EDB International Advisory Council, the Research, Innovation and Enterprise Council (RIEC) and William and Flora Hewlett Foundation.

Mr Koh graduated from Imperial College with a Bachelor of Science (Mechanical Engineering), First Class Honours, in 1972, and obtained a Master in Business Administration with Distinction from Harvard Business School in 1976.

Mr Willie Cheng Jue Hiang is an Independent Director of the REIT Manager Board and of the Trustee-Manager Board.

Mr Willie Cheng Jue Hiang has extensive experience in the fields of accountancy, management consulting, technology implementation and corporate governance.

From 1977 to 2003, Mr Cheng was working at Accenture (and its predecessor, Arthur Andersen & Co). He started off in audit and subsequently transferred to consulting where he was involved with the design and implementation of mission-critical systems and business transformation for its clients in government, financial services, and the high tech industries. Prior to his retirement in 2003, he was Managing Director of its Singapore office and Head of its Asian Communications & High-Tech practice, where he was responsible for overseeing the business of both divisions.

Currently, Mr Cheng is a director with four groups of commercial companies: (i) Singapore Press Holdings Ltd and three of its subsidiaries (SPH Interactive Pte Ltd, SPH Interactive International Pte Ltd and 701 Search Pte Ltd); (ii) NTUC Fairprice Cooperative and its wholly owned charity, the NTUC Fairprice Foundation Ltd; (iii) three subsidiaries of Ministry of Health Holdings (Singapore Health Services Pte Ltd, Aescapulus Holdings Pte Ltd, and Integrated Health Information Systems Pte Ltd); and (iv) United Overseas Bank Ltd.

Since his retirement, Mr Cheng has taken on directorships in a number of commercial companies and non-profit organisations. He is presently a council member of the Singapore Institute of Directors. He is also active in the non-profit sector and is chairman of Caritas Humanitarian Aid Relief Initiatives Singapore, as well as a board member in several charities.

Mr Cheng graduated from the University of Singapore with a Bachelor of Accountancy in 1977. He is a Certified Public Accountant and Fellow of the Institute of Certified Public Accountants of Singapore, a Fellow of the Singapore Institute of Directors and Honorary Fellow of the Singapore Computer Society.

Mr Huang Cheng Eng is an Independent Director of the REIT Manager Board and of the Trustee-Manager Board.

Mr Huang Cheng Eng has extensive experience in commercial and marketing activities. He is currently retired.

From 1974 to 2010, Mr Huang was with Singapore Airlines Limited. While there, he had 10 years of overseas experience (from 1977 to 1987) in Taiwan, France and Hong Kong. From 1987 to 1996, he was overall in charge of air cargo and developed SIA Cargo into a full-fledged division. Thereafter, he was posted back to the passenger side of the airline business. Before his retirement in 2010, Mr Huang was Executive Vice President – Marketing and the Regions, where he was overall in charge of commercial and marketing activities as well as all the overseas regions and offices of Singapore Airlines.

Some of Mr Huang's past directorships include directorships with SATS Airport Services Pte Ltd, Virgin Atlantic Airways Pte Ltd and the Singapore Tourism Board. He was also chairman of Cargo Community Network Pte Ltd, SATS Catering Pte Ltd, SIA Cargo Pte Ltd and Silkair Pte Ltd.

Mr Huang graduated from the University of Hawaii with a Bachelor of Business Administration in 1971 and obtained a Master in Business Administration from Michigan State University in 1973.

Mr Kyle Lee Khai Fatt is an Independent Director of the REIT Manager Board and of the Trustee-Manager Board.

Mr Kyle Lee Khai Fatt has extensive experience in professional services comprising accounting, auditing and business advisory.

Between 1976 and 1980, Mr Lee trained and qualified as a Chartered Accountant in London. He joined PricewaterhouseCoopers LLP and its legacy firm Price Waterhouse in Singapore in 1981 and retired in 2010 having served as a partner for 20 years. He led the firm's Advisory Practice for 5 years prior to his retirement.

Currently, Mr Lee is a director of two groups of companies: (1) as Director and Chairman of the Audit Committee of Jurong International Holdings Pte Ltd, a wholly owned subsidiary of JTC a statutory board of the Ministry of Trade and Industry; and (2) as Director and member of the Audit Committee of WBL Corporation Ltd that is listed on the Singapore Exchange.

Mr Lee is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore. He holds a Master of Science (Distinction) in International Management (2011), a Master of Business Administration (2003) from the University of London, a Diploma in Management (2003) from Imperial College of Science, Technology and Medicine in London, and a Bachelor of Arts (Honours) in Business Studies (1976) from the Council for National Academic Awards in the United Kingdom.

Mr Chia Boon Kuah is a Non-Executive Director of the REIT Manager Board.

Mr Chia has extensive experience in hospitality and real estate development and investment. He is currently an Executive Director of Far East Organization, where he is responsible for overseeing the property sales business group and the hospitality business. He has been with Far East Organization since 2003.

From 1975 to 2003, Mr Chia was with Singapore Airlines Limited, where his last held position was as Area Vice President Singapore. He was responsible for the marketing and sales operations of Singapore.

Mr Chia is also a director of various companies in Far East Organization, such as Far East Real Estate Pte Ltd and Parc Vista Pte Ltd.

Mr Chia obtained a Master in Business Administration from the National University of Singapore in 1990.

Mr Wee Kheng Jin is a Non-Executive Director of the REIT Manager Board and of the Trustee-Manager Board.

Mr Wee Kheng Jin is currently an Executive Director of Far East Organization. He has finance experience in a variety of industries including banking, construction, hospitality services and real estate development.

He started his career in 1978 with Price Waterhouse and worked there for 3 years before moving to United Engineers Limited. In 1984 he joined Citigroup and served in various positions; he was the Citibank Country Controller for several years and a board member of Citicorp Investment Bank Singapore Limited. He then moved to join Far East Organization in 2000.

Currently, Mr Wee is a Non-Executive Director of Tung Lok Restaurants (2000) Ltd, Parkson Retail Asia Limited and Yeo Hiap Seng Limited. Mr Wee is also a director of various companies in Far East Organization, such as Far East Hospitality Management Services Pte Ltd and Far East Property Services Pte Ltd.

Mr Wee graduated from the University of Singapore with a degree in Accountancy in 1978 and has been a member of the Institute of Certified Public Accountants of Singapore since 1979.

List of Present and Past Principal Directorships of the REIT Manager Directors

A list of the present and past directorships of each REIT Manager Director of the REIT Manager over the last five years preceding the Latest Practicable Date is set out in Appendix G, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

Save for Mr Huang Cheng Eng and Mr Chia Boon Kuah, for whom appropriate arrangements have been made to orientate each of them in acting as a director of the manager of a publicly-listed REIT, each of the Directors of the REIT Manager has served as a director of a public-listed company and/or manager of a publicly-listed REIT or business trust and has appropriate experience to act as Directors of the REIT Manager and are familiar with the rules and responsibilities of a director of a publicly-listed company and/or manager or trustee-manager of a publicly-listed REIT or business trust.

Executive Officers of the REIT Manager

The executive officers of the REIT Manager are entrusted with the responsibility for the daily operations of the REIT Manager. The following table sets forth information regarding the executive officers of the REIT Manager:

Name	Age	Address	Position
Mr Gerald <u>Lee</u> Hwee Keong	46	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chief Executive Officer
Mr Danny <u>Peh</u> Kok Kheng	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chief Financial Officer / Head of Investor Relations
Ms <u>Lee</u> Pei Yee	36	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Investment Manager
Mr Bryant Lee <u>Petty</u>	35	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Asset Manager

Roles and Responsibilities of the Executive Officers of the REIT Manager

The **Chief Executive Officer** of the REIT Manager is responsible for working with the REIT Manager Board to determine the overall business, investment and operational strategies for Far East H-REIT. The Chief Executive Officer will also work with the other members of the management team of the REIT Manager and the Master Lessees to ensure that the business, investment and operational strategies of Far East H-REIT are carried out as planned. In addition, the Chief Executive Officer is responsible for the overall management and planning of the strategic direction of Far East H-REIT, including overseeing the acquisition of hospitality and hospitality-related assets and asset and property management strategies for Far East H-REIT.

The **Chief Financial Officer** of the REIT Manager is responsible for the finances of Far East H-REIT. A key role of the Chief Financial Officer is to focus, monitor and report on the financial performance of Far East H-REIT. The Chief Financial Officer is also responsible for the preparation of statutory accounts, co-ordination with external auditors, managing tax affairs and treasury matters, and preparation of performance reports for investors and regulators.

The **Head of Investor Relations** of the REIT Manager is responsible for facilitating communications and liaising with Stapled Securityholders. This includes producing annual reports to the Stapled Securityholders and ensuring compliance by Far East H-Trust with the reporting requirements under the Listing Manual and the law. The key role of the Head of Investor Relations is to maintain continuous disclosure and transparent communications with Stapled Securityholders and the market. He will promote and market Far East H-Trust to Stapled Securityholders, prospective investors and media through regular communication.

The **Asset Manager** of the REIT Manager is responsible for formulating the business plans in relation to Far East H-REIT's properties with short-, medium- and long-term objectives, with a view to optimising the income of Far East H-REIT. The Asset Manager will ensure that the asset management team works closely with the Master Lessees to implement Far East H-REIT's strategies to optimise the income generation potential and minimise the expense base of the properties without compromising their marketability. The asset management team led by the Asset Manager focuses on the operations of Far East H-REIT's properties, the implementation of the short- to medium-term objectives of Far East H-REIT's portfolio and supervises the Master Lessees in the implementation of Far East H-REIT's property-related strategies including analysing and recommending asset enhancement initiatives.

The **Investment Manager** of the REIT Manager is responsible for identifying, researching and evaluating potential acquisitions and related investments or divestments where applicable.

Experience and Expertise of the Executive Officers of the REIT Manager

Information on the working experience of the executive officers of the REIT Manager is set out below.

Mr Gerald Lee Hwee Keong is Chief Executive Officer of the REIT Manager.

Mr Gerald Lee Hwee Keong has extensive experience in corporate management. He has been employed by the REIT Manager since early 2011, where he is responsible for overseeing hospitality asset management.

From 1991 to 2005, Mr Lee was with the Singapore Tourism Board, and his last held position was Assistant CEO (Leisure), where he was in charge of all the leisure divisions. He was seconded to the Ministry of Trade & Industry as Deputy Director from 2000 to 2001, where he was responsible for overseeing policies and industry development of the tourism and services sectors. Mr Lee was concurrently seconded to Sentosa Development Corporation as Director (Strategic Development) from 2001 to 2003, where he was in charge of strategic projects and redevelopment initiatives.

From 2005 to 2010, Mr Lee was with CapitaLand Limited/The Ascott Limited. He was concurrently appointed Senior Vice President at CapitaLand from 2005 to 2006, where he started the corporate marketing department. His roles in Ascott included that of CEO (Europe), responsible for overseeing the business in that region, and Deputy CEO, responsible for overseeing operations of the group.

From 2010 to 2011, Mr Lee was Executive Director of 08hundred LLP, where he was responsible for overseeing the company.

Mr Lee graduated from Cornell University with a Bachelor of Science (with Distinction) in 1991, and obtained an Executive Master of Business Administration (with Distinction) from INSEAD and Tsinghua University in 2012.

Mr Danny Peh Kok Kheng is Chief Financial Officer and Head of Investor Relations of the REIT Manager.

Mr Danny Peh Kok Kheng has extensive experience in financial management. He is currently employed by the REIT Manager, where he is responsible for overseeing all the financial and accounting matters of hospitality asset management.

From 2000 to 2012, Mr Peh was with Far East Management Pte Ltd, and his last held position at Far East Management Pte Ltd was Director of Financial Management Division where he was responsible for overseeing the accounts, income tax and corporate secretarial departments within Far East Organization.

From 2008 to 2012, Mr Peh was also the Chief Corporate Officer and Group Financial Controller of Far East Orchard, where he was responsible for all corporate and financial matters and reported to the Chairman and Board of Directors.

Mr Peh holds directorships in various companies in Far East Organization, including Far East Capital Ltd, Far East Capital Nominees Pte Ltd and OC Beauty Pte Ltd. Mr Peh was also a director of several subsidiaries in the Far East Orchard group.

Mr Peh obtained his professional degree from the Association of Chartered Certified Accountants, UK. He is a fellow member of the Association of Chartered Certified Accountants, UK as well as a member of the Institute of Certified Public Accountants of Singapore.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the audit committee of the REIT Manager (the “**REIT Manager Audit Committee**”) to cause them to believe that Mr Peh does not have the competence, character and integrity expected of a Chief Financial Officer of the REIT Manager. The REIT Manager Audit Committee is of the opinion that Mr Peh is suitable as the Chief Financial Officer on the basis of his qualifications, his relevant past experience and his instrumental role in setting up Far East H-REIT with the help of external financial and legal advisors. He had been working closely with Mr Gerald Lee, the Chief Executive Officer of the REIT Manager, and Mr Lee has expressed every confidence to the Audit Committee in having Mr Peh function as his Chief Financial Officer. Mr Peh has also provided a confirmation that he is adequately familiar with the business operations, accounting systems and policies of Far East H-REIT.

Mr Bryant Lee Pettey is Asset Manager of the REIT Manager.

Mr Pettey has experience in the hospitality real estate industry. He is currently employed by the REIT Manager, where he is responsible for asset management.

From 2003 to 2004, Mr Pettey was with The Hodgson Company as a project manager, where he was responsible for the management of development projects.

From 2005 to 2009, Mr Pettey was with The January Group, and his last held position was Director of Development, where he was responsible for the acquisition and development of real estate.

From 2010 to 2012, Mr Pettey was with W Hotels (Starwood), and his last held position was Director of Residences, where he was involved in the opening of The Residences at W Singapore Sentosa Cove.

Mr Pettey graduated from Brigham Young University with a Bachelor of Science in 2000, and subsequently obtained a Master of Science in Real Estate Development from Columbia University in 2005.

Ms Lee Pei Yee is Investment Manager of the REIT Manager.

Ms Lee Pei Yee has experience in financial analysis and modelling as well as investment management. She is currently employed by the REIT Manager, where she is responsible for investment management.

From 2011 to 2012, Ms Lee was with Far East Organization as a Manager — Special Projects, where she was responsible for providing corporate finance support to local and overseas business expansion.

From 2009 to 2011, Ms Lee was with Fortune Capital Management Pte Ltd as an Investment Manager. From 2007 to 2009, Ms Lee was with PrimePartners Asset Management Pte Ltd as an Assistant Manager — Investments, where she assisted in evaluating potential investment deals. In 2007, Ms Lee was with KPMG Business Advisory Pte Ltd as a Senior Associate — Business Performance Services, where she assisted in strategic consulting.

From 2000 to 2005, Ms Lee was with the Ministry of Trade and Industry, and her last held position was Assistant Director — International Business Development Division.

Ms Lee graduated from the National University of Singapore with a Bachelor of Arts in 1999 and a Bachelor of Social Sciences (with Honours) in 2000, and obtained a Master in Business Administration (Dean's Honours List) from Nanyang Technological University in 2007. She also participated in "The Global Manager in Europe Summer Module" at ESSEC Business School — Paris in 2006.

List of Present and Past Principal Directorships of the Executive Officers of the REIT Manager

A list of the present and past directorships of each Executive Officer of the REIT Manager over the last five years preceding the Latest Practicable Date is set out in Appendix G, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

Compliance Officer

The REIT Manager has appointed Ms Doreen Ng Mei Ling as the Compliance Officer. The Compliance Officer will report to the Chief Executive Officer of the REIT Manager, the REIT Manager Board and her duties include:

- assisting the REIT Manager in putting in place suitable compliance processes to ensure that the REIT Manager fulfils the compliance requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence, and all applicable laws, regulations and guidelines, as well as updating the Directors, the Chief Executive Officer, Executive Officers, and employees of the REIT Manager on such compliance requirements;
- preparing returns to the MAS as required under the SFA (including those required by the CMS Licence); and
- assisting in any other matters concerning compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence and all applicable laws, regulations and guidelines.

Company Secretary of the REIT Manager

The company secretary of the REIT Manager (the "**Company Secretary**") is Ms Chloe Kho Kim Suan. She is a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Ms Kho is also the company secretary of the Trustee-Manager.

The roles of the Company Secretary include the following:

- ensuring that board procedures of the REIT Manager Board are followed;
- ensuring, under the direction of the Chairman, good information flows within the REIT Manager Board and its board committees and between the management and the Non-Executive Directors;
- assisting the REIT Manager with corporate secretarial administration matters for the REIT Manager, both in its personal capacity and in its capacity as manager of Far East H-REIT, including attending all board meetings;

- assisting in the application process for the appointment of new directors to the REIT Manager Board and Trustee-Manager Board; and
- assisting the REIT Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

Shared Services Arrangements

The REIT Manager will discharge its duties as a manager of Far East H-REIT diligently and may, in its personal capacity, enter into shared services arrangements with the Sponsor for the provision of corporate administrative and support services required by the REIT Manager from time to time, subject to such laws, regulations and guidelines, as may be applicable. Such services may include IT support, tax, human resources, legal, regulatory compliance and corporate secretarial services, as well as data collation to be used by the REIT Manager to make decisions.

The Trustee-Manager Board

As at the Listing Date, the Trustee-Manager Directors comprise of five members who are also Directors of the REIT Manager. The following table sets forth information regarding the directors of the Trustee-Manager:

Name	Age	Address	Position
Mr <u>Koh</u> Boon Hwee	61	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chairman and Non-Executive Director
Mr Willie <u>Cheng</u> Jue Hiang	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr <u>Huang</u> Cheng Eng	64	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr Kyle <u>Lee</u> Khai Fatt	60	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Independent Director
Mr <u>Wee</u> Kheng Jin	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Non-Executive Director

As at the Latest Practicable Date, none of the Trustee-Manager Directors have any family relationship with or is related to one another or with any person expected to be a Substantial Stapled Securityholder as at the Listing Date.

As Far East H-BT will be dormant as at the Listing Date, no compensation is payable to the Directors of the Trustee-Manager. In the event that Far East H-BT becomes active, the number of directors on the Trustee-Manager Board will be a minimum of five directors, and for so long as Far East H-Trust is part of a stapled group and in the event that Far East H-BT becomes active, the composition of the boards of directors of the REIT Manager and the Trustee-Manager shall consist of the same individuals and shall comply with the relevant laws, regulations and guidelines or any other applicable laws and regulations.

(See “— The REIT Manager Board — Experience and Expertise of the Boards of the Managers” for further details.)

List of Present and Past Principal Directorships of the Trustee-Manager Directors

A list of the present and past directorships of each Trustee-Manager Director of the Trustee-Manager over the last five years preceding the Latest Practicable Date is set out in Appendix G, “List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers”.

Save for Mr Huang Cheng Eng, for whom appropriate arrangements have been made to orientate him in acting as a director of the trustee-manager of a publicly-listed business trust, each of the Directors of the Trustee-Manager has served as a director of a public-listed company and/or manager of a publicly-listed REIT or business trust and has appropriate experience to act as Directors of the Trustee-Manager and are familiar with the rules and responsibilities of a director of a publicly-listed company and/or manager or trustee-manager of a publicly-listed REIT or business trust.

Executive Officers of the Trustee-Manager

As at the Listing Date, the effective officers of the Trustee-Manager comprise the Chief Executive Officer and the Chief Financial Officer, who are also the Chief Executive Officer and Chief Financial Officer / Head of Investor Relations of the REIT Manager respectively.

The following table sets forth information regarding the executive officers of the Trustee-Manager:

Name	Age	Address	Position
Mr Gerald <u>Lee</u> Hwee Keong	46	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chief Executive Officer
Mr Danny <u>Peh</u> Kok Kheng	58	14 Scotts Road #06-01, Far East Plaza, Singapore 228213	Chief Financial Officer

(See “— Executive Officers of the REIT Manager — Experience and Expertise of the Executive Officers of the REIT Manager” and Appendix G, “List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers” for further details.)

As Far East H-BT will be dormant as at the Listing Date, no compensation is payable to the Chief Executive Officer and Chief Financial Officer of the Trustee-Manager.

Employees of the Trustee-Manager

There are two employees employed by the Trustee-Manager being the Chief Executive Officer, Mr Gerald Lee Hwee Keong, with the Chief Financial Officer, Mr Danny Peh Kok Kheng, being responsible for the finances of Far East H-BT. As at the date of this Prospectus, the two employees are based in Singapore and are not unionised.

Service Agreements

None of the members of the Trustee-Manager Board have entered or proposed to enter into service agreements with the Trustee-Manager.

Company Secretary of the Trustee-Manager

The Company Secretary, Ms Chloe Kho Kim Suan, is also the company secretary of the REIT Manager. She is a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators.

The roles of the Company Secretary include the following:

- ensuring that board procedures of the Trustee-Manager Board are followed;
- assisting the Trustee-Manager with corporate secretarial administration matters for the Trustee-Manager, both in its personal capacity and in its capacity as manager of Far East H-BT, including attending all board meetings; and
- assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

FAR EAST H-REIT

The Key Roles of the REIT Manager Board

The key roles of the REIT Manager Board are to:

- guide the corporate strategy and directions of the REIT Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the REIT Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

The REIT Manager Board will meet to review the key activities and business strategies of Far East H-REIT. The REIT Manager Board intends to meet regularly, at least once every three months, to deliberate the strategic policies of Far East H-REIT, including acquisitions and disposals, approval of the annual budget and review of the performance of Far East H-Trust.

Each Director of the REIT Manager has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of Far East H-REIT. The Directors of the REIT Manager will contribute in different ways to further the interests of Far East H-REIT.

The REIT Manager Board intends to approve a set of internal controls which sets out approved limits for capital expenditure, investments and divestments, and borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

The Boards of the Managers, in concurrence with the REIT Manager Audit Committee, are of the opinion that the internal controls as further described in:

- “Management and Corporate Governance — Far East H-Trust — The Key Roles of the REIT Manager Board and Trustee-Manager Board”;
- “Management and Corporate Governance — Far East H-Trust — Compliance Officer”;
- “Management and Corporate Governance — Far East H-REIT — Corporate Governance of the REIT Manager — The REIT Manager Board”;
- “Management and Corporate Governance — Far East H-REIT — Corporate Governance of the REIT Manager — The REIT Manager Audit Committee”;
- “Management and Corporate Governance — Far East H-REIT — Corporate Governance of the REIT Manager — Dealings in Stapled Securities or, as the case may be, Far East H-REIT Units”;

- “Management and Corporate Governance — Far East H-REIT — Corporate Governance of the REIT Manager — Management of Business Risk”;
- “Management and Corporate Governance — Far East H-REIT — Corporate Governance of the REIT Manager — Conflicts of Interest”;
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — The REIT Manager’s Internal Control System”;
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Role of the REIT Manager Audit Committee for Related Party Transactions”;
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Related Party Transactions in Connection with the Setting Up of Far East H-REIT and the Offering”;
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Other Related Party Transactions”;
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Exempted Agreements”; and
- “Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Future Related Party Transactions”;

are adequate in addressing financial, operational and compliance risks faced by Far East H-REIT.

Changes to regulations and accounting standards are monitored closely by the members of the REIT Manager Audit Committee (see “Management and Corporate Governance — Far East H-REIT — The REIT Manager Audit Committee” for further details). To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its Directors, the REIT Manager Directors will be briefed either during the meetings of the REIT Manager Board or at specially convened sessions involving the relevant professionals. The management will also provide the REIT Manager Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

Three Directors of the REIT Manager comprising half of the REIT Manager Board of six directors are non-executive and independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the REIT Manager Board. It would also enable the REIT Manager Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process.

The positions of Chairman of the REIT Manager Board and Chief Executive Officer of the REIT Manager are held by two different individuals in order to maintain effective checks and balances. The Chairman of the REIT Manager Board is Mr Koh Boon Hwee, while the Chief Executive Officer is Mr Gerald Lee Hwee Keong. Mr Koh is also the Chairman of the Trustee-Manager Board.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer of the REIT Manager. The Chairman is responsible for the overall management of the Boards of the Managers as well as ensuring that the members of the

REIT Manager Board and the management work together with integrity and competency, and that the REIT Manager Board engage the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the REIT Manager.

The REIT Manager Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Boards of the Managers also have access to independent professional advice where appropriate and whenever requested. (See “Management and Corporate Governance — Far East H-REIT — Company Secretary of the REIT Manager” for details of the Company Secretary and her qualifications.)

FAR EAST H-REIT

Roles and Responsibilities of the REIT Manager in relation to management of Far East H-REIT

The REIT Manager has general powers of management over the assets of Far East H-REIT. The REIT Manager’s main responsibility is to manage Far East H-REIT’s assets and liabilities for the benefit of the holders of Far East H-REIT Units.

The REIT Manager is responsible for formulating the business plans in relation to Far East H-REIT’s properties. The REIT Manager will work closely with the Hotel and Serviced Residence Operator through the Master Lessees to implement Far East H-REIT’s strategies. Further, the REIT Manager will set the strategic direction of Far East H-REIT and give recommendations to the REIT Trustee on the acquisition, divestment or enhancement of assets of Far East H-REIT in accordance with its stated investment strategy.

The REIT Manager is required under paragraph 4 of the Property Funds Appendix to hold an annual general meeting once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, but so long as Far East H-REIT holds its first annual general meeting within 18 months of its constitution, it need not hold it in the year of its constitution or in the following year.

The REIT Manager has covenanted in the Far East H-REIT Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner, to ensure that Far East H-REIT is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for Far East H-REIT at arm’s length and on normal commercial terms.

The REIT Manager will also be responsible for ensuring that Far East H-REIT complies with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Far East H-REIT Trust Deed, the Stapling Deed, the CMS Licence, the Tax Ruling and all relevant contracts.

The REIT Manager may require the REIT Trustee to:

- while the Far East H-REIT Units and Far East H-BT Units are stapled together, lend monies to Far East H-BT out of the Far East H-REIT Deposited Property whenever the REIT Manager considers, among other things, that such lending is necessary or desirable in order to further the interests of the Stapled Securityholders as a whole; and

- borrow on behalf of Far East H-REIT (upon such terms and conditions as the REIT Manager deems fit, including the charging or mortgaging of all or any part of the Far East H-REIT Deposited Property) whenever the REIT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable the REIT Trustee to meet any liabilities or whenever the REIT Manager considers it desirable that monies be borrowed or raised to:
 - finance the acquisition of any Authorised Investments, directly or indirectly, through SPVs; or
 - finance the repurchase and/or redemption of Far East H-REIT Units by the REIT Manager;
 - finance the distributions of Far East H-REIT; or
 - finance the on-lending of monies to Far East H-BT for the purpose of furthering the interests of Stapled Securityholders as a whole.

However, the REIT Manager must not direct the REIT Trustee to incur a borrowing, if to do so, would mean that Far East H-REIT's total borrowings exceed the Aggregate Leverage limit of 35.0% of the value of the Far East H-REIT Deposited Property at the time the borrowing is incurred. The Aggregate Leverage of Far East H-REIT may exceed 35.0% (up to a maximum of 60.0%) only if a credit rating from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. Far East H-REIT will continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of the Far East H-REIT Deposited Property.

In the absence of fraud, gross negligence, wilful default or breach of the Far East H-REIT Trust Deed or the Stapling Deed by the REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Far East H-REIT Trust Deed. In addition, the REIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as manager of Far East H-REIT, to have recourse to the Far East H-REIT Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Far East H-REIT Trust Deed by the REIT Manager. The REIT Manager may, in managing Far East H-REIT and in carrying out and performing its duties and obligations under the Far East H-REIT Trust Deed, with the written consent of the REIT Trustee, appoint such persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Far East H-REIT Trust Deed, provided always that the REIT Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Fees Payable to the REIT Manager

Management fees payable to the REIT Manager

The REIT Manager is entitled under the Far East H-REIT Trust Deed to the following management fees:

- a Base Fee of 0.3% per annum of the value of the Far East H-REIT Deposited Property; and

- a Performance Fee of 4.0% per annum of the Net Property Income¹ of Far East H-REIT in the relevant financial year.

For the purpose of calculating the Base Fee and the Performance Fee, if Far East H-REIT holds only a partial interest in (i) any Far East H-REIT Deposited Property, or (ii) any investment from which any Net Property Income of Far East H-REIT is derived, such Far East H-REIT Deposited Property or Net Property Income of Far East H-REIT shall be pro-rated in proportion to the partial interest held.

At least 80.0% of the Base Fee and Performance Fee will be paid in Stapled Securities or, as the case may be, Far East H-REIT Units with the remainder to be paid in cash for Forecast Period 2012 and Projection Year 2013, and thereafter the REIT Manager may elect to receive the Base Fee and the Performance Fee in cash or Far East H-REIT Units or a combination of cash and Far East H-REIT Units (as it may in its sole discretion determine). Any portion of management fees payable in the form of Stapled Securities or, as the case may be, Far East H-REIT Units (where Unstapling has taken place) shall be payable quarterly in arrears and any portion of management fees payable in cash shall be payable monthly in arrears.

For so long as the Stapled Securities or, as the case may be, Far East H-REIT Units are listed, when management fees are payable in the form of Stapled Securities or, as the case may be, Far East H-REIT Units, the REIT Manager shall be entitled to receive such number of Stapled Securities or, as the case may be, Far East H-REIT Units as may be purchased with the relevant amount of the management fees attributable to the relevant period at an issue price equivalent to the “market price”, *i.e.* the volume weighted average price per Stapled Security or, as the case may be, Far East H-REIT Units for all trades on the SGX-ST, in the ordinary course of trading, for the last 10 Business Days² of the relevant period in which the management fees accrue or, if the REIT Manager believes that the foregoing calculation does not provide a fair reflection of the market price of a Far East H-REIT Unit or a Stapled Security, means an amount as determined by the REIT Manager (after consultation with a stockbroker approved by the REIT Trustee), and as approved by the REIT Trustee, as being the fair market price.

Any increase in the rate or any change in the structure of the REIT Manager’s management fees must be approved by an Extraordinary Resolution at a meeting of the holders of Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed. For the avoidance of doubt, the REIT Manager’s change in its election to receive cash or Far East H-REIT Units or a combination of cash and Far East H-REIT Units is not considered as a change in structure of the REIT Manager’s management fees.

Acquisition fee and divestment fee payable to the REIT Manager

The REIT Manager is also entitled to:

- an acquisition fee of 0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its

1 “**Net Property Income**” consists of Gross Revenue (being the gross revenue of a Property comprising the rental payment under the respective Master Lease Agreement, which consists of a Fixed Rent and a Variable Rent and commercial rental income from the Excluded Commercial Premises) less Property Expenses (which comprises (i) property tax on each hospitality property, (ii) insurance expenses on each Property, (iii) Sinking Fund Contributions and (iv) other property expenses).

2 “**Business Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

- (i) the acquisition price of any real estate purchased by Far East H-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs, plus any other payments¹ in addition to the acquisition price made by Far East H-REIT or its SPV to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of Far East H-REIT's interest);
 - (ii) the underlying value² of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by Far East H-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs, plus any other payments¹ made by Far East H-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable to the proportion of Far East H-REIT's interest);
or
 - (iii) the acquisition price of any investment purchased by Far East H-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
 - (i) the sale price of any real estate sold or divested by Far East H-REIT, whether directly or indirectly through one or more SPVs, plus any other payments³ in addition to the sale price received by Far East H-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of Far East H-REIT's interest);
 - (ii) the underlying value⁴ of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by Far East H-REIT, whether directly

1 "other payments" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Far East H-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Far East H-REIT as purchase price and any debt of the special purpose company.

3 "other payments" refer to additional payments to Far East H-REIT or its SPVs for the sale of the real estate, for example, where Far East H-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

4 For example, if Far East H-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by Far East H-REIT as sale price and any debt of the special purpose company.

or indirectly through one or more SPVs, plus any other payments¹ received by Far East H-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of Far East H-REIT's interest); or

- (iii) the sale price of the investment sold or divested by Far East H-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of Far East H-REIT shall be paid out of the Far East H-REIT Deposited Property and not by the REIT Manager to such persons.

No acquisition fee is payable for the acquisition of the Properties. The acquisition fee and divestment fee are payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-REIT Units (as the REIT Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, Far East H-REIT Units at prevailing market price(s) instead of cash. The Stapled Securities or, as the case may be, Far East H-REIT Units issued to the REIT Manager as its acquisition or divestment fee should not be sold within one year from the date of their issuance.

Any increase in the maximum permitted level of the acquisition fee or divestment fee must be approved by an Extraordinary Resolution passed at a meeting of holders of Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed.

Development management fee payable to the REIT Manager

The REIT Manager is also entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of Far East H-REIT. Far East H-REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments).

"Total Project Costs" means the sum of the following (where applicable):

- (i) construction cost based on the project final account prepared by the project quantity surveyor;
- (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;
- (iii) the cost of obtaining all approvals for the project;
- (iv) site staff costs;

¹ "other payments" refer to additional payments to Far East H-REIT or its SPVs for the sale of the real estate, for example, where Far East H-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

- (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and
- (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with generally accepted accounting practices in Singapore.

When the estimated Total Project Costs are greater than S\$100.0 million, the REIT Trustee and the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager's view, materially lower than the development management fee, the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of Far East H-REIT.

For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project. Subject to the Property Funds Appendix, the Development Management Fee shall be paid to the Manager in the form of cash.

Any increase in the percentage of the development management fee or any change in the structure of the development management fee must be approved by an Extraordinary Resolution passed at a meeting of holders of Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed.

(See "Overview — The Structure of Far East H-Trust — Certain Fees and Charges" for further details).

Retirement or Removal of the REIT Manager

The REIT Manager shall have the power to retire in favour of a corporation approved by the REIT Trustee to act as the manager of Far East H-REIT.

Also, the REIT Manager may be removed by notice given in writing by the REIT Trustee if:

- the REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the REIT Manager;
- the REIT Manager ceases to carry on business;
- the REIT Manager fails or neglects after reasonable notice from the REIT Trustee to carry out or satisfy any material obligation imposed on the REIT Manager by the Far East H-REIT Trust Deed;
- the holders of Far East H-REIT Units, by a resolution duly passed by a majority greater than 50.0% of the total number of votes cast for and against such resolution with no participants being disenfranchised at a meeting of holders of Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed, shall so decide;
- for good and sufficient reason, the REIT Trustee is of the opinion, and so states in writing such reason and opinion, that a change of the REIT Manager is desirable in the

interests of the holders of Far East H-REIT Units provided that where the REIT Manager is removed on the basis that a change of the REIT Manager is desirable in the interests of the holders of Far East H-REIT Units, the REIT Manager has a right under the Far East H-REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the REIT Manager, the REIT Trustee and all the holders of Far East H-REIT Units; or

- the MAS directs the REIT Trustee to remove the REIT Manager.

Corporate Governance of the REIT Manager

The following outlines the main corporate governance practices of the REIT Manager.

The REIT Manager Board

The REIT Manager Board is responsible for the overall corporate governance of the REIT Manager including establishing goals for management and monitoring the achievement of these goals. The REIT Manager is also responsible for the strategic business direction and risk management of Far East H-REIT. All the REIT Manager Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The REIT Manager Board has established a framework for the management of the REIT Manager and Far East H-REIT, including a system of internal controls and a business risk management process. The REIT Manager Board consists of six members, three of whom are independent¹ directors.

The composition of the REIT Manager Board is determined using the following principles:

- the Chairman of the REIT Manager Board should be a non-executive director of the REIT Manager; and
- the REIT Manager Board should comprise directors with a broad range of commercial experience including expertise in property development, investment, management, marketing and leasing and/or finance.

The composition of the REIT Manager Board will be reviewed regularly to ensure that the REIT Manager Board has the appropriate mix of expertise and experience.

The REIT Manager Audit Committee

The REIT Manager Audit Committee is appointed by the REIT Manager Board from among the REIT Manager Directors and is composed of three non-executive members, a majority of whom (including the Chairman of the REIT Manager Audit Committee) are required to be directors independent from management and business relationships with the REIT Manager. As at the date of this Prospectus, the members of the REIT Manager Audit Committee are Mr Huang Cheng Eng, Mr Willie Cheng Jue Hiang and Mr Kyle Lee Khai Fatt, all of whom are independent directors. Mr Willie Cheng Jue Hiang has been appointed as the Chairman of the REIT Manager Audit Committee.

The role of the REIT Manager Audit Committee is to monitor and evaluate the effectiveness of the REIT Manager's internal controls. The REIT Manager Audit Committee will review the

¹ The independence of the directors in this context refers to their independence from management and business relationships with the REIT Manager.

quality and reliability of information prepared for inclusion in financial reports, and will be responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The REIT Manager Audit Committee's responsibilities include:

- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to Interested Person Transactions (as defined in the Listing Manual) and the provisions of the Property Funds Appendix relating to Interested Party Transactions (as defined in the Property Funds Appendix) (both such types of transactions constituting "**Related Party Transactions**");
- reviewing transactions constituting Related Party Transactions;
- deliberating on resolutions relating to conflicts of interest involving Far East H-REIT;
- monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;
- reviewing the arrangements by which employees of Far East H-REIT may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- examining the effectiveness of financial, operating and compliance controls and risk management policies and systems at least annually;
- reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- reviewing the adequacy of external audits in respect of cost, scope and performance;
- reviewing the nature and extent of non-audit services performed by external auditors;
- making recommendations to the REIT Manager Board on the appointment, reappointment and removal of external auditors and approving the remuneration and terms of engagement of external auditors;
- reviewing, on an annual basis, the independence and objectivity of the external auditors and where the external auditors also provide a substantial volume of non-audit services to Far East H-REIT, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- reviewing internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;
- ensuring that the internal audit function is independent from the management and will report to the chairman of the Audit Committee and adequately qualified to perform an effective role;
- ensuring, at least annually, the adequacy of the internal audit function;
- meeting with external and internal auditors, without the presence of the executive officers of the REIT Manager, at least on an annual basis;

- reviewing the financial statements of Far East H-REIT;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of Far East H-REIT and any formal announcements relating to Far East H-REIT's financial performance;
- investigating any matters within the REIT Manager Audit Committee's terms of reference, whenever it deems necessary; and
- reporting to the REIT Manager Board on material matters, findings and recommendations.

Dealings in Stapled Securities or, as the case may be, Far East H-REIT Units

The Far East H-REIT Trust Deed requires each REIT Manager Director to give notice to the REIT Manager of his acquisition of Stapled Securities or (in the event that Unstapling has taken place) Far East H-REIT Units or of changes in the number of Stapled Securities or, as the case may be, Far East H-REIT Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of the Stapled Securities or, as the case may be, Far East H-REIT Units which he holds or in which he has an interest. (See "The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — The Formation and Structure of Far East H-REIT — The REIT Manager Board's Declaration of Holdings of Far East H-REIT Units" for further details).

All dealings in the Stapled Securities or, as the case may be, Far East H-REIT Units by the REIT Manager Directors will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: <http://www.sgx.com>.

The directors and employees of the REIT Manager are prohibited from dealing in the Stapled Securities or, as the case may be, Far East H-REIT Units:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of Far East H-Trust or (in the event that Unstapling has taken place) Far East H-REIT, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

The directors and employees of the REIT Manager are also prohibited from communicating price sensitive information to any person.

All employees must obtain clearance from the Compliance Officer at least two days prior to any intended purchase or sale of the Stapled Securities (or as the case may be) or Far East H-REIT Units. In addition, the trading pre-clearance process requires an employee to represent, *inter alia* prior to making any trade in any Stapled Securities or (as the case may be) Far East H-REIT Units that:

- he/she is not in possession of material non-public information with respect to the Stapled Securities or (as the case may be) Far East H-REIT Units, Far East H-REIT or Far East H-Trust; and
- the trade is not inconsistent with the best interests of, and does not give rise to a potential breach of fiduciary duty owed to the REIT Manager.

On 19 January 2009, a bill to amend the SFA was passed by the Singapore Parliament (the “**Securities and Futures (Amendment) Act 2009**”). However, certain provisions of the Securities and Futures (Amendment) Act 2009 (including the new Section 137ZC of the SFA relating to notification of unitholdings) have not come into force as at the date of this Prospectus. When the new Section 137ZC of the SFA comes into force, the REIT Manager will be required to, *inter alia*, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Far East H-REIT Units by the REIT Manager as soon as practicable, and in any case no later than the end of the Business Day following the day on which the REIT Manager became aware of the acquisition or disposal. In addition, when the new Section 137C of the Securities and Futures (Amendment) Act 2009 comes into force, all dealings in Far East H-REIT Units by the Chief Executive Officer will also need to be announced by the REIT Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: <http://www.sgx.com> and in such form and manner as the Authority may prescribe.

In addition, the REIT Manager has given an undertaking to the MAS that it will announce via SGXNET the particulars of its holdings in the Stapled Securities or (in the event that Unstapling has taken place) Far East H-REIT Units and any changes thereto within two Business Days after the date on which it acquires or disposes of any Stapled Securities or, as the case may be, Far East H-REIT Units. The REIT Manager has also undertaken that it will not deal in the Stapled Securities or, as the case may be, Far East H-REIT Units in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of Far East H-Trust or, as the case may be, Far East H-REIT, and ending on the date of announcement of the relevant results or, as the case may be, property valuations.

Management of Business Risk

The REIT Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of Far East H-REIT against a previously approved budget. The REIT Manager Board will also review the business risks of Far East H-REIT, examine liability management and will act upon any comments from both the internal and external auditors of Far East H-REIT.

The REIT Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of Far East H-REIT. In assessing business risk, the REIT Manager Board will consider the economic environment and risks relevant to the hospitality and hospitality-related industries. It will review management reports and feasibility studies on individual development projects prior to approving major transactions. The management will meet regularly to review the operations of the REIT Manager and Far East H-REIT and discuss any disclosure issues.

Conflicts of Interest

The REIT Manager has instituted the following procedures to deal with conflicts of interest issues:

- The REIT Manager will not manage any other REIT which invests in the same type of properties as Far East H-REIT;

- All executive officers will be employed by the REIT Manager and will not hold executive positions in any other entities;
- All resolutions in writing of the REIT Manager Directors in relation to matters concerning Far East H-REIT must be approved by a majority of the directors, including at least one director independent from management and business relationships with the REIT Manager;
- At least one-third of the REIT Manager Board shall comprise such independent directors;
- In respect of matters in which a REIT Manager Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the REIT Manager Directors and must exclude such interested director;
- In respect of matters in which the Sponsor has an interest, direct or indirect, for example, in matters relating to:
 - potential acquisitions of additional properties or property-related investments by Far East H-REIT in competition with the Sponsor; and
 - competition for tenants between properties owned by Far East H-REIT and properties owned by the Sponsor,

any nominees appointed by the Sponsor to the REIT Manager Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the REIT Manager Directors independent from management and business relationships with the REIT Manager and must exclude nominee directors of the Sponsor;

- Save as to resolutions relating to the removal of the REIT Manager, the REIT Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of Far East H-REIT Units convened to approve any matter in which the REIT Manager and/or any of its associates has an interest, and for so long as the REIT Manager is the manager of Far East H-REIT, the controlling shareholders of the REIT Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of Far East H-REIT Units convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have an interest; and
- It is also provided in the Far East H-REIT Trust Deed that if the REIT Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with an Interested Person (as defined in the Listing Manual) and/or, as the case may be, an Interested Party (as defined in the Property Funds Appendix) (collectively, a **“Related Party”**) of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of Far East H-REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The REIT Manager Directors will have a duty to ensure that the REIT Manager so complies. Notwithstanding the

foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights of the holders of Far East H-REIT Units and/or which is in the interests of the holders of Far East H-REIT Units. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

Related Party Transactions

The REIT Manager's Internal Control System

The REIT Manager has established an internal control system to ensure that all future Related Party Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Far East H-REIT and the holders of Far East H-REIT Units.

As a general rule, the REIT Manager must demonstrate to the REIT Manager Audit Committee that such transactions satisfy the foregoing criteria, which may entail:

- obtaining (where practicable) quotations from parties unrelated to the REIT Manager; or
- obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The REIT Manager will maintain a register to record all Related Party Transactions which are entered into by Far East H-REIT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The REIT Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by Far East H-REIT. The REIT Manager Audit Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the REIT Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the REIT Manager Audit Committee. If a member of the REIT Manager Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of Far East H-REIT's net tangible assets (based on the latest audited accounts) will be subject to review by the REIT Manager Audit Committee at regular intervals;

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Far East H-REIT's net tangible assets (based on the latest audited accounts) will be subject to the review and prior approval of the REIT Manager Audit Committee. Such approval shall only be given if such transaction is on normal commercial terms and is consistent with similar types of transactions made by the REIT Trustee with third parties which are unrelated to the REIT Manager; and
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of Far East H-REIT's net tangible assets (based on the latest audited accounts) will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the REIT Manager Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by the holders of Far East H-REIT Units at a meeting duly convened.

Pursuant to the Listing Manual, transactions with a value below S\$100,000 are disregarded on the ground that they do not put Far East H-REIT at risk. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning Far East H-REIT relate to transactions entered into or to be entered into by the REIT Trustee for and on behalf of Far East H-REIT with a Related Party of the REIT Manager (which would include relevant "associates" as defined under the Listing Manual) or Far East H-REIT, the REIT Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-REIT and the holders of Far East H-REIT Units, and in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Further, the REIT Trustee has the ultimate discretion under the Far East H-REIT Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the REIT Manager or Far East H-REIT. If the REIT Trustee is to sign any contract with a Related Party of the REIT Manager or Far East H-REIT, the REIT Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Save for the transactions described under the sections "Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Related Party Transactions in connection with the Setting Up of Far East H-REIT" and "Management and Corporate Governance — Far East H-REIT — Related Party Transactions — Future Related Party Transactions", Far East H-REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Far East H-REIT's latest audited net tangible assets.

The aggregate value of all Interested Person Transactions in accordance with the Listing Manual in a particular year, each of at least S\$100,000 in value and which are subject to Rules 905 and 906 of the Listing Manual, will be disclosed in Far East H-Trust's annual report, or (if Unstapling has occurred), Far East H-REIT's annual report for the relevant financial year.

Role of the REIT Manager Audit Committee for Related Party Transactions

The REIT Manager Audit Committee will monitor the procedures established to regulate Related Party Transactions, including reviewing any Related Party Transactions entered into from time to time and the internal audit reports to ensure compliance with the relevant provisions of the Listing Manual and the Property Funds Appendix.

If a member of the REIT Manager Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Related Party Transactions in connection with the setting up of Far East H-REIT and the Offering

The REIT Trustee, on behalf of Far East H-REIT, has entered into a number of transactions with the REIT Manager and certain Related Parties of the REIT Manager in connection with the setting up of Far East H-REIT and the Offering. These Related Party Transactions are as follows:

- The REIT Trustee has on 1 August 2012 entered into the Far East H-REIT Trust Deed with the REIT Manager.
- The REIT Trustee has also on 1 August 2012 entered into the Stapling Deed with the Managers. The terms of the Far East H-REIT Trust Deed and Stapling Deed are generally described in "The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT".
- The REIT Trustee has entered into the Property Sale and Purchase Agreements with the Vendors. The terms of the Property Sale and Purchase Agreements are generally described in "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Property Sale and Purchase Agreements".
- The REIT Trustee and the REIT Manager will enter into the Master Lease Agreements with the Master Lessees for the lease of the Properties by the Listing Date. The terms of the Master Lease Agreements are more particularly described in "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Master Lease Agreements".
- The REIT Trustee will enter into the Property Management Agreement with the Hotel and Serviced Residence Operator for the management of the Excluded Commercial Premises. The terms of the Property Management Agreement are more particularly described in "Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Property Management Agreement".
- The REIT Trustee and each Master Lessee will enter into the Shared Services Agreement in respect of each Property (except Oasia Hotel, The Quincy Hotel and Hougang Village Residences) for the provision of certain services to the Excluded

Commercial Services at the Property. The terms of the Shared Services Agreements are more particularly described in “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Shared Services Agreements”.

- The REIT Trustee and each Master Lessee will enter into the Shared Electricity Services Agreement in respect of each Property (except Oasia Hotel, The Quincy Hotel and Hougang Village Residences) for the provision of certain services to the Excluded Commercial Services at the Property. The terms of the Shared Electricity Services Agreements are more particularly described in “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Shared Electricity Services Agreements”.
- Far East Hospitality Services Pte Ltd and the Managers have on 3 August 2012 entered into the Licence Agreement (as defined herein). The terms of the Licence Agreement are more particularly described in “Certain Agreements Relating to Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties — Licence Agreement”.

Based on its experience, expertise and knowledge of contracts, the REIT Manager Board and the executive officers of Far East H-REIT believe that the Master Lease Agreements, the Property Sale and Purchase Agreements, the Shared Services Agreements and the Shared Electricity Services Agreements were made on normal commercial terms and are not prejudicial to the interests of Far East H-REIT and Stapled Securityholders.

Save as disclosed in this Prospectus, the REIT Trustee has not entered into any other transactions with the REIT Manager or any Related Party of the REIT Manager in connection with the setting up of Far East H-REIT.

Other Related Party Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction the value of which is less than S\$100,000 is not considered material in the context of the Offering and is not set out as a Related Party Transaction in this section.

Lease agreement between Far East Orchard and Far East H-REIT in relation to an office unit in Orchard Parade Hotel

On the Listing Date, Far East Orchard will enter into a new lease agreement with Far East H-REIT, pursuant to which Far East H-REIT will lease to Far East Orchard an office unit located at 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905 (estimated to occupy a GFA of approximately 4,241 sq ft). The lease will be for a period of two years commencing from the Listing Date with an option to renew exercisable by Far East Orchard for a further term of two years upon expiry of the initial term, and the aggregate monthly rental charge and monthly service charge is proposed to be not more than S\$30,535. The terms of this lease agreement are negotiated at arm’s length and on normal commercial terms, taking into account the prevailing market rate.

Lease agreement between Jelco and Far East H-REIT in relation to certain office units in Central Square Village Residences

On the Listing Date, Jelco will enter into a new lease agreement with Far East H-REIT, pursuant to which Far East H-REIT will lease to Jelco certain office units located at 20 Havelock Road #03-15 and #03-22 to #03-24, Central Square Village Residences,

Singapore 059765. The lease of each office unit will be for a period of two years commencing from the Listing Date. The monthly rental charge and the monthly service charge for each of the office units are proposed to be as follows:

- (i) #03-15: Proposed monthly rental charge of S\$6,039 and proposed monthly service charge of S\$1,647.
- (ii) #03-22: Proposed monthly rental charge of S\$6,039 and proposed monthly service charge of S\$1,647.
- (iii) #03-24: Proposed monthly rental charge of S\$6,039 and proposed monthly service charge of S\$1,647.

The terms of this lease agreement are negotiated at arm's length and on normal commercial terms, taking into account the prevailing market rate.

Assignment of existing corporate leases in relation to the Excluded Commercial Premises of Orchard Parade Hotel

Certain office units within the Excluded Commercial Premises of Orchard Parade Hotel are leased to members of Far East Organisation, and these existing corporate leases will be assigned to Far East H-REIT prior to the completion of the Offering. These existing corporate leases were negotiated at arm's length and on normal commercial terms taking into account the then prevailing market rate, and details of such existing corporate leases which transaction value are at least S\$100,000 are set out below:

<u>Entity</u>	<u>Period of Lease</u>	<u>Property</u>	<u>Transaction Value (S\$'000)</u>
Far East Management Pte Ltd	Two years commencing from 17 December 2011 and expiring on 16 December 2013	1 Tanglin Road #03-05, Orchard Parade Hotel, Singapore 247905	103.3
Far East Management Pte Ltd	Two years commencing from 1 January 2012 and expiring on 31 December 2013	1 Tanglin Road #03-15/16/17/18, Orchard Parade Hotel, Singapore 247905	491.0
FEOC	Two years commencing from 1 February 2012 and expiring on 31 January 2014	1 Tanglin Road #05-07 to 10, Orchard Parade Hotel, Singapore 247905	162.9
FEOC	One year commencing from 1 November 2011 and expiring on 31 October 2012	1 Tanglin Road #04-08, Orchard Parade Hotel, Singapore 247905	311.6

Assignment of existing corporate leases in relation to the Excluded Commercial Premises of Central Square Village Residences

Certain office units within the Excluded Commercial Premises of Central Square Village Residences are leased to members of Far East Organisation, and these existing corporate leases will be assigned to Far East H-REIT prior to the completion of the Offering. These existing corporate leases were negotiated at arm's length and on normal commercial terms taking into account the then prevailing market rate, and details of such existing corporate leases which transaction value are at least S\$100,000 are set out below:

<u>Entity</u>	<u>Period of Lease</u>	<u>Property</u>	<u>Transaction Value (S\$'000)</u>
Far East Management (Private) Limited	Two years commencing from 16 November 2011 and expiring on 15 November 2013	20 Havelock Road #03-02, Central Square Village Residences, Singapore 059765	151.2
Far East Hospitality Services Pte Ltd	Two years commencing from 1 April 2011 and expiring on 31 March 2013	20 Havelock Road #03-09, Central Square Village Residences, Singapore 059765	203.6
Far East Hospitality Services Pte Ltd	Two years commencing from 16 February 2011 and expiring on 15 February 2013	20 Havelock Road #03-10, Central Square Village Residences, Singapore 059765	166.7
Far East Hospitality Services Pte Ltd	Two years commencing from 1 December 2011 and expiring on 30 November 2013	20 Havelock Road #03-15, Central Square Village Residences, Singapore 059765	133.7
Far East Management (Private) Limited	Two years commencing from 16 November 2011 and expiring on 15 November 2013	20 Havelock Road #03-19/20, Central Square Village Residences, Singapore 059765	211.3
Far East Hospitality Services Pte Ltd	Two years commencing from 13 September 2011 and expiring on 12 September 2013	20 Havelock Road #03-21, Central Square Village Residences, Singapore 059765	218.9

<u>Entity</u>	<u>Period of Lease</u>	<u>Property</u>	<u>Transaction Value (S\$'000)</u>
Far East Hospitality Services Pte Ltd	Two years commencing from 1 January 2012 and expiring on 31 December 2013	20 Havelock Road #03-22, Central Square Village Residences, Singapore 059765	155.2
Far East Hospitality Services Pte Ltd	Two years and three months commencing from 1 January 2011 and expiring on 31 March 2013	20 Havelock Road #03-23, Central Square Village Residences, Singapore 059765	101.5
Far East Hospitality Services Pte Ltd	Two years commencing from 1 April 2011 and expiring on 31 March 2013	20 Havelock Road #03-24, Central Square Village Residences, Singapore 059765	184.5

Exempted Agreements

The entry into and the fees and charges payable by Far East H-REIT under the Far East H-REIT Trust Deed, the Stapling Deed, the Property Management Agreement, the Shared Services Agreements, the Shared Electricity Services Agreements, the Licence Agreement and the leases set out in the section “— Other Related Party Transactions”, to the extent that details of these have been specifically disclosed, which each constitutes an Interested Person Transaction, are deemed to have been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-REIT.

(See “Overview — Certain Fees and Charges” for the fees and charges payable by Far East H-REIT in connection with the establishment and ongoing management and operation of Far East H-REIT.)

However, any renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual.

(See “— Related Party Transactions — The REIT Manager’s Internal Control System” for further details.)

Future Related Party Transactions

As a REIT listed on the SGX-ST, Far East H-REIT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulates, among other things, transactions entered into by the REIT Trustee (for and on behalf of Far East H-REIT) with an Interested Party relating to Far East H-REIT’s acquisition of assets from or sale of assets to an Interested Party, Far East H-REIT’s investment in securities of or issued by an Interested Party and the leasing of assets to an Interested Party.

Depending on the materiality of transactions entered into by Far East H-REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by an Interested Party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the holders of Far East H-REIT Units be obtained.

The Listing Manual regulates all Interested Person Transactions, including transactions already governed by the Property Funds Appendix. Depending on the materiality of the transaction, Far East H-REIT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain the prior approval of the holders of Far East H-REIT Units for the transaction (Rule 906 of the Listing Manual). The Far East H-REIT Trust Deed requires the REIT Trustee and the REIT Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as such other guidelines relating to Interested Person Transactions as may be prescribed by the SGX-ST to apply to REITs.

The REIT Manager may at any time in the future seek a general annual mandate from the holders of Far East H-REIT Units pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or license agreements (including any Master Lease Agreements entered into by the REIT Trustee with an Interested Party) to be entered into with Interested Persons, and all transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements of Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the REIT Trustee will appoint an independent financial adviser (without being required to consult the REIT Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Far East H-REIT and the holders of Far East H-REIT Units.

Both the Property Funds Appendix and the Listing Manual requirements would have to be complied with in respect of a proposed transaction which is prima facie governed by both sets of rules. Where matters concerning Far East H-REIT relate to transactions entered or to be entered into by the REIT Trustee for and on behalf of Far East H-REIT with a Related Party of Far East H-REIT or the REIT Manager, the REIT Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The REIT Manager is not prohibited by either the Property Funds Appendix or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the REIT Trustee (when acting other than in its capacity as trustee of Far East H-REIT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of Far East H-REIT and the holders of Far East H-REIT Units. The REIT Manager shall not be liable to account to the REIT Trustee or to the holders of Far East H-REIT Units for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The REIT Trustee shall not be liable to account to the REIT Manager or to the holders of Far East H-REIT Units for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the REIT Manager, its “connected persons” (as defined in the Listing Manual) and any director of the REIT Manager are prohibited from voting their respective own Far East H-REIT Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

FAR EAST H-BT

Far East H-BT will be dormant on the Listing Date. For as long as Far East H-BT is dormant, the primary role of the Trustee-Manager Board will be to ensure that the Trustee-Manager complies with the requirements under the Listing Manual, the BTA and the Business Trusts Regulations 2005 (“**BTR**”) (except where waivers have been obtained) as well as the Far East H-BT Trust Deed and the Stapling Deed.

Key Roles of the Trustee-Manager Board when Far East H-BT becomes active

When Far East H-BT becomes active, the key roles of the Trustee-Manager Board will be to:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the Trustee-Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

When Far East H-BT becomes active, the Trustee-Manager Board will meet to review the key activities and business strategies of the Trustee-Manager. The Trustee-Manager Board intends to meet regularly, at least once every three months, to deliberate the strategic policies of Far East H-BT, including acquisitions and disposals, approval of the annual budget and review of the performance of Far East H-BT.

Each Director of the Trustee-Manager has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of Far East H-BT. The Directors of the Trustee-Manager will contribute in different ways to further the interests of Far East H-BT.

The MAS has granted the Trustee-Manager an exemption from compliance with section 15(1) of the BTA to the extent that section 15(1) requires an audit committee to be constituted when Far East H-BT is dormant, subject to certain conditions. (See “General Information — Waivers from the MAS — Paragraph (15)” for further details on the exemption granted and the conditions imposed by the MAS). When Far East H-BT becomes active, the Trustee-Manager Board will put in place appropriate internal control systems.

For so long as Far East H-Trust is part of a stapled group and Far East H-BT is dormant, in the event that the board of directors of the REIT Manager and the board of directors of the Trustee-Manager cannot reach an agreement on any resolution relating to governance or compliance matters before them where such resolution would require the collective approval of both the boards of directors of the REIT Manager and the Trustee-Manager, the votes of the independent directors of the REIT Manager will prevail in the event that the board of directors of Trustee-Manager has approved such resolutions.

A majority of the Trustee-Manager Board (namely three out of five Directors) are non-executive and independent.

In the event that Far East H-BT becomes active, the number of directors on the Trustee-Manager Board will be a minimum of five directors, and for so long as Far East H-Trust is part of a stapled group and in the event that Far East H-BT becomes active, the composition of the boards of directors of the REIT Manager and the Trustee-Manager shall consist of the same individuals and shall comply with the relevant laws, regulations and guidelines or any other applicable laws and regulations.

In the event that Far East H-BT becomes active and there are transactions involving Far East H-REIT and Far East H-BT requiring the approval of the boards of the Trustee-Manager and the REIT Manager, the Managers are of the opinion that it is unlikely that a matter may be approved by the Trustee-Manager (where all Independent Directors voted in favour and the non-executive directors voted against) and not the REIT Manager (where all Independent Directors voted in favour and the non-executive directors voted against) given that (1) matters to be tabled to the boards would have first been recommended by the management and independent directors generally do not initiate business proposals, and as the Managers are part of the Sponsor, it is unlikely that a matter tabled by the management of the Managers to the boards of directors at board meetings will be approved by the Independent Directors and not by the non-executive directors who are nominees of the Sponsor and (2) for matters involving the Sponsor, the non-executive directors nominated by the Sponsor will need to abstain from voting at both the boards of the REIT Manager and the Trustee-Manager.

The positions of Chairman of the Trustee-Manager Board and Chief Executive Officer of the Trustee-Manager are held by two different individuals in order to maintain effective checks and balances. The Chairman of the Trustee-Manager Board is Mr Koh Boon Hwee, while the Chief Executive Officer is Mr Gerald Lee Hwee Keong. Mr Koh is also the Chairman of the REIT Manager Board. The Chairman is responsible for the overall management of the Trustee-Manager Board, while the Chief Executive Officer has full executive responsibilities over the business directions of the Trustee-Manager.

The Trustee-Manager Board has access to the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Trustee-Manager also has access to independent professional advice where appropriate and whenever requested. (See “Management and Corporate Governance — Far East H-REIT — Company Secretary of the Trustee-Manager” for details of the Company Secretary and her qualifications.)

Roles and Responsibilities of the Trustee-Manager in relation to the management of Far East H-BT

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of Far East H-BT Units, and managing the business conducted by Far East H-BT. The Trustee-Manager has general powers of management over the business and assets of Far East H-BT and its main responsibility is to manage Far East H-BT’s assets and liabilities for the benefit of the holders of Far East H-BT Units as a whole.

The Trustee-Manager will set the strategic direction of Far East H-BT. The Trustee-Manager is also responsible for ensuring that Far East H-BT complies with the applicable provisions of all relevant laws, regulations and guidelines including the BTA, the SFA, the Listing Manual, the Far East H-BT Trust Deed and the Stapling Deed.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee-manager of a registered business trust under the BTA (“**Due Care**”) to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of Far East H-BT.

The Trustee-Manager, in exercising its powers and carrying out its duties as Far East H-BT’s trustee-manager, is required to:

- treat the holders of Far East H-BT Units who hold Far East H-BT Units in the same class fairly and equally and holders of Far East H-BT Units who hold Far East H-BT Units in different classes (if any) fairly;
- ensure that all payments out of the Far East H-BT Trust Property are made in accordance with the BTA, the Far East H-BT Trust Deed and the Stapling Deed;
- report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
 - relates to Far East H-BT; and
 - has had, has or is likely to have, a material adverse effect on the interests of all the holders of Far East H-BT Units, or any class of holders of Far East H-BT Units,as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the Far East H-BT Trust Property is properly accounted for; and
- ensure that the Far East H-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager may:

- while the Far East H-REIT Units and Far East H-BT Units are stapled together, lend monies to Far East H-REIT out of Far East H-BT’s property whenever the Trustee-Manager considers, among other things, that such lending is necessary or desirable in order to further the interests of the investors of the Stapled Securities as a whole; and
- borrow on behalf of Far East H-BT (upon such terms and conditions as it deems fit, including the charging or mortgaging of all or any part of Far East H-BT’s property) whenever the Trustee-Manager considers, among other things, that such borrowings are necessary or desirable in order to enable the Trustee-Manager to meet any contractual obligations or liabilities or whenever the Trustee-Manager considers it desirable that monies be borrowed or raised to:
 - finance the acquisition of any Authorised Investments;
 - finance the repurchase and/or redemption of Far East H-BT Units by the Trustee-Manager;
 - finance any distributions of Far East H-BT;
 - finance for any other purpose deemed desirable by the Trustee-Manager in connection with any Authorised Investment undertaken by Far East H-BT or any Trust Asset (as defined under the Far East H-BT Trust Deed); or

- while the Far East H-REIT Units and Far East H-BT Units are stapled together, on-lend monies to Far East H-REIT in order to further the interests of the investors of the Stapled Securities as a whole.

Far East H-BT will not guarantee the financial obligations, debts or any other liabilities of Far East H-REIT and *vice versa*.

The Trustee-Manager also has the following statutory duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as Far East H-BT's trustee-manager in accordance with the BTA and the Far East H-BT Trust Deed;
- act in the best interests of all holders of Far East H-BT Units as a whole and give priority to the interests of all holders of Far East H-BT Units as a whole over its own interests in the event of a conflict between the interests of all holders of Far East H-BT Units as a whole and its own interests;
- not make improper use of any information acquired by virtue of its position as Far East H-BT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the holders of Far East H-BT Units; and
- hold the Far East H-BT Trust Property on trust for all holders of Far East H-BT Units as a whole in accordance with the terms of the Far East H-BT Trust Deed.

Should the Trustee-Manager contravene any of the provisions setting out the aforesaid duties, it shall be:

- liable to all holders of Far East H-BT Units as a whole for any profit or financial gain directly or indirectly made by it or any of its related corporations or for any damage suffered by all holders of Far East H-BT Units as a whole as a result of the contravention; and
- guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000.

While the Trustee-Manager is required to be dedicated to the conduct of the business of Far East H-BT, it is not prohibited from delegating its duties and obligations to third parties. Save for an instance of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Far East H-BT Trust Deed. In addition, the Trustee-Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be subject to as trustee-manager, to have recourse to the Trust Property of Far East H-BT or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager or by the failure of the Trustee-Manager to exercise Due Care. The Trustee-Manager may, in managing Far East H-BT and in carrying out and performing its duties and obligations under the Far East H-BT Trust Deed, appoint such persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, and shall not be liable for all acts and omissions of such persons provided that the Trustee-Manager had exercised Due Care in selecting as well as monitoring such persons.

Constituent Documents of the Trustee-Manager

Certain key provisions of the Memorandum and Articles of Association of the Trustee-Manager are set out below.

The power of each Trustee-Manager Director to vote on a proposal, arrangement or contract in which he is interested

Each Trustee-Manager Director who is, directly or indirectly, interested in a transaction or proposed transaction with the Trustee-Manager has to, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Trustee-Manager Board. Subject to such disclosure, as well as Section 156 of the Companies Act and the BTA, the Trustee-Manager Director is entitled to vote on transactions in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.

The borrowing powers exercisable by the Trustee-Manager and how such borrowing powers may be varied

The Trustee-Manager has full rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction subject to the provisions of the Companies Act, the BTA and any other written law and the Memorandum of Association of the Trustee-Manager. In this case, the business is that of acting as trustee-manager of Far East H-BT.

Section 28(4) of the BTA prohibits the Trustee-Manager from borrowing on behalf of Far East H-BT unless the power of borrowing is conferred upon it by the Far East H-BT Trust Deed. The Far East H-BT Trust Deed empowers the Trustee-Manager to borrow on behalf of Far East H-BT for the purpose of enabling the Trustee-Manager to meet any liabilities under or in connection with the trusts of the Far East H-BT Trust Deed or with any investment of Far East H-BT, for the purpose of financing any acquisition of any Authorised Investment on behalf of Far East H-BT, or financing the repurchase and/or redemption of Far East H-BT Units by the Trustee-Manager, or financing any distributions of Far East H-BT, or for any other purpose deemed desirable by the Trustee-Manager in connection with any Authorised Investment undertaken by Far East H-BT or any Trust Asset (as defined under the Far East H-BT Trust Deed), or while the Far East H-REIT Units and Far East H-BT Units are stapled together, on-lend monies to Far East H-REIT in order to further the interests of the investors of the Stapled Securities as a whole upon such terms and conditions as it thinks fit and, in particular, by charging or mortgaging all or any of the investments of Far East H-BT or by issuing debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Trustee-Manager, as trustee-manager of Far East H-BT, provided that the Trustee-Manager shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage or agreement in respect of the borrowing or raising of moneys which (in its opinion) cause the Trustee-Manager's liability to extend beyond the limits of the Far East H-BT Trust Property.

Any variation of the borrowing powers as contained in the Far East H-BT Trust Deed would require the approval of the holders of Far East H-BT Units by way of an Extraordinary Resolution passed at a meeting of holders of Far East H-BT Units duly convened and held in accordance with the Far East H-BT Trust Deed and such other regulatory approvals as may be required to vary the terms of the Far East H-BT Trust Deed.

The retirement or non-retirement of a Trustee-Manager Director under an age limit requirement

The Memorandum and Articles of Association of the Trustee-Manager do not specify an age limit beyond which a Trustee-Manager Director shall retire.

The number of units in the business trust, if any, required for the qualification of a Trustee-Manager Director

An Trustee-Manager Director is not required to hold any Far East H-BT Units to qualify as a Trustee-Manager Director.

Retirement of Trustee-Manager Directors

The appointment of the directors on the Trustee-Manager Board shall continue until such time as they resign or become prohibited from being a director by reason of any order made under the Companies Act or the BTA, or cease to be a director by virtue of any of the provisions of the Companies Act or the BTA or the Articles of Association of the Trustee-Manager, or has a receiving order made against him or suspends payments or compounds with his creditors generally, or is found lunatic or becomes of unsound mind or is otherwise removed by way of an Ordinary Resolution passed at a meeting of the shareholder(s) of the Trustee-Manager duly convened and held.

Fees Payable to the Trustee-Manager

Management fee

The Trustee-Manager shall be entitled under the Far East H-BT Trust Deed to a management fee comprising 10.0% of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year), payable in the event that Far East H-BT becomes active. For the purpose of calculating the management fee, if Far East H-BT holds only a partial interest in an investment from which such profit is derived, such profit shall be pro-rated in proportion to the partial interest held.

The management fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-BT Units (where Unstapling has taken place) as the Trustee-Manager may elect.

Any portion of management fee payable in the form of Stapled Securities or, as the case may be, Far East H-BT Units shall be payable quarterly in arrears and any portion of management fees payable in cash shall be payable monthly in arrears. On the basis that the Stapled Securities or, as the case may be, Far East H-BT Units are listed, when management fees are payable in the form of Stapled Securities or, as the case may be, Far East H-BT Units, the Trustee-Manager shall be entitled to receive such number of Stapled Securities or, as the case may be, Far East H-BT Units as may be purchased with the relevant amount of the management fees at an issue price equivalent to the “market price”, *i.e.* the volume weighted average price per Stapled Security or, as the case may be, Far East H-BT Units for all trades on the SGX-ST, in the ordinary course of trading, for the last 10 Business Days¹ of the relevant period in which the management fees accrue or, if the Trustee-Manager believes that the foregoing calculation does not provide a fair reflection of the market price of a Stapled

¹ “**Business Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Security or, as the case may be, a Far East H-BT Unit, an amount as determined by the Trustee-Manager (after consultation with a stockbroker approved by the Trustee-Manager), as being the fair market price.

Subject to the Trustee-Manager's undertaking to the MAS not to deal in the Stapled Securities during certain specific periods (see "Management and Corporate Governance — Far East H-BT — Corporate Governance of the Trustee-Manager — Dealings in Stapled Securities or Far East H-BT Units" for further details), the Trustee-Manager may be entitled to sell all of the rights attached to any Stapled Securities or, as the case may be, Far East H-BT Units issued in payment of the management fee and is entitled to keep any gains made on such sale.

Any increase in the rate or any change in the structure of the Trustee-Manager's management fees must be approved by an Extraordinary Resolution at a meeting of the holders of Far East H-BT Units duly convened and held in accordance with the provisions of the Far East H-BT Trust Deed.

For the avoidance of doubt, the Trustee-Manager's change in its election to receive cash or Far East H-BT Units or a combination of cash and Far East H-BT Units is not considered as a change in structure of the Trustee-Manager's management fees.

Trustee fee

Under the Far East H-BT Trust Deed, 0.1% per annum of the value of the Far East H-BT Trust Property and subject to a minimum fee of S\$10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million and Far East H-BT is active.

For the purpose of calculating the trustee fee, if Far East H-BT holds only a partial interest in any of its Far East H-BT Trust Property, such Far East H-BT Trust Property shall be pro-rated in proportion to the partial interest held.

The trustee fee shall be payable in arrears on a quarterly basis in the form of cash.

Acquisition fee and divestment fee payable to the Trustee-Manager

The Trustee-Manager is entitled to:

- an acquisition fee of 0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):
 - (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments¹ in addition to the acquisition price made by Far East H-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of Far East H-BT's interest);

1 "other payments" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

- (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value¹ of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments² made by Far East H-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of Far East H-BT's interest); or
 - (iii) the acquisition price of any investment purchased by Far East H-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):
 - (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Far East H-BT, plus any other payments³ in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of Far East H-BT's interest);
 - (ii) the underlying value⁴ of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by Far East H-BT, whether directly or indirectly through one or more SPVs, plus any other payments³ received by the Far East H-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of Far East H-BT's interest); or
 - (iii) the sale price of the investment sold or divested by Far East H-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, Far East H-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

1 For example, if Far East H-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Far East H-BT as purchase consideration and any debt of the special purpose company.

2 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

3 "**other payments**" refer to additional payments to Far East H-BT or its SPVs for the sale of the real estate, for example, where Far East H-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

4 For example, if Far East H-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by Far East H-BT as sale price and any debt of the special purpose company.

The acquisition fee or, as the case may be, the divestment fee is payable as soon as practicable after the completion of the acquisition of the Authorised Investment or, as the case may be, the completion of the sale or disposal. For so long as the Stapled Securities or, as the case may be, Far East H-BT Units are listed, when acquisition fee or, as the case may be, the divestment fee are payable in the form of Stapled Securities or, as the case may be, Far East H-BT Units, the Far East H-BT Manager shall be entitled to receive such number of Stapled Securities or, as the case may be, Far East H-BT Units as may be purchased with the relevant amount of the acquisition fee or, as the case may be, the divestment fee at an issue price equivalent to the “market price”, *i.e.* the volume weighted average price per Stapled Security or, as the case may be, Far East H-BT Units for all trades on the SGX-ST, in the ordinary course of trading, for the last 10 Business Days of the relevant period in which the acquisition fees accrue.

Any increase in the rate or any change in the structure of the Trustee-Manager’s management fee and trustee fee, or in the maximum permitted level of the acquisition fee or divestment fee, must be approved by an Extraordinary Resolution passed at a meeting of holders of Far East H-BT Units duly convened and held in accordance with the provisions of the Far East H-BT Trust Deed.

Development management fee payable to the Trustee-Manager

The Trustee-Manager is also entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of Far East H-BT.

When the estimated Total Project Costs are greater than S\$100.0 million, the Trustee-Manager’s independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager’s view, materially lower than the development management fee, the Trustee-Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of Far East H-BT.

For the avoidance of doubt, no acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project.

Any increase in the percentage of the development management fee or any change in the structure of the development management fee must be approved by an Extraordinary Resolution passed at a meeting of holders of Far East H-BT Units duly convened and held in accordance with the provisions of the Far East H-BT Trust Deed.

(See “Overview — The Structure of Far East H-Trust — Certain Fees and Charges” for further details).

Retirement or Removal of the Trustee-Manager

Under the BTA, the Trustee-Manager may only be removed, as trustee-manager of Far East H-BT, if a resolution to remove the Trustee-Manager is approved by holders of Far East H-BT Units holding in the aggregate not less than three-fourths of the voting rights of all the holders of the Far East H-BT Units who, being entitled to do so, vote in person or where proxies are

allowed, by proxy present at a meeting of the holders of Far East H-BT Units or the Trustee-Manager may resign as trustee-manager. Any removal or resignation of the Trustee-Manager must be made in accordance with such procedures as the MAS may prescribe. Any purported change of the trustee-manager of a registered business trust is ineffective unless it is made in accordance with the BTA.

The Trustee-Manager will remain the trustee-manager of Far East H-BT until another person is appointed by:

- the holders of Far East H-BT Units to be the trustee-manager of Far East H-BT; or
- the court under Section 21(1) of the BTA to be the temporary trustee-manager of Far East H-BT,

and such appointment shall be effective from the date stated in the resolution of the holders of Far East H-BT Units or court order as the effective date of the appointment of the trustee-manager or temporary trustee-manager, as the case may be.

Pursuant to Section 21(1) of the BTA, upon application by the MAS or the Trustee-Manager or a holder of Far East H-BT Units, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager of Far East H-BT for a period of three months if the court is satisfied that the appointment is in the interest of the holders of Far East H-BT Units.

The temporary trustee-manager of Far East H-BT is required, within such time and in accordance with such requirements as may be prescribed by the MAS, to take such steps to enable the holders of Far East H-BT Units to appoint another person as the trustee-manager (not being a temporary trustee-manager) of Far East H-BT.

Corporate Governance of the Trustee-Manager

The BTA stipulates requirements and obligations in respect of corporate governance that are more stringent than those for companies and collective investment schemes. Corporate governance of companies and collective investment schemes are governed by the Code of Corporate Governance 2012 and, in the case of collective investment schemes, the CIS Code. The Code of Corporate Governance 2012 and the CIS Code only set out broad principles for guidance while the regime under the BTA sets out the requirements for, among other things, board composition of a trustee-manager and independence of directors of a trustee-manager. The following is a summary of the material provisions of the BTA insofar as they relate to the Trustee-Manager Board.

Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial shareholder of the Trustee-Manager; and
- at least a majority of Trustee-Manager Directors who are independent from any single Substantial shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of five members, three of whom are Independent Directors for the purposes of the BTA. In the event that Far East H-BT becomes active, the number of directors on the Trustee-Manager Board will be a minimum of five directors, and the Trustee-Manager shall ensure that its Board shall comprise of a majority of independent Directors for the purposes of the BTA.

In addition, for so long as Far East H-Trust is part of a stapled group and in the event that Far East H-BT becomes active, the composition of the boards of directors of the REIT Manager and the Trustee-Manager shall consist of the same individuals and shall comply with the relevant laws, regulations and guidelines or any other applicable laws and regulations.

In addition to compliance with requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a non-executive Director; and
- the Trustee-Manager Board should consist of Directors with a broad range of commercial experience.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

Independence of the Trustee-Manager Directors

A majority of the Trustee-Manager Directors must be independent from management and business relationships with the Trustee-Manager.

(i) Independence from management and business relationships

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of Far East H-BT or Far East H-Trust), a Trustee-Manager Director must not have any:

- management relationships with the Trustee-Manager or with any of its subsidiaries; and
- business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his independent judgment with regard to the interests of all the holders of Far East H-BT Units as a whole.

(ii) Independence from management relationships

A Trustee-Manager Director is not considered to be independent from management relationships with the Trustee-Manager if:

- he is employed by the Trustee-Manager or by any of its subsidiaries, or has been so employed, at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager;
- any member of his immediate family:
 - is being employed by the Trustee-Manager or by any of its subsidiaries as an executive officer whose compensation is determined by the Trustee-Manager Board or the subsidiary, as the case may be; or

- has been so employed at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager; or
- he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the management of the Trustee-Manager or any of its subsidiaries.

(iii) Independence from business relationships

A Trustee-Manager Director is not considered to be independent from business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, if:

- he is a Substantial shareholder of the Trustee-Manager, a director or an executive officer of any corporation, or a sole proprietor or partner of any firm, where such corporation, sole proprietorship or firm carries on business for purposes of profit to which the Trustee-Manager or any of its related corporations has made, or from which the Trustee-Manager or any of its related corporations has received, payments (whether or not the Trustee-Manager is acting for or on behalf of Far East H-BT or Far East H-Trust) at any time during the current or immediately preceding financial year of the Trustee-Manager; or
- he is receiving or has received compensation from the Trustee-Manager or any of its related corporations, other than remuneration received for his service as an Trustee-Manager Director or as an employee of the Trustee-Manager or any of its related corporations, at any time during the current or immediately preceding financial year of the Trustee-Manager.

(iv) Independence from Substantial shareholders of the Trustee-Manager

A Trustee-Manager Director is considered to be independent from a Substantial shareholder of the Trustee-Manager if he is not that Substantial shareholder or is not connected to that Substantial shareholder.

The Trustee-Manager Director is connected to the Substantial shareholder if:

- in the case where the Substantial shareholder is an individual, the Trustee-Manager Director is:
 - a member of the immediate family of the Substantial shareholder;
 - a partner of a firm of which the Substantial shareholder is also a partner; or
 - accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Substantial shareholder; or
- in the case where the Substantial shareholder is an corporation, the Trustee-Manager Director is:
 - employed by the Substantial shareholder;
 - employed by a subsidiary or an associated company (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005) of the Substantial shareholder;
 - a director of the Substantial shareholder;

- an executive director of a subsidiary or an associated company of the Substantial shareholder;
- a non-executive director of a subsidiary or an associated company of the Substantial shareholder, where the subsidiary or associated company is not the Trustee-Manager;
- a partner of a firm of which the Substantial shareholder is also a partner; or
- accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Substantial shareholder.

As the Trustee-Manager Directors are also the REIT Manager Directors, none of the Trustee-Manager Directors would, by definition under the BTR, be independent from a Substantial shareholder as the Managers are 67.0% owned by FAMPL, which is a wholly-owned subsidiary of FEOC, and 33.0% owned by Far East Orchard, which as at the date of this Prospectus is 59.8% owned by FEOPL. FEOC, FEOPL and Far East Orchard are all members of the Sponsor. The MAS has also granted the Trustee-Manager an exemption from compliance with regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that regulations 12(1)(a) and 12(1)(b) of the BTR require the Trustee-Manager Directors to be independent, subject to certain conditions. (See “General Information — Waivers from the MAS — Paragraph (16)” for further details on the exemption granted and the conditions imposed by the MAS.)

Operationally, the structure of Far East H-Trust would require a high degree of co-operation between the Managers. In order for Far East H-REIT and Far East H-BT to function effectively, it is important that the Managers co-operate with each other in, for example:

- sharing accounting and other information as may be necessary or desirable to fulfil their respective obligations under the stapling deed;
- preparing and providing financial information to investors;
- holding general meetings;
- issuing Stapled Securities; and
- making distributions.

The stapling together of Far East H-BT Units and Far East H-REIT Units means that the holders of Far East H-BT Units are at the same time the investors of the Stapled Securities, who stand to benefit as a whole regardless of whether the appointed Trustee-Manager Directors are independent of the Sponsor. Since the Far East H-REIT Units and Far East H-BT Units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between Far East H-REIT and Far East H-BT.

Dealings in Stapled Securities or, as the case may be, Far East H-BT Units

Currently, the BTA requires each Trustee-Manager Director to give notice in writing to the Trustee-Manager of his acquisition of Stapled Securities or (in the event that Unstapling has taken place) Far East H-BT Units or changes in the number of Stapled Securities, or, as the case may be, Far East H-BT Units which he holds or in which he has an interest, within two Business Days after the date on which the Trustee-Manager Director became a director of the

Trustee-Manager or the date of such acquisition or the occurrence of the event giving rise to changes in the number of Stapled Securities, or, as the case may be, Far East H-BT Units which he holds or in which he has an interest.

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, Section 137N of the SFA will require each Trustee-Manager Director and the Trustee-Manager Chief Executive Officer to give notice in writing to the Trustee-Manager of, among other things, particulars of his interest in Far East H-BT Units or of changes in the number of Far East H-BT Units which he has an interest, within two Business Days after the date on which the Trustee-Manager Director or Trustee-Manager Chief Executive Officer became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the Far East H-BT Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Far East H-BT Units in which he has an interest.

All dealings in Stapled Securities or, as the case may be, Far East H-BT Units by the Trustee-Manager Directors and, upon the coming into force of the Securities and Futures (Amendment) Act 2009, the Chief Executive Officer of the Trustee-Manager, will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>.

The directors and employees of the Trustee-Manager are prohibited from dealing in the Stapled Securities or, as the case may be, Far East H-BT Units:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of Far East H-Trust or (in the event that Unstapling has taken place) Far East H-BT, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

The directors and employees of the Trustee-Manager are also prohibited from communicating price sensitive information to any person.

All employees must obtain clearance from the Compliance Officer at least two days prior to any intended purchase or sale of the Stapled Securities (or as the case may be) or Far East H-BT Units. In addition, the trading pre-clearance process requires an employee to represent, *inter alia* prior to making any trade in any Stapled Securities or (as the case may be) Far East H-BT Units that:

- he/she is not in possession of material non-public information with respect to the Stapled Securities or (as the case may be) Far East H-BT Units, Far East H-BT or Far East H-Trust; and
- the trade is not inconsistent with the best interests of, and does not give rise to a potential breach of fiduciary duty owed to the Trustee-Manager.

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, Section 137R of the SFA will require the Trustee-Manager to announce to the SGX-ST the particulars of its holdings in the Far East H-BT Units and any changes thereto as soon as practicable and in any case no later than the end of the Business Day in Singapore following the day on which it acquires or, as the case may be, disposes of any Far East H-BT Units.

Management of Business Risk

The following will be put in place by the Trustee-Manager to manage business risk when Far East H-BT becomes active.

The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of Far East H-BT against a previously approved budget. The Trustee-Manager Board will also review the business risks of Far East H-BT, examine liability management and will act upon any comments from both the internal and external auditors of Far East H-BT.

In assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports and feasibility studies on individual development projects prior to approving major transactions. The management will meet regularly to review the operations of the Trustee-Manager and Far East H-BT and discuss any disclosure issues.

Interested Person Transactions and Potential Conflicts of Interest

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of Far East H-BT) or any of the subsidiaries or associated companies of Far East H-BT); and
- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of Far East H-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of Far East H-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder),

would constitute an Interested Person Transaction.

The Trustee-Manager's Internal Control System

The Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Far East H-BT and Stapled Securityholders.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by Far East H-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by Far East H-BT.

Where matters concerning Far East H-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or Far East H-BT, the

Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of Far East H-BT and Stapled Securityholders; and
- in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or Far East H-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Save for the transactions described under “Management and Corporate Governance — Far East H-BT — Interested Person Transactions and Potential Conflicts of Interest — Interested Person Transactions in Connection with the Setting up of Far East H-BT”, Far East H-BT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of Far East H-BT’s latest audited net tangible assets. The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Far East H-BT’s annual report for the relevant financial year.

Interested Person Transactions in connection with the setting up of Far East H-BT

The Trustee-Manager, on behalf of Far East H-BT, entered into a number of transactions with certain Interested Persons in connection with the setting up of Far East H-BT. These Interested Person Transactions are as follows:

- The Trustee-Manager entered into the Far East H-BT Trust Deed in connection with the setting up of Far East H-BT. The Trustee-Manager has also entered into the Stapling Deed with the REIT Manager and REIT Trustee. The terms of the Far East H-BT Trust Deed and Stapling Deed are generally described in “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT”.

Exempted Agreements

The entry into and the fees and charges payable by Far East H-BT under the Far East H-BT Trust Deed and the Stapling Deed, which each constitutes an Interested Person Transaction, are deemed to have been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-BT. However, the renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual. (See “Overview — Certain Fees and Charges” for the fees and charges payable by Far East H-BT in connection with the establishment of Far East H-BT.)

Any renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual. (See “Management and Corporate Governance — Far East H-BT —

Interested Person Transactions and Potential Conflicts of Interest — The Trustee-Manager's Internal Control System" for further details.)

Future Interested Person Transactions

Far East H-BT is regulated by the Listing Manual and the BTA. The Listing Manual and the BTA regulate all Interested Person Transactions. Depending on the materiality of the transaction, Far East H-BT may be required to make a public announcement of the transaction (pursuant to Rule 905 of the Listing Manual), or to make a public announcement of and to obtain the prior approval of Stapled Securityholders for the transaction (pursuant to Rule 906 of the Listing Manual). Section 86 of the BTA further requires (i) the Board to make a written statement in accordance with a resolution of the Board and signed by not less than two Directors on behalf of the Board certifying that, among other things, the relevant Interested Person Transaction is not detrimental to the interests of all Stapled Securityholders as a whole based on the circumstances at the time of the transaction, and (ii) the Chief Executive Officer of Far East H-BT to, in his or her personal capacity, make a written statement certifying that he or she is not aware of any violation of duties of the Trustee-Manager that would have a material adverse effect on the business of Far East H-BT and the interests of all Stapled Securityholders as a whole. These statements must be annexed to the profit and loss accounts of Far East H-BT in its annual financial statements.

In addition to these written statements, Section 87 of the BTA also requires the Board to attach to Far East H-BT's profit and loss accounts, a statement of policies and practices in relation to management and governance of Far East H-BT containing such information as prescribed by Regulation 20 of the BTR including, among other things, a description of measures put in place by the Trustee-Manager to review Interested Person Transactions in relation to Far East H-BT.

The Far East H-BT Trust Deed requires the Trustee-Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as the BTA and such other guidelines relating to Interested Person Transactions as may be prescribed by the MAS or the SGX-ST applying to business trusts.

The Trustee-Manager may at any time in the future seek a general annual mandate from Stapled Securityholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with Interested Persons, and all transactions conducted under such a general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee-Manager will appoint an independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Far East H-BT and Stapled Securityholders.

Both the BTA and the Listing Manual requirements would have to be complied with in respect of a proposed Interested Person Transaction that is prima facie governed by both sets of rules. Where matters concerning Far East H-BT relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with an Interested Person (as defined under the Listing Manual and/or the BTA), the Trustee-Manager is required to ensure that such transactions are conducted in accordance with applicable

requirements of the Listing Manual, the BTA and/or such other applicable guidelines relating to the transaction in question.

Potential Conflicts of Interest

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning Far East H-Trust must be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;
- all executive officers will be employed by the Trustee-Manager;
- in respect of matters in which a Trustee-Manager Director or his Associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Trustee-Manager Directors and must exclude such interested director;
- in respect of matters in which the Sponsor have an interest, direct or indirect, any nominees appointed by the Sponsor to the Trustee-Manager Board to represent its/ their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of the Sponsor; and
- where matters concerning Far East H-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or Far East H-BT, the Trustee-Manager Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-BT and Stapled Securityholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or Far East H-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.

It should be noted that under Section 6(3) of the BTA, the Trustee Manager is prohibited from carrying on any business other than the management and operation of Far East H-BT as its trustee-manager.

THE HOTEL AND SERVICED RESIDENCE OPERATOR

Jelco, the Hotel and Serviced Residence Operator, has been appointed as the property manager of the Excluded Commercial Premises, which will not be subject to any master lease arrangement upon acquisition by Far East H-REIT. Jelco is currently a wholly-owned subsidiary of Far East Orchard, and was incorporated in Singapore on 6 October 1989. Its registered address is 14 Scotts Road #06-01, Far East Plaza, Singapore 228213. As at 31 March 2012, Jelco has an issued and paid-up capital of approximately S\$396.1 million.

ANNUAL REPORTS

So long as Far East H-REIT is stapled to Far East H-BT, an annual report covering the period incorporating disclosures as required under the Listing Manual and all relevant laws will be issued by Far East H-Trust within the timeframe as set out in the Listing Manual and the CIS Code, and at least 14 days before the annual general meeting of Stapled Securityholders, which will comprise consolidated financial statements of Far East H-Trust and the separate financial statements of Far East H-REIT and Far East H-BT to Stapled Securityholders within three months from the end of each accounting period of Far East H-Trust containing, among other things, the following key items:

- (i) details of all real estate transactions entered into during the accounting period;
- (ii) details of Far East H-REIT's and (if applicable) Far East H-BT's real estate assets;
- (iii) if applicable, with respect to investments other than real estate property:
 - (i) a brief description of the business;
 - (ii) proportion of share capital owned;
 - (iii) cost;
 - (iv) (if relevant) directors of the Managers' valuation and in the case of listed investments, market value;
 - (v) dividends received during the year (indicating any interim dividends);
 - (vi) dividend cover or underlying earnings;
 - (vii) any extraordinary items; and
 - (viii) net assets attributable to investments;
- (iv) cost of each property held by Far East H-REIT and (if applicable) Far East H-BT;
- (v) annual valuation of each property of Far East H-REIT and (if applicable) Far East H-BT;
- (vi) analysis of provision for diminution in value of each property of Far East H-REIT and (if applicable) Far East H-BT (to the extent possible);
- (vii) annual rental income for each property;
- (viii) occupancy rates for each property;
- (ix) remaining term for each of Far East H-REIT's and (if applicable) Far East H-BT's leasehold properties;
- (x) amount of distributable income of Far East H-REIT and (if applicable) Far East H-BT held pending distribution;
- (xi) details of assets other than real estate of Far East H-REIT and (if applicable) Far East H-BT;
- (xii) details of Far East H-REIT's and (if applicable) Far East H-BT's exposure to derivatives;
- (xiii) details of Far East H-REIT's and (if applicable) Far East H-BT's investments in other property funds;

- (xiv) details of borrowings by and other financial accommodation to Far East H-REIT and (if applicable) Far East H-BT;
- (xv) value of the Far East H-REIT Deposited Property and the NAV of Far East H-REIT and Far East H-BT at the beginning and end of the accounting period under review;
- (xvi) the prices at which the Stapled Securities were quoted at the beginning and end of the accounting period, and the highest and lowest prices at which the Stapled Securities were traded on the SGX-ST during the accounting period;
- (xvii) volume of trade in the Stapled Securities during the accounting period;
- (xviii) the aggregate value of all transactions entered into by Far East H-REIT with a Related Party and all transactions entered into by (if applicable) Far East H-BT with an Interested Party during the accounting period under review;
- (xix) total operating expenses of Far East H-REIT and (if applicable) Far East H-BT in respect of the accounting period, including expenses paid to the REIT Manager, the REIT Trustee, the Trustee-Manager and Related Parties (if any), and taxation incurred in relation to Far East H-REIT's and (if applicable) Far East H-BT's properties;
- (xx) historical performance of Far East H-REIT and (if applicable) Far East H-BT, including rental income obtained and occupancy rate for each property where applicable in respect of the accounting period and other various periods of time (e.g. one-year, three-year, five-year or 10-year) and any distributions made;
- (xxi) names of the REIT Manager, the REIT Trustee and the Trustee-Manager, together with an indication of the terms and duration of their appointment and the basis of their remuneration;
- (xxii) total amount of fees paid to the REIT Manager, the REIT Trustee and the Trustee-Manager and the price(s) at which any Stapled Securities were issued in part payment thereof;
- (xxiii) an analysis of realised and unrealised surpluses or losses, stating separately profits and losses as between listed and unlisted investments, if applicable;
- (xxiv) any extraordinary items; and
- (xxv) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The first report will cover the period from the Listing Date to 31 December 2012.

Additionally, Far East H-Trust will announce the NAV of Far East H-REIT and Far East H-BT on a quarterly basis. The announcement of the NAV of Far East H-REIT and Far East H-BT will be based on the latest available valuation of the real estate of Far East H-REIT and Far East H-BT, which will be conducted at least once a year (as required under the Property Funds Appendix). The first such valuation will be conducted by 31 December 2012.

The Trustee-Manager Board is also required under Section 86 of the BTA to make a written statement, in accordance with a board resolution and signed by not less than two directors on behalf of the Trustee-Manager Board, certifying that:

- (i) fees or charges paid or payable out of the Far East H-BT Trust Property to the Trustee-Manager are in accordance with the Far East H-BT Trust Deed;

- (ii) Interested Person Transactions are not detrimental to the interests of all the holders of Far East H-BT Units as a whole based on the circumstances at the time of the transaction; and
- (iii) The Trustee-Manager Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Far East H-BT or on the interests of all the holders of Far East H-BT Units as a whole.

Such statement must be attached to the profit and loss accounts of Far East H-BT.

THE SPONSOR

THE SPONSOR

The Sponsor, comprising (i) FEOC, (ii) FEOPL, (iii) Golden Development Private Limited, (iv) Glory Realty Co. Private Ltd., (v) F. E. Holdings Pte. Ltd., (vi) Boo Han Holdings Pte. Ltd., (vii) Lucky Realty Company Pte Ltd, (viii) Orchard Landmark Pte. Ltd. and their respective subsidiaries, is a group of companies under Far East Organization which will be the vendors from whom Far East H-REIT will acquire the Properties (the “**Vendors**”) and companies which directly or indirectly hold the pipeline of hospitality properties that fall or may potentially fall within the Sponsor ROFRs. The Sponsor’s hospitality assets in Singapore include seven hotels and nine serviced residences with a combined inventory of approximately 3,200 units and are valued at more than S\$3.0 billion as at 31 December 2011.

The Sponsor includes Far East Orchard, a company listed on the SGX-ST with core businesses in hospitality, investment holding and property investment. As at 31 December 2011, the Sponsor has a total net asset value exceeding S\$2.0 billion.

FAR EAST ORGANIZATION

Since its establishment in 1960, Far East Organization has been contributing to the transformation of Singapore’s urban landscape through its pioneering of innovative real estate products and solutions in Singapore. As at 31 December 2011, Far East Organization has developed a full spectrum of real estate products in the residential, hospitality, commercial, medical and industrial sectors, selling over 42,000 residential units or one in six private homes in Singapore. For 2011, Far East Organization sold 2,718 homes in Singapore, the highest ever residential sales number ever achieved by a property developer, approximately double that of its nearest competitor, which sold 1,434 homes¹. Far East Organization is also a leader in introducing Singapore to many of the property industry’s “firsts” such as:

- Far East Shopping Centre — the first multi-storey retail mall along Orchard Road;
- Far East Plaza — One of the first mixed-use developments with retail, office and residential components; and
- Far East SOHO — a new integrated lifestyle concept.

1 URA, DTZ Research. URA and DTZ Research have not provided their consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) and for the purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA) and Sections 282N and 282O of the SFA. While the Managers have taken reasonable actions to ensure that the information from the reports published by URA and DTZ Research are reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such reports or verified the accuracy of the contents of the relevant information.

Far East Organization is the pioneer of innovative real estate products and solutions in Singapore

 <ul style="list-style-type: none"> • Singapore's first homes with turfed rooftop garden – Katong Seaview Palace • Transformation of Bukit Timah area with major development project of 2.3m sq ft – Watten Estate 	 <ul style="list-style-type: none"> • Introduced Singapore's first high-rise retail / office development in Orchard Road – Far East Shopping Centre • Lucky Plaza – first multi-storey retail mall in Orchard Road with observatory lift with airconditioning 	 <ul style="list-style-type: none"> • Far East Plaza – considered "Biggest Tourist Shopping Centre in Southeast Asia" then, also first residential development offering services • Orchard Plaza – built on the first Government land sales site on Orchard Road 	 <ul style="list-style-type: none"> • Bayshore – first development to receive multiple awards including BCA Best Buildable Design and FIABCI Prix d'Excellence (Residential) • Far East Square – unique conservation development that won the FIABCI Prix d'Excellence award (Specialised) 	 <ul style="list-style-type: none"> • ICON – First inner-city living project • Novena Medical Center – First foray into healthcare services • Far East SOHO – Pioneered new integrated lifestyle concept • SOHO at Central – First "live-work-play" project by the Singapore River • Inessence – New ultra luxury development brand • euHabitat – Unique development comprising four exceptional habitats (SOHO-concept homes, suites, condominiums and townhouses)
1960s	1970s	1980s	1990s	2000s and Beyond

In addition to its private development and investment arm, the Sponsor includes Far East Orchard, a public-listed hotel and property group in which the Sponsor owns a majority interest of 59.8%, and as of 31 December 2011, the Sponsor also holds an effective interest of 60.4% in Yeo Hiap Seng Limited, a public-listed industry pioneer with over 100 years' history in the manufacture and distribution of food and beverage products.

Winner of the "Best Developer in South East Asia and Singapore" award at the South East Asia Property Awards 2011, Far East Organization is also a multiple winner of the prestigious FIABCI Prix d'Excellence Awards, underscoring its unique achievements in the international and regional real estate arena. To date, Far East Organization is the only developer in the world to have won seven FIABCI Prix d'Excellence Awards.

Far East Organization engages in all aspects of real estate development and investment. Far East Organization's property development portfolio includes over 12.0 million sq ft in GFA of development land bank and over 10.0 million sq ft of projects in various stages of construction in Singapore. In addition, Far East Organization owns and operates an investment portfolio of hotels/serviced residences, residential, retail/commercial, and industrial properties in Singapore with NLA totalling over 10.0 million sq ft.

This varied portfolio is fully managed by Far East Organization's in-house specialist team that provides the full spectrum of property services and group resources to support the various business operations.

Recent government land sales have been increasingly geared towards mixed-use developments, and Far East Organization has been actively involved in various bidding processes for such mixed-use developments either alone or through joint ventures. Since the start of 2010, Far East Organization has bid for and won more than 20 land sites including property acquisitions, totalling more than 7.0 million sq ft of GFA, valued at more than S\$4.0 billion. Far East Organization's successful bidding track record is expected to provide future pipeline projects for Far East H-Trust.

Some examples of hospitality properties within the mixed-use projects currently being developed by Far East Organization include:

- *Oasia Downtown Hotel*: Oasia Downtown Hotel is a 314-room hotel with approximately 100 commercial SOHOs. Oasia Downtown Hotel is designed by award-winning Singapore-based architecture practice, WOHA and Spanish interior designer Patricia Urquiola. The expected date of obtaining a TOP is 2H2015.
- *Oasia West Residences*: Oasia West Residences is slated to be part of a mixed-use residential and serviced residence development. Upon completion and subject to approval of URA, the development is expected to have more than 170 residential units comprising SOHO units, condominium units and townhouses, as well as 116 serviced residence units. The expected date of obtaining TOP is 2H2015.

THE FORMATION AND STRUCTURE OF FAR EAST H-TRUST, FAR EAST H-REIT AND FAR EAST H-BT

The Deeds are complex documents and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Deeds. Investors should refer to the Deeds themselves to confirm specific information or for a detailed understanding of Far East H-Trust, Far East H-REIT and Far East H-BT. A copy of the Stapling Deed and the Far East H-REIT Trust Deed are available for inspection at the registered office of the REIT Manager while a copy of the Stapling Deed and the Far East H-BT Trust Deed are available for inspection at the registered office of the Trustee-Manager.

THE FORMATION AND STRUCTURE OF FAR EAST H-TRUST

Far East H-Trust is a hospitality stapled group comprising units in Far East H-REIT and Far East H-BT. The Far East H-REIT Units and Far East H-BT Units are stapled together under the terms of the Stapling Deed and cannot be traded separately. The Far East H-REIT Units and Far East H-BT Units together form the Stapled Securities, and are treated as one instrument. Far East H-REIT cannot issue (including the issue of partly paid units), transfer, register the transfer, consolidate or divide, redeem or buy back or cancel any of its units, unless the same action occurs in respect of Far East H-BT, and *vice versa*.

As at the Listing Date, Far East H-BT will be dormant. It will, however, become active if any of the following occurs:

- It is appointed by Far East H-REIT as a master lessee of a Property. Far East H-BT will not, however, manage or operate any of the hotel or serviced residence assets in Far East H-REIT's portfolio, and the intention is for Far East H-BT to appoint a professional hotel and serviced residence operator, such as Jelco, to manage that hotel or serviced residence. Far East H-BT exists primarily as "a master lessee of last resort" with regard to the Properties so that in the event that the Master Lessees terminate or do not renew the Master Lease Agreements beyond their initial terms and Far East H-REIT is unable to lease any of the Properties to another master lessee for any reason, including failing to reach agreement on commercially favourable terms with other potential master lessees, then Far East H-BT will enter into a master lease agreement for the Property on substantially the same terms as the previous Master Lease Agreement (see "The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — The Formation and Structure of Far East H-BT" for further details);
- Far East H-REIT acquires hotels or serviced residences in the future, and, if there are no other suitable master lessees, leases these acquired hotels or serviced residences to Far East H-BT. Far East H-BT will then become a master lessee for that hotel or serviced residence and will appoint a professional manager to manage that hotel or serviced residence; or
- Far East H-BT expands into other activities on its own such as project development and asset acquisitions.

Further, through Far East H-BT, Far East H-Trust may undertake certain hospitality-related development projects, acquisitions and investments which may not be suitable for Far East H-REIT. Far East H-BT may thus acquire and/or invest in properties in its own name.

Far East H-REIT will not guarantee any debt of Far East H-BT, and *vice versa*. This will help to shield each entity from the other's financial obligations because each entity's creditors will not have recourse to the other.

The Stapling Deed

The Far East H-REIT Units and Far East H-BT Units are stapled together under the terms of the Stapling Deed. The Stapling Deed is governed by the laws of Singapore. In the event of any inconsistencies, the terms and conditions of the Stapling Deed takes precedence over the respective constitutions of the two entities forming Far East H-Trust namely, the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed.

Under the terms of the Stapling Deed, Far East H-REIT and Far East H-BT must co-operate with each other in all matters concerning the Stapled Securities and must make available to each other all information in their possession as may be necessary or desirable to fulfil their respective obligations under the Stapling Deed. Far East H-REIT and Far East H-BT must also keep confidential any information obtained concerning the affairs or assets of the other.

Notwithstanding the above, Far East H-REIT and Far East H-BT will remain separate entities. The Stapling Deed does not create any association, joint venture or partnership between Far East H-REIT and Far East H-BT for any purpose or authorising the sharing of the benefits of any assets (and any profits therefrom).

The Stapling Deed requires each Stapled Securityholder to hold the same number of Far East H-REIT Units and Far East H-BT Units. These units are stapled, meaning that an individual Far East H-REIT Unit may not be transferred, or otherwise dealt with, without the other corresponding stapled Far East H-BT Unit and *vice versa*. The units that together form each of the Stapled Securities are treated as one instrument for trading purposes. Each of the entities in Far East H-Trust must not issue (including the issue of partly paid units and options), transfer, register the transfer, consolidate or divide, redeem or buy back or cancel any of the instruments that constitute the Stapled Securities unless the same action occurs in respect of the other constituent instruments and *vice versa*. For example, a takeover relating to Far East H-Trust would need to apply to all components of the Stapled Securities.

In addition, so long as the Far East H-REIT Units and Far East H-BT Units are stapled together, in relation to:

- **Co-operation** — The Managers must co-operate with each other to ensure that each entity complies with its obligations under the Stapling Deed, the Far East H-REIT Trust Deed or, as the case may be, the Far East H-BT Trust Deed, the Companies Act, the SFA, the Listing Manual, the Property Funds Appendix, the Hotels Act and any other legislation and regulations that may be relevant, as applicable;
- **Administration** — Far East H-REIT and Far East H-BT must co-operate with each other to carry out all the activities necessary for the administration of Far East H-Trust such as developing and maintaining investor relations, including but not limited to customer service to investors, register analysis, information coordination and distribution, coordination of investor and analyst briefing and marketing, coordination of media releases and SGX-ST announcements (if applicable); corporate branding; and liaising with and responding to queries from the public in relation to Far East H-Trust;

- **Issue price** — The Managers must agree from time to time the proportion of the issue price, the repurchase price or buy-back price of a Stapled Security which is to represent the issue price, the repurchase price or the buy-back price of each unit comprising the Stapled Security. The allocation of this amount is to be determined by agreement between the Managers before the issue, redemption or buy-back of the Stapled Security;
- **Options** — An offering or issue of options over the Stapled Securities may only take place if it is part of a concurrent offering or issue of options in Far East H-REIT Units and Far East H-BT Units. An option may only be exercised if, at the same time as Far East H-REIT Units are acquired under one option, the same person exercises an option over an identical number of units in Far East H-BT;
- **Meetings** — The directors or other representatives of the Managers may attend and speak at any meeting of the holders of Far East H-REIT Units and any meeting of the holders of Far East H-BT Units or invite any other person to attend and speak. If permitted by the Companies Act, any meeting of the holders of Far East H-REIT Units and any meeting of the holders of Far East H-BT Units may be held with and as part of a joint meeting of the holders of each entity. At any such joint meeting, on a show of hands, each Stapled Securityholder has one vote, and on a poll, each Stapled Securityholder has one vote per Stapled Security;
- **Joint expenses** — All fees, costs, charges and expenses properly and reasonably incurred by the REIT Manager, the REIT Trustee and the Trustee-Manager in the carrying out of their duties under the Stapling Deed shall be paid in accordance with any agreement between the REIT Manager, the REIT Trustee and the Trustee-Manager. If the REIT Manager, the REIT Trustee and the Trustee-Manager are unable to reach agreement, the expenses will be borne equally between Far East H-REIT and Far East H-BT;
- **Interests of Stapled Securityholders** — So long as Far East H-REIT Units remain stapled to Far East H-BT Units, in exercising any power or discretion, (i) the REIT Manager, the REIT Trustee and the Trustee-Manager may have regard to the interests of Stapled Securityholders as a whole and not only to the interests of the holders of Far East H-REIT Units or holders of Far East H-BT Units separately; (ii) the REIT Manager shall exercise all due diligence and vigilance to safeguard the rights and interests of Stapled Securityholders whose rights and interests shall prevail in the event of a conflict of interests between the REIT Manager and the shareholder(s) of the REIT Manager collectively, and Stapled Securityholders; and (iii) the Trustee-Manager shall exercise all due diligence and vigilance to safeguard the rights and interests of Stapled Securityholders whose rights and interests shall prevail in the event of a conflict of interests between the Trustee-Manager and the shareholder(s) of the Trustee-Manager collectively, and Stapled Securityholders; and
- **Allocation of funds** — The Managers have the flexibility to allocate funds between Far East H-REIT and Far East H-BT.

Subject to the Companies Act, the SFA, the Listing Manual, the CIS Code (including the Property Funds Appendix) and any other relevant legislation or regulations, Far East H-REIT and Far East H-BT may agree to cause the stapling of any further security to the Stapled Securities. Any such “attached securities” may be governed by the laws of a jurisdiction other

than Singapore, and in the case of units in a trust constituted outside Singapore, subject to the grant by the MAS (at its discretion) of the relevant exemption under Singapore law if and when such stapling occurs. For the purposes of any such stapling, Far East H-REIT and Far East H-BT may make an in-specie distribution of securities to Stapled Securityholders.

Unstapling

From 1 August 2012, all Stapled Securities will remain stapled for so long as the Stapled Securities remain in issue, unless otherwise determined by (a) Extraordinary Resolutions passed by the holders of Far East H-REIT Units and the holders of Far East H-BT Units respectively, and prior approval from the SGX-ST for such Unstapling; or (b) if stapling becomes unlawful or prohibited by the relevant laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such Unstapling; or (c) if either Far East H-REIT or, as the case may be, Far East H-BT is terminated or (as the case may be) wound up.

On and from the occurrence of an abovementioned Unstapling event, the Managers must procure that Far East H-REIT Units and Far East H-BT Units are unstapled. The Stapling Deed will cease to be of effect from that point in time except in relation to certain on-going obligations stated in the Stapling Deed.

If, as a consequence of Unstapling, the Far East H-REIT Units and the Far East H-BT Units are no longer stapled, the Managers must promptly:

- repay any outstanding amount (including any interest thereon) under any loan given to it by the other stapling entity prior to Unstapling, unless the other party agrees otherwise;
- pay any outstanding amounts (including any interests thereon) which the REIT Manager or the Trustee-Manager has agreed is its responsibility to repay (unless the Managers otherwise agree); and
- obtain a release from the other stapling entity from any guarantee or other security given by that other stapling entity on its behalf to any person.

Issue of the Stapled Securities

The following is a summary of the provisions of the Deeds relating to the issue of Stapled Securities, on the assumption that the Far East H-REIT Units will remain stapled to the Far East H-BT Units.

The Managers have the joint exclusive right to issue Stapled Securities. The provisions of the Deeds provide that for so long as Far East H-Trust is listed on the SGX-ST or such other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**") and Far East H-REIT Units remain stapled to Far East H-BT Units, the Managers may, in accordance with the Deeds and such laws, rules and regulations as may be applicable (including the provisions of the Listing Manual), issue further Stapled Securities on any Business Day at an issue price per Stapled Security equal to the "market price", without prior approval of the holders of Far East H-REIT Units and Far East H-BT Units. However, Stapled Securityholders should note that the right of the Managers to issue Stapled Securities is subject to the following:

- (a) pursuant to the Listing Rules and Section 36 of the BTA (in the case of Far East H-BT), Stapled Securityholders must give prior approval to the Managers (whether by way of a

general mandate or by way of a specific approval) by Ordinary Resolution in general meetings of the holders of Far East H-REIT Units and general meetings of the holders of Far East H-BT Units before the Managers can jointly issue additional Stapled Securities.

- (b) pursuant to the Listing Rules, the scope of the general mandate to be given in a general meeting of the holders of Far East H-REIT Units is limited to the issue of an aggregate number of additional Far East H-REIT Units which must not exceed 50.0% of the total number of Far East H-REIT Units in issue, of which the aggregate number of additional Far East H-REIT Units to be issued other than on a *pro rata* basis to the existing holders of Far East H-REIT Units must not exceed 20.0% of the total number of Far East H-REIT Units in issue (the “**Far East H-REIT Unit Issue Mandate**”);
- (c) similarly, pursuant to the Listing Rules, the scope of the general mandate to be given in a general meeting of the holders of Far East H-BT Units is limited to the issue of an aggregate number of additional Far East H-BT Units which must not exceed 50.0% of the total number of Far East H-BT Units in issue, of which the aggregate number of additional Far East H-BT Units to be issued other than on a *pro rata* basis to the existing holders of Far East H-BT Units must not exceed 20.0% of the total number of Far East H-BT Units in issue (the “**Far East H-BT Unit Issue Mandate**”); and
- (d) pursuant to Rule 804 and Rule 805 of the Listing Manual, the REIT Manager may not issue any new Far East H-REIT Units without the prior approval of the holders of Far East H-REIT Units in a general meeting, unless a general mandate for the issuance of new Far East H-REIT Units is obtained from the holders of Far East H-REIT Units and is still in force, subject to the limits specified in the Listing Rules. Similarly, pursuant to Section 36 of the BTA relating to the issue of new units in a business trust, the Trustee-Manager may not issue any new Far East H-BT Units without the prior approval of the holders of Far East H-BT Units in a general meeting, unless a general mandate for the issuance of new Far East H-BT units is obtained from the holders of Far East H-BT Units and is still in force.

For the purposes of the paragraph above, “**market price**” shall mean (i) the volume weighted average price per Stapled Security (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Far East H-Trust is listed, in the ordinary course of trading, for the period of 10 Business Days (or such other period as prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day or, (ii) where the Managers believe that such market price is not a fair reflection of the market price of a Stapled Security, such amount as determined between the REIT Manager, the Trustee-Manager and the REIT Trustee (after consultation with a stockbroker approved by the REIT Trustee), as being the fair market price of a Stapled Security.

The Managers shall comply with the Listing Rules or the listing rules of such relevant Recognised Stock Exchange in determining the issue price, including the issue price for a rights issue on a *pro-rata* basis to all existing Stapled Securityholders, the issue price of a Stapled Security issued other than by way of a rights issue offered on a *pro-rata* basis to all existing Stapled Securityholders, the issue price for any reinvestment of distribution arrangement, the issue price of any Stapled Securities which are issued as full or partial consideration of an Authorised Investment by Far East H-REIT or Far East H-BT and the issue price for a conversion of instruments which may be convertible into Stapled Securities.

Where the Stapled Securities are issued as full or partial consideration for the acquisition of an Authorised Investment in conjunction with an issue of Stapled Securities to raise cash for the balance of the consideration for the said investment (or part thereof) or for acquiring other investments in conjunction with the said investment, the Managers shall have the discretion to determine that the issue price of the Stapled Securities so issued as consideration shall be the same as the issue price for the Stapled Securities issued in conjunction with an issue of Stapled Securities to raise cash for the aforesaid purposes.

If in connection with an issue of a Stapled Security, any requisite payment of the issue price for such Stapled Security has not been received by the REIT Trustee and the Trustee-Manager before the seventh Business Day after the Stapled Security was agreed to be issued (or such other date as the Managers may agree), the Managers may cancel its agreement to issue such Stapled Security by giving notice to that effect, such Stapled Security will be deemed never to have been issued or agreed to be issued. In such an event, the Managers:

- shall be entitled to charge the investor (and retain the same for their own account) a cancellation fee of such amount as the Managers may from time to time determine to represent the administrative costs involved in processing the application for such Stapled Security from such applicant; and
- may, but shall not be bound to, require the applicant to pay to the Managers for the account of Far East H-REIT in respect of each Stapled Security so cancelled an amount (if any) by which the issue price of such Stapled Security exceeds the repurchase price applying if such Stapled Security was requested to have been repurchased or redeemed on the same day.

Stapled Security Issue Mandate

As at the date of this Prospectus, Golden Development Private Limited is the sole Stapled Securityholder. Golden Development Private Limited has approved, and investors by subscribing for the Stapled Securities pursuant to or in connection with the Offering are deemed to have approved, (A) the issuance of the Stapled Securities pursuant to or in connection with the Offering, the Sponsor Stapled Securities and the Cornerstone Stapled Securities and (B) deemed to have given the authority (the “**Stapled Security Issue Mandate**”) to the Managers to:

- (i) (a) issue Stapled Securities whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

at any time and upon such terms and conditions and for such purposes and to such persons as the Managers may in their absolute discretion deem fit; and
- (ii) issue Stapled Securities in pursuance of any Instrument made or granted by the Managers while the Stapled Security Issue Mandate was in force (notwithstanding that the authority conferred by the Stapled Security Issue Mandate may have ceased to be in force at the time such Stapled Securities are issued),

provided that:

- (A) the aggregate number of Stapled Securities to be issued pursuant to the Stapled Security Issue Mandate (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to the Stapled Security Issue Mandate) shall not exceed 50.0% of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Stapled Securities to be issued other than on a *pro rata* basis to Stapled Securityholders shall not exceed 20.0% of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below);
- (B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (A) above, the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) shall be based on the number of issued Stapled Securities (excluding treasury Stapled Securities, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Stapled Securities;
- (C) in exercising the Stapled Security Issue Mandate, the Managers shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);
- (D) (unless revoked or varied by Stapled Securityholders in a general meeting) the authority conferred by the Stapled Security Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of Far East H-Trust or (ii) the date by which first annual general meeting of Far East H-Trust is required by applicable regulations to be held, whichever is earlier; and
- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Managers are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by the Stapled Security Issue Mandate may have ceased to be in force at the time the Instruments or Stapled Securities are issued; and
- (F) the Managers and the REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such other documents as may be required) as the Managers or, as the case may be, the REIT Trustee, may consider expedient or necessary or in the interest of Far East H-Trust to give effect to the authority conferred by the Stapled Security Issue Mandate.

Unless revoked or varied by Stapled Securityholders in a general meeting, such authority shall continue in full force until the conclusion of the first annual general meeting of Far East H-Trust or the date by which the first annual general meeting is required by law to be held, whichever is the earlier.

Far East H-REIT's and Far East H-BT's first financial year will be from 1 August 2012, the date of constitution as a REIT and a business trust respectively, to 31 December 2012. Accordingly, Far East H-REIT and Far East H-BT will hold their first annual general meeting by 30 April 2013, which is within 18 months from the date of constitution of Far East H-REIT and the date of registration of Far East H-BT. The Stapled Security Issue Mandate will be in force until that date.

Suspension of Issue of the Stapled Securities

The REIT Manager, the REIT Trustee or the Trustee-Manager may, with the prior approval of the others, and subject to the Listing Manual (while Far East H-Trust is listed on the SGX-ST) or the listing rules of any other Recognised Stock Exchange (where the Stapled Securities are listed on such other Recognised Stock Exchange), suspend the issue of the Stapled Securities during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the REIT Manager, the REIT Trustee or as the case may be, the Trustee-Manager, might seriously prejudice the interests of Stapled Securityholders as a whole, the Far East H-REIT Deposited Property or, as the case may be, the Far East H-BT Trust Property;
- any breakdown in the means of communication normally employed in determining the price of any investments of Far East H-Trust or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of Far East H-Trust cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any investments of Far East H-Trust or (if relevant) in the payment for such asset of Far East H-Trust cannot, in the opinion of the REIT Manager, the Trustee-Manager or, as the case may be, the REIT Trustee, be carried out at normal rates of exchange;
- any period where the issuance of the Stapled Securities is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;
- in relation to any general meeting of the holders of Far East H-REIT Units or the holders of Far East H-BT Units, any 48-hour period before such general meeting or any adjournment thereof; or
- when the business operations of the REIT Manager, the REIT Trustee or the Trustee-Manager in relation to Far East H-REIT or, as the case may be, Far East H-BT are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or, as the case may be, the REIT Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the REIT Manager, the REIT Trustee or, as the case may be, the Trustee-Manager.

In the event of any suspension while Far East H-Trust is listed on the SGX-ST and/or any other Recognised Stock Exchange(s), the Managers shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Redemption of the Stapled Securities

When Far East H-Trust is listed on the SGX-ST and/or any other Recognised Stock Exchange

The Managers are not obliged to repurchase or cause the redemption of Stapled Securities so long as Far East H-Trust is listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that Stapled Securityholders may only deal in their listed Stapled Securities through trading on the SGX-ST. However, under the Stapling Deed, the Managers must consult and agree with each other on the terms for the repurchase and/or redemption of the Stapled Securities prior to taking any action. In the event the Managers decide to repurchase and/or cause the redemption of the Stapled Securities, such repurchase and/or redemption must be carried out in accordance with the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed, subject to compliance with the relevant laws, regulations and guidelines and the listing rules of the SGX-ST and/or the listing rules of any other relevant Recognised Stock Exchange and applicable laws, regulations and guidelines.

The Managers may also, subject to all applicable laws, regulations and guidelines, the listing rules of the SGX-ST and/or any other Recognised Stock Exchange, suspend the repurchase or redemption of the Stapled Securities for any period when the issue of the Stapled Securities is suspended pursuant to the terms and conditions of the Stapling Deed.

(See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — The Formation and Structure of Far East H-Trust — Suspension of Issue of the Stapled Securities” for further details.)

When Far East H-Trust is Unlisted

When Far East H-Trust is Unlisted, the Managers may but are not obliged to repurchase or cause the redemption of Stapled Securities more than once a year in accordance with the rules of the Listing Manual and/or the listing rules of such Recognised Stock Exchange and all other applicable laws, regulations and guidelines and a Stapled Securityholder has no right to request for the repurchase or redemption of Stapled Securities more than once a year. “**Unlisted**” in this context means not being included on, or having been delisted from, the Official List of the SGX-ST or, as the case may be, any other Recognised Stock Exchange, and in relation to the Stapled Securities, means having been suspended for more than 60 consecutive calendar days from being listed, quoted or traded on the SGX-ST or, as the case may be, any other Recognised Stock Exchange.

Relevant Legislation Applicable to Far East H-Trust

Far East H-REIT is principally a Singapore-based hospitality and hospitality-related asset REIT constituted by the Far East H-REIT Trust Deed and is principally regulated by the SFA, the CIS Code, the Companies Act, Property Funds Appendix, other relevant legislation and regulations as well as the Far East H-REIT Trust Deed.

Far East H-BT is a business trust constituted by the Far East H-BT Trust Deed and is principally regulated by the BTA, the SFA, other relevant legislation and regulations as well as the Far East H-BT Trust Deed.

The Take-Over Code

Stapled Securityholders must closely adhere to the Take-Over Code in respect of any acquisitions or investments as REITs and business trusts are subject to the Take-Over Code.

Under the Take-Over Code, any person acquiring an interest, either individually or with parties acting in concert, in 30.0% or more of the Stapled Securities may be required to extend a takeover offer for the remaining Stapled Securities in accordance with the Take-Over Code. A mandatory takeover offer is also required to be made if a person holding between 30.0% and 50.0% inclusive of the Stapled Securities, either individually or in concert, acquires an additional 1.0% or more of the Stapled Securities in any six-month period under the Take-Over Code.

THE FORMATION AND STRUCTURE OF FAR EAST H-REIT

Far East H-REIT was constituted as a REIT on 1 August 2012 by a declaration of trust made between the REIT Trustee and the REIT Manager, and is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix). Far East H-REIT was authorised as a collective investment scheme by the Authority on 16 August 2012.

The terms and conditions of the Far East H-REIT Trust Deed shall be binding on each holder of Far East H-REIT Units (and persons claiming through such holder of Far East H-REIT Units) as if such holder of Far East H-REIT Units had been a party to the Far East H-REIT Trust Deed and as if the Far East H-REIT Trust Deed contains covenants by such holder of Far East H-REIT Units to do all such acts and things as the Far East H-REIT Trust Deed may require the REIT Manager and/or the REIT Trustee to do.

Operational Structure

Far East H-REIT is constituted to invest in real estate and real estate-related assets and the REIT Manager must manage Far East H-REIT so that the principal investments of Far East H-REIT are real estate and real estate-related assets (including ownership of companies or other legal entities whose primary purpose is to hold or own real estate or real estate-related assets). The principal investment strategy of Far East H-REIT is to invest on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

Far East H-REIT aims to generate returns for the holders of Far East H-REIT Units by owning, buying and managing such properties in line with its investment strategy (including selling any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the CIS Code (including the Property Funds Appendix) and the Listing Manual, the REIT Manager is also authorised under the Far East H-REIT Trust Deed to invest in investments other than real estate. Although the REIT Manager may use certain financial derivative instruments to the extent permitted by such laws, rules and regulations as may be applicable including, but not limited, to the CIS Code

(including the Property Funds Appendix) and the Listing Manual, the REIT Manager presently does not have any intention for Far East H-REIT to invest in options, warrants, commodities, futures contracts and precious metals.

The Far East H-REIT Trust Deed

While the Far East H-REIT Units remain stapled to the Far East H-BT Units, the terms and conditions of the Far East H-REIT Trust Deed shall be binding on each Stapled Securityholder (and persons claiming through such Stapled Securityholders) as if such Stapled Securityholder had been a party to the Far East H-REIT Trust Deed and as if the Far East H-REIT Trust Deed contains covenants by such Stapled Securityholder to observe and be bound by the provisions of the Far East H-REIT Trust Deed and an authorisation by each Stapled Securityholder to do all such acts and things as the Far East H-REIT Trust Deed may require the REIT Manager and/or the REIT Trustee to do.

The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the Far East H-REIT Trust Deed and certain rights, duties and obligations of the REIT Manager, the REIT Trustee and (while Far East H-REIT Units remain stapled to Far East H-BT Units) Stapled Securityholders under the Far East H-REIT Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to Interested Party Transactions. To the extent of any inconsistency between the obligations of the REIT Manager under the Far East H-REIT Trust Deed and the Stapling Deed, the provisions of the Stapling Deed will prevail.

The Far East H-REIT Units and the holders of Far East H-REIT Units

The rights and interests of the holders of Far East H-REIT Units are contained in the Far East H-REIT Trust Deed. Under the Far East H-REIT Trust Deed, these rights and interests are safeguarded by the REIT Trustee.

Each Far East H-REIT Unit represents an undivided interest in Far East H-REIT. Holders of Far East H-REIT Units have no equitable or proprietary interest in the Far East H-REIT Deposited Property and are not entitled to the transfer to them of the Far East H-REIT Deposited Property (or any part thereof) or of any estate or interest in the Far East H-REIT Deposited Property (or any part thereof). The rights of holders of Far East H-REIT Units under the Far East H-REIT Trust Deed are limited to the right to require due administration of Far East H-REIT in accordance with the provisions of the Far East H-REIT Trust Deed, including, without limitation, by suit against the REIT Trustee or the REIT Manager.

Under the Far East H-REIT Trust Deed, each holder of Far East H-REIT Units acknowledges and agrees that it will not commence or pursue any action against the REIT Trustee or the REIT Manager seeking an order for specific performance or for injunctive relief in respect of the Far East H-REIT Deposited Property (or any part thereof), including all its Authorised Investments, and waives any rights it may otherwise have to such relief. If the REIT Trustee or the REIT Manager breaches or threatens to breach its duties or obligations to the holders of Far East H-REIT Units under the Far East H-REIT Trust Deed, the holders of Far East H-REIT Units have recourse against the REIT Trustee or the REIT Manager but this is limited to a right to recover damages or compensation from the REIT Trustee or the REIT Manager in

a court of competent jurisdiction, and the holder of Far East H-REIT Units acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the Far East H-REIT Trust Deed, a holder of Far East H-REIT Units may not interfere or seek to interfere with the rights, powers, authority or discretion of the REIT Manager or the REIT Trustee, exercise any right in respect of the Far East H-REIT Deposited Property (or any part thereof) or lodge any caveat or other notice affecting the Far East H-REIT Deposited Property or any of the Far East H-REIT Deposited Property, or require that any of the Far East H-REIT Deposited Property be transferred to such holders of Far East H-REIT Units.

No certificate shall be issued to a holder of the Far East H-REIT Units by either the REIT Manager or the REIT Trustee in respect of Far East H-REIT Units issued to the holders of Far East H-REIT Units. For so long as Far East H-Trust is listed, quoted and traded on the SGX-ST, the REIT Manager shall, appoint CDP as the unit depository for Far East H-REIT in respect of all scripless Far East H-REIT Units in accordance with CDP's depository services terms and conditions relating to the deposit of Far East H-REIT Units in CDP ("**Depository Services Terms and Conditions**"). Stapled Securities, and all Far East H-REIT Units issued as part of the Stapled Securities will be represented by entries in both the register of the holders of Far East H-REIT Units kept by the REIT Trustee or the agent appointed by the REIT Trustee and the register of Stapled Securityholders jointly kept by the REIT Trustee and the Trustee-Manager or their agents in the name of, and deposited with, CDP as the registered holder of such Stapled Securities.

The Managers or their jointly appointed agent shall issue to CDP not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that Stapled Securities are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Far East H-REIT Trust Deed and the Stapling Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Far East H-REIT Units and the corresponding Stapled Securities issued.

There are no restrictions under the Stapling Deed, the Far East H-REIT Trust Deed, the Far East H-BT Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Far East H-REIT Units and to own the Far East H-REIT Units except in the case of a rights issue or, as the case may be, any preferential offering, where the REIT Manager has the right under the Far East H-REIT Trust Deed to elect not to extend an offer of Far East H-REIT Units under the rights issue or, as the case may be, any preferential offering to holders of Far East H-REIT Units whose addresses are outside Singapore. The Take-Over Code applies to REITs. As a result, acquisitions of Stapled Securities which may result in a change in effective control of Far East H-Trust and the aggregate Stapled Securityholdings of an entity and its concert parties crossing certain thresholds may be subject to the provisions of the Take-Over Code, such as a requirement to make a mandatory offer for Stapled Securities.

Changes in Equity of the Holders of Far East H-REIT Units

The REIT Manager may at any time with the approval of the REIT Trustee and on prior written notice (i) given to each holder of Far East H-REIT Unit, or (ii) (when Far East H-REIT is listed, quoted and traded on the SGX-ST) by the REIT Trustee delivering such notice in writing to

CDP for onward delivery to the Depositors, determine that each Far East H-REIT Unit shall be sub-divided into two or more Far East H-REIT Units or consolidated with one or more other Far East H-REIT Units and the holders of Far East H-REIT Units shall be bound accordingly. While Stapling applies, Far East H-REIT Units may not be sub-divided or consolidated unless the corresponding Far East H-BT Units are sub-divided or, as the case may be, consolidated at the same time and to the same extent.

The Register shall be altered accordingly to reflect the new number of Far East H-REIT Units held by each holder of Far East H-REIT Units as a result of such sub-division or consolidation and the REIT Manager shall cause CDP to alter the depository register accordingly in respect of the securities account of each relevant holder of Far East H-REIT Unit to reflect the new number of Far East H-REIT Units held by such holder of Far East H-REIT Unit as a result of such sub-division or consolidation.

Rights, Preferences and Restrictions Attaching to Each Class of Far East H-REIT Units

The Far East H-REIT Trust Deed provides that rights attached to the Far East H-REIT Units issued with special conditions have to be clearly defined in the Far East H-REIT Trust Deed and, if at any time, different classes of Far East H-REIT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Far East H-REIT Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-REIT Units of that class.

Currently, there is only one class of Far East H-REIT Units and every Far East H-REIT Unit carries the same voting rights. For so long as Far East H-REIT is listed, CDP shall be the registered holder of all the Far East H-REIT Units in issue and CDP shall be the registered holder of all the Far East H-REIT Units in issue and CDP shall pursuant to the Depository Services Terms and Conditions maintain a record in a depository register of the holders of Far East H-REIT Units having Far East H-REIT Units credited into their respective Securities Accounts and to record in the depository register the following information stated below in relation to each namely:

- the names and addresses of the holders of Far East H-REIT Units;
- the class of Far East H-REIT Units held by each holder of Far East H-REIT Units;
- the number of Far East H-REIT Units held by each holder of Far East H-REIT Units;
- the date on which every such person entered in respect of the Far East H-REIT Units standing in his name became a holder of Far East H-REIT Units and, where he became a holder of Far East H-REIT Units by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified;
- the date on which any transfer is registered and the name and address of the transferee; and
- where applicable, the day on which the holder of Far East H-REIT Units ceased to be a holder of Far East H-REIT Units.

Each holder of Far East H-REIT Units named in the depository register shall for such period as the Far East H-REIT Units are entered against his name in the depository register, be deemed to be the owner in respect of the number of Far East H-REIT Units entered against

the name of such holder of Far East H-REIT Units in the depository register and the REIT Manager shall be entitled to rely on any and all such information in the depository register.

The entries in the depository register shall (save in the case of manifest error) be conclusive evidence of the number of Far East H-REIT Units held by each holder of Far East H-REIT Units and, in the event of any discrepancy between the entries in the depository register and the details appearing in any confirmation note or monthly statement issued by CDP, the entries in the depository register shall prevail unless the holder of Far East H-REIT Units proves to the satisfaction of the REIT Manager and CDP that the depository register is incorrect.

Distributions

Subject to the Far East H-REIT Trust Deed and all applicable laws, regulations and guidelines, the REIT Manager shall have the right to make regular distributions of all (or such lower percentage as the REIT Manager may determine) (i) net tax-exempt income, after adjusting for cash expenses to holders of Far East H-REIT Units at quarterly or such other intervals as the REIT Manager shall decide in its absolute discretion, and (ii) net Taxable Income (excluding gains from sale of Authorised Investments) at such time as the REIT Manager may in its absolute discretion deem fit. All distributions are paid *pro rata* among the holders of Far East H-REIT Units in proportion to the amount paid-up on each of their Far East H-REIT Units, unless the rights attached to an issue of any Far East H-REIT Unit provide otherwise. Any monies payable to holders of Far East H-REIT Units which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Monies Account**”) from which the REIT Trustee may, from time to time, make payments to holders of Far East H-REIT Units claiming any such monies. Subject to the winding-up provisions in the Far East H-REIT Trust Deed, the REIT Trustee shall cause such sums which represent monies remaining in the Unclaimed Monies Account for five years after the date of payment of such monies into the Unclaimed Monies Account and interest, if any, earned thereon, to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the monies payable to the relevant holder of Far East H-REIT Units.¹ If the said monies are insufficient to meet all such fees, costs and expenses, the REIT Trustee shall be entitled to have recourse to the Far East H-REIT Deposited Property for such payment. Where the Far East H-REIT is listed and to the extent that such unclaimed moneys are held by the CDP, subject to the winding-up provisions in the Far East H-REIT Trust Deed, the REIT Trustee shall cause such sums which are returned by the CDP to the REIT Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such holder of Far East H-REIT Units) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant holder of Far East H-REIT Units PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the REIT Trustee shall be entitled to have recourse to the Far East H-REIT Deposited Property for such payment.

¹ The Trustees Act, Chapter 337 of Singapore (the “**Trustees Act**”) allows a trustee to discharge its liabilities towards unclaimed monies by paying such monies into Singapore courts, although it does not prescribe the period for which the monies must be unclaimed before they may be paid into the courts.

Voting Rights

A holder of Far East H-REIT Units is entitled to attend, speak and vote at any general meeting of the holders of Far East H-REIT Units in person or by proxy and a holder of Far East H-REIT Units may appoint not more than two proxies to attend and vote at the same general meeting as a holder of Far East H-REIT Units if his name appears on the depository register as at 48 hours before the time of the relevant general meeting as certified by the depository to Far East H-REIT. Except as otherwise provided in the Far East H-REIT Trust Deed, not less than two holders of Far East H-REIT Units must be present in person or by proxy of one-tenth in value of all the Far East H-REIT Units for the time being in issue to constitute a quorum at any general meeting. Under the Far East H-REIT Trust Deed, on a show of hands every holder of Far East H-REIT Units present in person or by proxy shall have one vote, and on a poll, every holder of Far East H-REIT Units who is present in person or by proxy shall have one vote for every Far East H-REIT Unit which he holds or represents. Subject to the requirements of the prevailing listing rules of the SGX-ST, voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the general meeting or by five or more holders of Far East H-REIT Units (including their proxies) having the right to vote at the general meeting or by holders of Far East H-REIT Units (including their proxies) representing not less than 10.0% of the total voting rights of all the holders of Far East H-REIT Units having the right to vote at the general meeting.

Variation of Rights of Respective Classes of Far East H-REIT Units

If at any time different classes of Far East H-REIT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Far East H-REIT Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not Far East H-REIT is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-REIT Units of that class. To every such Extraordinary Resolution of the holders of Far East H-REIT Units of that class, the provisions of the Far East H-REIT Trust Deed relating to general meetings of the holders of Far East H-REIT Units shall apply *mutatis mutandis* provided that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Far East H-REIT Units of the class and that any holders of Far East H-REIT Units of that class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every Unit of the class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of the holders of Far East H-REIT Units, consent in writing if obtained from the holders of three-quarters of the issued Far East H-REIT Units of the class concerned within two months of such meeting of the holders of Far East H-REIT Units shall be as valid and effectual as an Extraordinary Resolution at such meeting of the holders of Far East H-REIT Units.

The rights conferred upon the holders of Far East H-REIT Units of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the Far East H-REIT Units of that class or by the Far East H-REIT Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Far East H-REIT Units ranking equally therewith, and would therefore require the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-REIT Units of such class.

The Far East H-REIT Trust Deed does not impose more stringent conditions than those required by the applicable law.

Issue of Far East H-REIT Units

The REIT Manager has the right to issue Far East H-REIT Units for the account of Far East H-REIT. For so long as Far East H-REIT is listed on the SGX-ST, the REIT Manager may, subject to the provisions of the Listing Manual, the Far East H-REIT Trust Deed and any other applicable laws, regulations and guidelines, issue Far East H-REIT Units.

If in connection with an issue of a Far East H-REIT Unit, any requisite payment of the issue price for such Far East H-REIT Unit has not been received by the REIT Trustee before the seventh Business Day after the date on which the Far East H-REIT Unit was agreed to be issued (or such other date as the REIT Manager and the REIT Trustee may agree), the REIT Manager may, in its absolute discretion, cancel its agreement to issue such Far East H-REIT Unit and such Far East H-REIT Unit will be deemed never to have been issued or agreed to be issued. In such an event, the REIT Manager may, at its discretion, charge the investor (and retain the same for its own account) a cancellation fee of such amount as the REIT Manager may from time to time determine to represent the administrative costs involved in processing the application for such Far East H-REIT Unit.

Suspension of Issue of Far East H-REIT Units

The REIT Manager or the REIT Trustee may, with the prior written approval of the other and subject to the Listing Manual suspend the issue of Far East H-REIT Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the REIT Manager or, as the case may be, the REIT Trustee, might seriously prejudice the interests of the holders of Far East H-REIT Units as a whole or the Far East H-REIT Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of Far East H-REIT or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of Far East H-REIT cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any asset of Far East H-REIT or in the payment for such asset of Far East H-REIT cannot, in the opinion of the REIT Manager, be carried out at normal rates of exchange;
- any period where the issuance of Far East H-REIT Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;
- in relation to any general meeting of holders of Far East H-REIT Units, any 48-hour period before such general meeting or any adjournment thereof; or
- when the business operations of the REIT Manager or the REIT Trustee in relation to Far East H-REIT are substantially interrupted or closed as a result of, or arising from,

pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager or, as the case may be, the REIT Trustee, and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the REIT Manager or, as the case may be, the REIT Trustee.

In the event of any suspension while Far East H-REIT is listed on the SGX-ST, the REIT Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST.

Meeting of Holders of Far East H-REIT Units

Under applicable law and the provisions of the Far East H-REIT Trust Deed, Far East H-REIT will not hold any meetings for holders of Far East H-REIT Units unless the REIT Manager or the REIT Trustee convenes a meeting or unless not less than 50 holders of Far East H-REIT Units or the holders of Far East H-REIT Units holding not less than 10.0% of issued Far East H-REIT Units (whichever is the lesser) request a meeting to be convened.

A meeting of holders of Far East H-REIT Units when convened may:

- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, sanction any modification, alteration or addition to the Far East H-REIT Trust Deed which shall be agreed by the REIT Manager and the REIT Trustee as provided in the Far East H-REIT Trust Deed;
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of fees payable to the REIT Manager and the REIT Trustee;
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, remove the auditors of Far East H-REIT and appoint other auditors in their place;
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, delist Far East H-REIT after it has been listed;
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, issue Far East H-REIT Units on an unpaid or partly paid basis;
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, remove the REIT Trustee; and
- by Extraordinary Resolution and in accordance with the Far East H-REIT Trust Deed, direct the REIT Trustee to take any action pursuant to Section 295 of the SFA.

A meeting of holders of Far East H-REIT Units may, also by Ordinary Resolution and in accordance with the Far East H-REIT Trust Deed, remove the REIT Manager.

Any decision to be made by resolution of the holders of Far East H-REIT Units other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code, the Listing Manual or any other applicable laws and regulations.

Except as otherwise provided for in the Far East H-REIT Trust Deed, 14 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the holders of Far East H-REIT Units in the manner provided in the Far East H-REIT Trust Deed. The quorum at a meeting shall not be less than two holders of Far East H-REIT Units present in person or by proxy together holding or representing one-tenth in value of all Far East H-REIT Units for the time being in issue. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be given by advertisement in the daily press and in writing to each stock exchange on which Far East H-REIT is listed.

Subject to the requirements of the prevailing listing rules by the SGX-ST, voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the meeting, or by five or more holders of Far East H-REIT Units present in person or by proxy, or holding or representing one tenth in value of all Far East H-REIT Units represented at the meeting. Holders of Far East H-REIT Units do not have different voting rights on account of the number of votes held by a particular holder of Far East H-REIT Units. On a show of hands, every holder of Far East H-REIT Units has one vote. On a poll, every holder of Far East H-REIT Units has one vote for each Far East H-REIT Unit of which it is the holder. The Far East H-REIT Trust Deed does not contain any limitation on non-Singapore resident or foreign holders of Far East H-REIT Units holding Far East H-REIT Units or exercising the voting rights with respect to their holdings of Far East H-REIT Units.

Neither the REIT Manager nor any of its associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the REIT Manager or any of its associates has a material interest save for an Ordinary Resolution duly proposed to remove the REIT Manager, in which case, no holder of Far East H-REIT Units shall be disenfranchised.

For so long as the REIT Manager is the manager of Far East H-REIT, the controlling shareholders (as defined in the Listing Manual) of the REIT Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of holders of Far East H-REIT Units convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have a material interest.

Rights and Liabilities of the Holders of Far East H-REIT Units

The key rights of the holders of Far East H-REIT Units include rights to:

- receive income and other distributions attributable to Far East H-REIT Units held;
- receive audited financial statements and the annual reports of Far East H-REIT; and
- participate in the termination of Far East H-REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Far East H-REIT less any liabilities, in accordance with their proportionate interests in Far East H-REIT.

No holder of Far East H-REIT Units has a right to require that any asset of Far East H-REIT be transferred to him.

Further, the holders of Far East H-REIT Units cannot give any directions to the REIT Manager or the REIT Trustee (whether at a meeting of holders of Far East H-REIT Units or otherwise)

if it would require the REIT Manager or the REIT Trustee to do or omit from doing anything which may result in:

- Far East H-REIT ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the REIT Manager or the REIT Trustee by the Far East H-REIT Trust Deed or the determination of any matter which, under the Far East H-REIT Trust Deed, requires the agreement of either or both of the REIT Manager and the REIT Trustee.

The Far East H-REIT Trust Deed contains provisions that are designed to limit the liability of a holder of Far East H-REIT Units to the amount paid or payable for any Far East H-REIT Unit. The provisions seek to ensure that if the issue price of Far East H-REIT Units held by a holder of Far East H-REIT Units has been fully paid, no such holder of Far East H-REIT Units, by reason alone of being a holder of Far East H-REIT Units, will be personally liable to indemnify the REIT Trustee or any creditor of Far East H-REIT in the event that the liabilities of Far East H-REIT exceed its assets.

Under the Far East H-REIT Trust Deed, each Far East H-REIT Unit carries the same voting rights.

Limitations on the Right to Own Far East H-REIT Units

Far East H-REIT Units issued to persons resident outside Singapore

In relation to any rights issue or preferential offering, the REIT Manager may in its absolute discretion elect not to extend an offer of Far East H-REIT Units under the rights issue or preferential offering to those holders of Far East H-REIT Units, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocation of Far East H-REIT Units of such holders of Far East H-REIT Units may be offered for sale by the REIT Manager as the nominee and authorised agent of each such relevant holder of Far East H-REIT Unit in such manner and at such price, as the REIT Manager may determine.

Where necessary, the REIT Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant holders of Far East H-REIT Units whose rights or entitlements have been thus sold, provided that where such proceeds payable to the relevant holders of Far East H-REIT Units are less than S\$10.00, the REIT Manager shall be entitled to retain such proceeds as part of the Far East H-REIT Deposited Property.

Amendment of the Far East H-REIT Trust Deed

Save where an amendment to the Far East H-REIT Trust Deed has been approved by an Extraordinary Resolution passed at a meeting of holders of Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed, no amendment may be made to the provisions of the Far East H-REIT Trust Deed unless the REIT Trustee certifies, in its opinion, that such amendment:

- (i) does not materially prejudice the interests of the holders of Far East H-REIT Units and does not operate to release to any material extent the REIT Manager or the REIT Trustee from any responsibility to the holders of Far East H-REIT Units;

- (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under all other applicable laws, regulations and guidelines; or
- (iii) is made to remove obsolete provisions or to correct a manifest error.

No such amendment shall impose upon any holder of Far East H-REIT Units any obligation to make any further payments in respect of his Far East H-REIT Units or to accept any liability in respect thereof.

Circumstances under which the REIT Manager and/or REIT Trustee may be indemnified out of the Far East H-REIT Deposited Property

In general, subject to any express provision under the Far East H-REIT Trust Deed and without prejudice to any right of indemnity at law given to the REIT Manager and/or the REIT Trustee, the REIT Manager and/or the REIT Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as REIT Manager and/or the REIT Trustee to have recourse to the Far East H-REIT Deposited Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence or wilful default or breach of the Far East H-REIT Trust Deed by the REIT Manager and/or the REIT Trustee or a breach of trust by the REIT Trustee.

Circumstances under which the REIT Manager and/or the REIT Trustee may exclude liability in relation to carrying out of its duties with respect to Far East H-REIT

Subject to the duties and obligations of the REIT Trustee under the Far East H-REIT Trust Deed, the REIT Trustee shall at all times be entitled to rely on the recommendations, certifications and representations of the REIT Manager in relation to Far East H-REIT and shall not be liable for any act or omission of the REIT Manager in relation to Far East H-REIT save where the REIT Trustee is fraudulent, grossly negligent or in wilful default.

In the absence of fraud, gross negligence, wilful default or breach of trust by the REIT Trustee, the REIT Trustee shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Far East H-REIT Trust Deed.

The REIT Manager shall not be under any liability except such liability as may be assumed by it under the Far East H-REIT Trust Deed nor shall the REIT Manager (save as otherwise appears in the Far East H-REIT Trust Deed) be liable for any act or omission of the REIT Trustee.

In the absence of fraud, gross negligence, wilful default or breach of the Far East H-REIT Trust Deed by REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Far East H-REIT Trust Deed.

Substantial Far East H-REIT Unitholdings

As the Stapled Securities comprise Far East H-REIT Units and Far East H-BT Units stapled together, Stapled Securityholders have to comply with the regulatory requirements imposed on both Far East H-REIT and Far East H-BT, including that of the requirement to disclose substantial holdings.

With regard to Far East H-REIT, any holder of Far East H-REIT Units with an interest in one or more Far East H-REIT Units constituting not less than 5.0% of all Far East H-REIT Units in issue (“**Substantial holders of Far East H-REIT Units**”) will be required to notify the REIT Trustee and the SGX-ST of their deemed and direct holdings and any subsequent change in the percentage level of such holdings or their ceasing to hold 5.0% or more of the total number of Far East H-REIT Units within two Business Days of acquiring such holdings or of such changes or such cessation. Failure to comply with the notification requirements of the SFA constitutes an offence and will render a Substantial holder of Far East H-REIT Units liable to a fine on conviction.

The REIT Manager also has power under the Far East H-REIT Trust Deed to require information to be provided where it has reasonable cause to believe that the relevant SFA provisions have been triggered. Failure to comply with a request of the REIT Manager or with the SFA requirements will also entitle the REIT Manager to take various actions with respect to the particular Far East H-REIT Units, including suspending voting rights and suspending distribution entitlements.

Under the existing Section 137B of the SFA, Substantial Stapled Securityholders are required to notify the REIT Trustee of (i) their interest(s) in Far East H-REIT Units within two Business Days after becoming a Substantial Stapled Securityholder, (ii) any subsequent change in the percentage level of such holdings (rounded down to the next whole number) within two Business Days after they become aware of such changes or (iii) their ceasing to hold 5.0% or more of the total number of Units within two Business Days after such cessation. Under the existing Section 137A of the SFA, Substantial Stapled Securityholders must also, within the same time limit, submit such notifications to the SGX-ST.

On 19 January 2009, the Securities and Futures (Amendment) Act 2009 was passed by the Singapore Parliament. However, certain provisions of the Securities and Futures (Amendment) Act 2009 (including the new and/or amended Sections 135 to 137B and 137U of the SFA relating to notification of unitholdings by Substantial Stapled Securityholders) have not come into force as at the date of this Prospectus. When the new and/or amended Sections 135 to 137B of the SFA (read with the new Section 137U of the SFA) come into force, Substantial Stapled Securityholders will be required to notify the REIT Manager and the REIT Trustee within two Business Days after becoming aware of their becoming a Substantial Stapled Securityholder, any subsequent change in the percentage level of their interest(s) in Stapled Securities (rounded down to the next whole number) or their ceasing to be a Substantial Stapled Securityholder.

(See “The Formation and Structure of Far East H-Trust, Far East H-REIT and Far East H-BT — Far East H-BT — Substantial Far East H-BT Holdings” for further details.)

The REIT Manager Board’s Declaration of Holdings of Far East H-REIT Units

Under the Far East H-REIT Trust Deed, the REIT Manager Directors are required to give notice to the REIT Manager of their acquisition of Far East H-REIT Units or of changes to the number of Far East H-REIT Units which they hold or in which they have an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Far East H-REIT Units which they hold or in which they have an interest, as applicable. Upon such notification, the REIT Manager will promptly announce such interests or changes via SGXNET or to any other relevant Recognised Stock Exchange.

A REIT Manager Director is deemed to have an interest in Far East H-REIT Units in the following circumstances:

- Where he is the beneficial owner of a Far East H-REIT Unit (whether directly through a Securities Account with CDP or indirectly through a depository agent or otherwise);
- Where a body corporate is the beneficial owner of a Far East H-REIT Unit and he is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate;
- Where his spouse or child (including step-child and adopted child) who is a minor has any interest in a Far East H-REIT Unit;
- Where he, his spouse or infant child (including step-child and adopted child):
 - has entered into a contract to purchase a Far East H-REIT Unit;
 - has a right to have a Far East H-REIT Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
 - has the right to acquire a Far East H-REIT Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
 - is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of holders of Far East H-REIT Units) to exercise or control the exercise of a right attached to a Far East H-REIT Unit, not being a Far East H-REIT Unit of which any of them is the holder; and
- Where the property subject to a trust consists of, or includes, a Far East H-REIT Unit and the REIT Manager Director knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Far East H-REIT Unit.

Duty of the REIT Manager to Make Disclosure

On 19 January 2009, the Securities and Futures (Amendment) Act 2009 was passed by the Singapore Parliament. However, certain provisions of the Securities and Futures (Amendment) Act 2009 (including the new Section 137ZC of the SFA relating to notification of unitholdings) have not come into force as at the date of this Prospectus. When the new Section 137ZC of the SFA comes into force, where the REIT Manager acquires or disposes of interests in Far East H-REIT Units or debentures or units of debentures of Far East H-Trust, or the REIT Manager has been notified in writing by, inter alia, a Substantial Stapled Securityholder or director or Chief Executive Officer of the REIT Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the REIT Manager shall announce such information via the SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the REIT Manager became aware of the acquisition or disposal or received the notice.

Directors and Chief Executive Officer of the REIT Manager

On 19 January 2009, the Securities and Futures (Amendment) Act 2009 was passed by the Singapore Parliament. However, certain provisions of the Securities and Futures (Amendment) Act 2009 (including the new Section 137Y of the SFA relating to notification of unitholdings by directors and chief executive officer of the REIT Manager) have not come into force as at the date of this Prospectus. When the new Section 137Y of the SFA comes into force, directors and chief executive officers of the REIT Manager will be required to, within two Business Days, notify the REIT Manager of their acquisition of interest in Stapled Securities or of changes to the number of Stapled Securities which they hold or in which they have an interest.

A director of the REIT Manager is deemed to have an interest in Far East H-REIT Units in the following circumstances:

- Where the REIT Manager Director is the beneficial owner of a Far East H-REIT Unit (whether directly through a direct Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that Far East H-REIT Unit.
- Where a body corporate is the beneficial owner of a Far East H-REIT Unit and the director is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that Far East H-REIT Unit.
- Where the REIT Manager Director's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a Far East H-REIT Unit, he is deemed to have an interest in that Far East H-REIT Unit.
- Where the REIT Manager Director, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:
 - has entered into a contract to purchase a Far East H-REIT Unit;
 - has a right to have a Far East H-REIT Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
 - has the right to acquire a Far East H-REIT Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
 - is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of holders of Far East H-REIT Units) to exercise or control the exercise of a right attached to a Far East H-REIT Unit, not being a Far East H-REIT Unit of which any of them is the holder,the REIT Manager Director is deemed to have an interest in that Far East H-REIT Unit.
- Where the property subject to a trust consists of or includes a Far East H-REIT Unit and the REIT Manager Director knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Far East H-REIT Unit, he is deemed to have an interest in that Far East H-REIT Unit.

The REIT Trustee

The trustee of Far East H-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and is registered as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S\$2.5 million. The REIT Trustee has a place of business in Singapore at 12 Marina Boulevard, #44-01 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982.

Powers, Duties and Obligations of the REIT Trustee

The REIT Trustee's powers, duties and obligations are set out in the Far East H-REIT Trust Deed. The powers and duties of the REIT Trustee include:

- acting as trustee of Far East H-REIT and, in such capacity, safeguarding the rights and interests of the holders of Far East H-REIT Units, for example, by satisfying itself that transactions it enters into for and on behalf of Far East H-REIT with a Related Party of the REIT Manager or Far East H-REIT are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-REIT and the holders of Far East H-REIT Units, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;
- holding the assets of Far East H-REIT on trust for the benefit of the holders of Far East H-REIT Units in accordance with the Far East H-REIT Trust Deed;
- lending monies out of the assets of Far East H-REIT for the benefit of Stapled Securityholders as a whole in accordance with the Far East H-REIT Trust Deed and subject to compliance with the applicable laws, regulations and guidelines; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Far East H-REIT.

The REIT Trustee has covenanted in the Far East H-REIT Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the holders of Far East H-REIT Units.

In the exercise of its powers, the REIT Trustee may (on the recommendation of the REIT Manager) and subject to the provisions of the Far East H-REIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The REIT Trustee may, subject to the provisions of the Far East H-REIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers, including a Related Party of the REIT Manager, in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

Although the REIT Trustee may borrow money and obtain other financial accommodation for the purposes of Far East H-REIT and to on-lend money to Far East H-BT, both on a secured and unsecured basis, the REIT Manager must not direct the REIT Trustee to incur a liability if to do so would mean that total liabilities of Far East H-REIT exceed 35.0% of the value of the Far East H-REIT Deposited Property (or such other limit as may be stipulated by the Property Funds Appendix or other limit prescribed by the MAS) unless a credit rating from Fitch,

Moody's or Standard & Poor's is obtained and disclosed to the public. The Property Funds Appendix allows Far East H-REIT to borrow up to 60.0% of the value of the Far East H-REIT Deposited Property only if such credit rating is obtained and disclosed to the public.

The REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Far East H-REIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Tax Ruling and all other applicable laws, regulations and guidelines. It must retain Far East H-REIT's assets, or cause Far East H-REIT's assets to be retained, in safe custody and cause Far East H-REIT's accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of Far East H-REIT.

The REIT Trustee is not personally liable to a holder of Far East H-REIT Units in connection with the office of the REIT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the Far East H-REIT Trust Deed and Stapling Deed. Any liability incurred and any indemnity to be given by the REIT Trustee shall be limited to the assets of Far East H-REIT over which the REIT Trustee has recourse, provided that the REIT Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Far East H-REIT Trust Deed. The Far East H-REIT Trust Deed contains certain indemnities in favour of the REIT Trustee under which it will be indemnified out of the assets of Far East H-REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the REIT Trustee

The REIT Trustee may retire or be replaced under the following circumstances:

- The REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Far East H-REIT Trust Deed); and
- The REIT Trustee may be removed by notice in writing to the REIT Trustee by the REIT Manager:
 - if the REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the REIT Trustee;
 - if the REIT Trustee ceases to carry on business;
 - if the REIT Trustee fails or neglects after reasonable notice from the REIT Manager to carry out or satisfy any material obligation imposed on the REIT Trustee by the Far East H-REIT Trust Deed;
 - if the holders of Far East H-REIT Units by Extraordinary Resolution duly passed at a meeting of holders of Far East H-REIT Units held in accordance with the provisions of the Far East H-REIT Trust Deed, and of which not less than 21 days' notice has been given to the REIT Trustee and the REIT Manager, shall so decide; or
 - if the MAS directs that the REIT Trustee be removed.

Remuneration of the REIT Trustee

The REIT Trustee's fee is presently charged on a scaled basis of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property, subject to a minimum of S\$20,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee will also be paid a one-time inception fee of S\$50,000.

Under the Far East H-REIT Trust Deed, the maximum fee which the REIT Trustee may charge is 0.02% per annum of the Far East H-REIT Deposited Property. Any increase in the REIT Trustee's fee beyond the current scaled basis but subject to the maximum permitted amount of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property will be subject to agreement between the REIT Manager and the REIT Trustee.

Any increase in the maximum permitted amount or any change in the structure of the REIT Trustee's fee must be approved by an Extraordinary Resolution at a meeting of holders of the Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed.

Changes in the Fees payable

An Extraordinary Resolution of the holders of Far East H-REIT Units at a meeting convened and held in accordance with the provisions of the Far East H-REIT Trust Deed is required to approve:

- any increase in the rate above the permitted limit or any change in the structure of the REIT Trustee's fee; and
- any increase in the rate above the permitted limit or any change in the structure of the REIT Manager's acquisition fee, divestment fee and development management fee.

Termination of Far East H-REIT

Under the provisions of the Far East H-REIT Trust Deed, the duration of Far East H-REIT shall end on the earliest of:

- the date on which Far East H-REIT is terminated by the REIT Manager in such circumstances as set out under the provisions of the Far East H-REIT Trust Deed, as described below; or
- the date on which Far East H-REIT is terminated by the REIT Trustee in such circumstances as set out under the provisions of the Far East H-REIT Trust Deed, as described below.

The REIT Manager may in its absolute discretion terminate Far East H-REIT by giving notice in writing to all the holders of Far East H-REIT Units and the REIT Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the REIT Manager impracticable or inadvisable to continue Far East H-REIT;

- if the NAV of the Far East H-REIT Deposited Property shall be less than S\$50.0 million after the end of the first anniversary of the date of the Far East H-REIT Trust Deed or any time thereafter; and
- if at any time Far East H-REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable laws or regulations, Far East H-REIT may be terminated by the REIT Trustee by notice in writing in any of the following circumstances, namely:

- if the REIT Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the REIT Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the REIT Trustee fails to appoint a successor manager in accordance with the provisions of the Far East H-REIT Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the REIT Trustee impracticable or inadvisable to continue Far East H-REIT; and
- if within the period of three months from the date of the REIT Trustee expressing in writing to the REIT Manager the desire to retire the REIT Manager fails to appoint a new trustee in accordance with the provisions of the Far East H-REIT Trust Deed.

The decision of the REIT Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the REIT Trustee shall be under no liability on account of any failure to terminate Far East H-REIT pursuant to the paragraph above or otherwise. The REIT Manager shall accept the decision of the REIT Trustee and relieve the REIT Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

In addition to the above, the holders of the Far East H-REIT Units may, by Extraordinary Resolution duly passed at a meeting of the holders of the Far East H-REIT Units held in accordance with Section 295 of the SFA, terminate Far East H-REIT.

Generally, upon the termination of Far East H-REIT, the REIT Trustee shall, subject to any authorisations or directions given to it by the REIT Manager or the holders of Far East H-REIT Units pursuant to the Far East H-REIT Trust Deed, sell the Far East H-REIT Deposited Property and repay any borrowings incurred on behalf of Far East H-REIT in accordance with the Far East H-REIT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Far East H-REIT before distributing the balance of the Far East H-REIT Deposited Property to the holders of Far East H-REIT Units in accordance with their proportionate interests in the Far East H-REIT Deposited Property.

THE FORMATION AND STRUCTURE OF FAR EAST H-BT

Far East H-BT was constituted as a business trust on 1 August 2012 by a declaration of trust made by the Trustee-Manager. Far East H-BT was registered as a business trust on 13 August 2012.

The terms and conditions of the Far East H-BT Trust Deed shall be binding on each holder of Far East H-BT Units (and persons claiming through such holder of Far East H-BT Units) as if such holder of Far East H-BT Units had been a party to the Far East H-BT Trust Deed and as

if the Far East H-BT Trust Deed contains covenants by such holder of Far East H-BT Units to do all such acts and things as the Far East H-BT Trust Deed may require the Trustee-Manager to do.

The Far East H-BT Trust Deed

While Far East H-REIT Units remain stapled to Far East H-BT Units, the terms and conditions of the Far East H-BT Trust Deed shall be binding on each Stapled Securityholder (and persons claiming through such Stapled Securityholder) as if such Stapled Securityholder had been a party to the Far East H-BT Trust Deed and as if the Far East H-BT Trust Deed contains covenants by such Stapled Securityholder to observe and be bound by the provisions of the Far East H-BT Trust Deed and an authorisation by each Stapled Securityholder to do all such acts and things as the Far East H-BT Trust Deed may require the Trustee-Manager to do.

The provisions of the BTA prescribe certain terms of the Far East H-BT Trust Deed and certain rights, duties and obligations of the Trustee-Manager and (while Far East H-REIT Units remain stapled to Far East H-BT Units) Stapled Securityholders under the Far East H-BT Trust Deed. To the extent of any inconsistency between the obligations of the Trustee-Manager under the Far East H-BT Trust Deed and the Stapling Deed, the provisions of the Stapling Deed shall prevail.

The Far East H-BT Units and the Holders of Far East H-BT Units

The rights and interests of holders of Far East H-BT Units are contained in the Far East H-BT Trust Deed. Under the Far East H-BT Trust Deed, these rights and interests are safeguarded by the Trustee-Manager.

Each Far East H-BT Unit represents an undivided interest in Far East H-BT. Holders of Far East H-BT Units have no equitable or proprietary interest in the underlying assets of Far East H-BT and are not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and any real estate-related assets (or any part thereof) of Far East H-BT. The rights of the holders of Far East H-BT Units are limited to the right to require due administration of Far East H-BT in accordance with the provisions of the Far East H-BT Trust Deed, including, without limitation, by suit against the Trustee-Manager.

Under the Far East H-BT Trust Deed, each holder of Far East H-BT Units acknowledges and agrees that it will not commence or pursue any action against the Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the assets of Far East H-BT (or any part thereof), including all its Authorised Investments (as defined in the Far East H-BT Trust Deed), and waives any rights it may otherwise have to such relief. If the Trustee-Manager breaches or threatens to breach its duties or obligations to holders of Far East H-BT Units under the Far East H-BT Trust Deed, recourse by the holders of Far East H-BT Units against the Trustee-Manager is limited to a right to recover damages or compensation from the Trustee-Manager in a court of competent jurisdiction, and holders of Far East H-BT Units acknowledge and agree that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the Far East H-BT Trust Deed, holders of Far East H-BT Units may not interfere or seek to interfere with the rights, powers, authority or discretion of the Trustee-Manager, exercise any right in respect of the assets of Far East

H-BT or any part thereof, or require that any Authorised Investments forming part of the assets of Far East H-BT be transferred to such holders of Far East H-BT Units.

No certificate shall be issued to holders of Far East H-BT Units by the Trustee-Manager in respect of Far East H-BT Units issued to holders of Far East H-BT Units. For so long as Far East H-Trust is listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange, in accordance with the listing rules and requirements of the relevant stock exchange, the Trustee-Manager shall appoint CDP as the unit depository for Far East H-BT in respect of all scripless Stapled Securities in accordance with the Depository Services Terms and Conditions. All Stapled Securities issued will be represented by entries in the register of holders of Far East H-BT Units kept by the Trustee-Manager or the agent appointed by the Trustee-Manager in the name of, and deposited with, CDP as the registered holder of such Stapled Securities and, as the case may be, in the name of Stapled Securityholders (other than the CDP) whose Stapled Securities are not deposited with the CDP. The Trustee-Manager or their jointly appointed agent shall issue to CDP not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that the Stapled Securities are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Far East H-BT Trust Deed and the Stapling Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Far East H-BT Units and the corresponding Stapled Securities issued.

There are no restrictions under the Stapling Deed, the Far East H-BT Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Far East H-BT Units and to own Far East H-BT Units except in the case of rights issue or, as the case may be, any preferential offering where the Trustee-Manager has the right under the Far East H-BT Trust Deed to elect not to extend an offer of Far East H-BT Units under the rights issue or, as the case may be, any preferential offering to holders of Far East H-BT Units whose addresses are outside Singapore.

Changes in Equity of the Holders of Far East H-BT Units

The Trustee-Manager may at any time and on prior written notice (such notice period shall be determined by the Trustee-Manager in its absolute discretion) to each holder of Far East H-BT Units by the Trustee-Manager delivering such notice in writing to CDP for onward delivery to the holders of Far East H-BT Units, determine that each Far East H-BT Unit shall be sub-divided into two or more Far East H-BT Units or consolidated with one or more other Far East H-BT Units and the holders of Far East H-BT Units shall be bound accordingly. The Trustee-Manager shall thereupon require each holder of Far East H-BT Units to deliver up to his confirmation note (if any) for endorsement or enfacement with the number of Far East H-BT Units thereby represented as a result of such sub-division or consolidation (in the case of a sub-division) or send or cause to be sent to each holder of Far East H-BT Units, a confirmation note representing the number of additional Far East H-BT Units to which he has become entitled by reason of the sub-division.

While Stapling applies, Far East H-BT Units may not be sub-divided or consolidated unless the corresponding Far East H-REIT Units are sub-divided or, as the case may be, consolidated at the same time and to the same extent.

The Register shall be altered accordingly to reflect the new number of Far East H-BT Units held by each holder of Far East H-BT Unit or, as the case may be, Stapled Securities as a result of such sub-division or consolidation and the Trustee-Manager shall cause CDP to alter the depository register maintained by CDP accordingly in respect of the Securities Account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP (“**Securities Account**”) of each holder of the Far East H-BT Units to reflect the new number of Far East H-BT Units held by such holder of Far East H-BT Units as a result of such sub-division or consolidation.

Rights, Preferences and Restrictions Attaching to Each Class of Far East H-BT Units

The Far East H-BT Trust Deed provides that rights attached to the Far East H-BT Units issued with special conditions have to be clearly defined in the Far East H-BT Trust Deed and, if at any time, different classes of Far East H-BT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Far East H-BT Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-BT Units of that class.

Currently, there is only one class of Far East H-BT Units and every Far East H-BT Unit carries the same voting rights. Under the BTA, only persons registered in the statutory register maintained by the Trustee-Manager are recognised as registered holders of Far East H-BT Units in issue. For so long as Far East H-BT is listed, CDP shall be the registered holder of all the Far East H-BT Units in issue and CDP shall pursuant to the Depository Services Terms and Conditions, maintain a record in a depository register of the holders of Far East H-BT Units having Far East H-BT Units credited into their respective Securities Accounts and to record in the depository register the following information stated below in relation to each namely:

- the names and addresses of the holders of Far East H-BT Units;
- the class of Far East H-BT Units held by each holder of Far East H-BT Units;
- the number of Far East H-BT Units held by each holder of Far East H-BT Units;
- the date on which every such person entered into the depository register in respect of the Far East H-BT Units standing in his name became a holder of Far East H-BT Units and, where he became a holder of Far East H-BT Units by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified;
- the date on which any transfer is registered and the name and address of the transferee; and
- where applicable, the date on which a holder of Far East H-BT Units ceases or ceased to be a holder of Far East H-BT Units.

Each holder of Far East H-BT Units named in the depository register shall for such period as the Far East H-BT Units are entered against his name in the depository register, be deemed to be the owner in respect of the number of Far East H-BT Units entered against the name of such holder of Far East H-BT Units in the depository register and would be entitled to attend and vote at general meetings of holders of Far East H-BT Units. The Trustee-Manager shall be entitled to rely on any and all such information in the depository register.

The entries in the depository register shall (save in the case of manifest error) be conclusive evidence of the number of Far East H-BT Units held by each holder of Far East H-BT Units and in the event of any discrepancy between the entries in the depository register and the details appearing in any confirmation note or monthly statement issued by CDP, the entries in the depository register shall prevail unless the holder of Far East H-BT Units proves to the satisfaction of the Trustee-Manager and CDP that the depository register is incorrect.

Distributions

Subject to applicable laws, regulations and guidelines, and the Far East H-BT Trust Deed, the Trustee-Manager shall have the right to make regular distributions to holders of Far East H-BT of such amounts to be payable out of the Far East H-BT Trust Property on such distribution dates as the Trustee-Manager may think fit. All distributions are paid *pro rata* among the holders of Far East H-BT Units in proportion to the amount paid-up on each of their Far East H-BT Units, unless the rights attached to an issue of any Far East H-BT Unit provide otherwise. Any monies payable to holders of Far East H-BT Units which remain unclaimed after a period of 12 months shall be accumulated in an Unclaimed Monies Account from which the Trustee-Manager may, from time to time, make payments to holders of Far East H-BT Units claiming any such monies.

Subject to the winding-up provisions in the Far East H-BT Trust Deed, the Trustee-Manager, may, at its discretion and if practicable, cause such sums which represent monies remaining in the Unclaimed Monies Account for five years after the date of payment of such moneys into the Unclaimed Monies Account and interest, if any, earned thereon, to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the monies payable to the relevant holder of Far East H-BT Units.¹ If the said monies are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Far East H-BT Trust Property for such payment. Where the Far East H-BT is listed and to the extent that such unclaimed monies are held by the CDP, subject to the winding-up provisions in the Far East H-BT Trust Deed, the Trustee-Manager may, at its discretion and if practicable, cause such sums which are returned by the CDP to the Trustee-Manager (and which have remained unclaimed by a holder of Far East H-BT Units for a period of six years after the time when such monies became payable to such holder of Far East H-BT Units) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the monies payable to the relevant holder of Far East H-BT Units. If the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Far East H-BT Trust Property for such payment.

Voting Rights

A holder of Far East H-BT Units is entitled to attend, speak and vote at any general meeting of the holders of Far East H-BT Units in person or by proxy and a holder of Far East H-BT Units may appoint not more than two proxies to attend and vote at the same general meeting

¹ The Trustees Act allows a trustee to discharge its liabilities towards unclaimed moneys by paying such moneys into Singapore courts, although it does not prescribe the period for which the moneys must be unclaimed before they may be paid into the courts. Although the Trustees Act is not applicable to a registered business trust, as a matter of prudence, the Far East H-BT Trust Deed has provided that the Trustee-Manager may pay unclaimed moneys into the courts.

as a holder of Far East H-BT Units if his name appears on the depository register as at 48 hours before the time of the relevant general meeting as certified by the depository to Far East H-BT. Except as otherwise provided in the Far East H-BT Trust Deed, not less than two holders of Far East H-BT Units must be present in person or by proxy to constitute a quorum at any general meeting PROVIDED THAT (i) a proxy representing more than one holder of Far East H-BT Units shall only count as one holder of Far East H-BT Units for the purpose of determining the quorum and (ii) where a holder of Far East H-BT Units is represented by more than one proxy such proxies shall count as only one Holder for the purpose of determining the quorum.

Under the Far East H-BT Trust Deed, on a show of hands every holder of Far East H-BT Units present in person or by proxy shall have one vote, and on a poll, every holder of Far East H-BT Units who is present in person or by proxy shall have one vote for every Far East H-BT Unit which he holds or represents. Subject to the requirements of the prevailing listing rules of the SGX-ST, voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the general meeting or by five or more holders of Far East H-BT Units (including their proxies) having the right to vote at the general meeting or by holders of Far East H-BT Units (including their proxies) representing not less than 10.0% of the total voting rights of all the holders of Far East H-BT Units having the right to vote at the general meeting.

Variation of Rights of Respective Classes of Far East H-BT Units

If at any time different classes of Far East H-BT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Far East H-BT Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not Far East H-BT is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-BT Units of that class. To every such Extraordinary Resolution of the holders of Far East H-BT Units of that class the provisions of the Far East H-BT Trust Deed relating to general meetings of the holders of Far East H-BT Units shall apply *mutatis mutandis* provided that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued Far East H-BT Units of the class and that any Far East H-BT Unitholder of that class present in person or by proxy or by attorney may demand a poll.

The rights conferred upon the holders of Far East H-BT Units of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the Far East H-BT Units of that class or by the Far East H-BT Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Far East H-BT Units ranking equally therewith, and would therefore require the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of Far East H-BT Units of such class.

The Far East H-BT Trust Deed does not impose more stringent conditions than those required by the applicable law.

Issue of Far East H-BT Units

The Trustee-Manager has the exclusive right to issue Far East H-BT Units for the account of Far East H-BT. For so long as Far East H-BT is listed on the SGX-ST, the Trustee-Manager

may, subject to the provisions of the Listing Manual, the Far East H-BT Trust Deed, the BTA and any other relevant laws, regulations and guidelines, issue Far East H-BT Units.

In particular, the issuance of Far East H-BT Units will be subject to Section 36 of the BTA, which requires the approval by a majority of the number of votes of holders of Far East H-BT Units who, being entitled to do so, vote in person or by proxy present at a general meeting of holders of Far East H-BT Units.

If in connection with an issue of a Far East H-BT Unit, any requisite payment of the issue price for such Far East H-BT Unit has not been received by the Trustee-Manager before the seventh Business Day after the date on which the Far East H-BT Unit was agreed to be issued (or such other later date as the Trustee-Manager may agree), the Trustee-Manager may cancel its agreement to issue such Far East H-BT Unit and such Far East H-BT Unit will be deemed never to have been issued or agreed to be issued. In such an event, the Trustee-Manager may charge the investor (and retain the same for its own account) a cancellation fee of such amount as the Trustee-Manager may from time to time determine to represent the administrative costs involved in processing the application for such Far East H-BT Unit.

Suspension of Issue of Far East H-BT Units

The Trustee-Manager may, subject to the Listing Manual, suspend the issue of Far East H-BT Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the holders of Far East H-BT Units as a whole or the Far East H-BT Trust Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of Far East H-BT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when, for any reason, the prices of any assets of Far East H-BT cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any asset of Far East H-BT or in the payment for such asset of Far East H-BT cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;
- any period where the issuance of Far East H-BT Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;
- in relation to any general meeting of the holders of Far East H-BT Units, any 48 hour period before such general meeting or any adjournment thereof; or
- when the business operations of the Trustee-Manager in relation to Far East H-BT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Trustee-Manager.

In the event of any suspension while Far East H-BT is listed on the SGX-ST, the Trustee-Manager shall ensure that the immediate announcement of such suspension is made through the SGX-ST.

Meeting of Holders of Far East H-BT Units

Under applicable laws and the provisions of the Far East H-BT Trust Deed, Far East H-BT will not hold any meetings for holders of Far East H-BT Units unless the Trustee-Manager convenes a meeting or unless not less than 10.0% of total voting rights of all holders of Far East H-BT Units request a meeting to be convened.

A meeting of holders of Far East H-BT Units when convened may:

- by Extraordinary Resolution and in accordance with the Far East H-BT Trust Deed, sanction any modification, alteration or addition to the Far East H-BT Trust Deed which shall be proposed by the Trustee-Manager as provided in the Far East H-BT Trust Deed;
- by Extraordinary Resolution and in accordance with the Far East H-BT Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of fees payable to the Trustee-Manager;
- by Extraordinary Resolution and in accordance with the Far East H-BT Trust Deed, remove the auditors of Far East H-BT;
- by Extraordinary Resolution and in accordance with the Far East H-BT Trust Deed, delist Far East H-BT after it has been listed; and
- by Extraordinary Resolution and in accordance with the Far East H-BT Trust Deed, remove the Trustee-Manager.

Any decision to be made by resolution of the holders of Far East H-BT Units other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the BTA or applicable laws and regulations.

Except as otherwise provided for in the Far East H-BT Trust Deed, 14 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the holders of Far East H-BT Units in the manner provided in the Far East H-BT Trust Deed. The quorum at a meeting shall not be less than two holders of Far East H-BT Units present in person or by proxy, PROVIDED THAT (i) a proxy representing more than one holder of Far East H-BT Units shall count as one holder of Far East H-BT Units for the purpose of determining the quorum; and (ii) where a holder of Far East H-BT Units is represented by more than one proxy such proxies shall count as only one holder of Far East H-BT Units for the purpose of determining the quorum. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be published in any one leading English-language daily newspaper in Singapore.

Subject to the requirements of the prevailing listing rules by the SGX-ST, voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the meeting, or by five or more holders of Far East H-BT Units present in person or by proxy, or holding or representing one tenth in value of all Far East H-BT Units represented at the meeting. Holders of Far East H-BT Units do not have different voting rights on account of the number of votes held by a particular holder of Far East H-BT Units. On a show of hands, every holder of Far East H-BT Units has one vote. On a poll, every holder of Far East H-BT Units has one vote for each Far East H-BT Unit of which it is the holder. The Far East H-BT Trust Deed does not contain any limitation on non-Singapore resident or foreign holders of Far East H-BT Units holding Far East H-BT Units or exercising the voting rights with respect to their holdings of Far East H-BT Units.

Neither the Trustee-Manager nor any of its associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Trustee-Manager or any of its associates has a material interest save for an Ordinary Resolution duly proposed to remove the Trustee-Manager, in which case, no holder of Far East H-BT Units shall be disenfranchised.

For so long as the Trustee-Manager is the trustee-manager of Far East H-BT, the controlling shareholders (as defined in the Listing Rules) of the Trustee-Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of holders of Far East H-BT Units convened to consider a matter in respect of which the relevant controlling shareholders of the Trustee-Manager and/or of any of its associates have a material interest.

Rights and Liabilities of the Holders of Far East H-BT Units

The key rights of the holders of Far East H-BT Units include rights to:

- receive income and other distributions attributable to the Far East H-BT Units held;
- receive audited accounts and the annual reports of Far East H-BT; and
- participate in the winding-up or liquidation of Far East H-BT by receiving a share of all net cash proceeds derived from the realisation of the assets of Far East H-BT less any liabilities, in accordance with their proportionate interests in Far East H-BT.

No holder of Far East H-BT Units has a right to require that any asset of Far East H-BT be transferred to him.

Further, holders of Far East H-BT Units cannot give any directions to the Trustee-Manager (whether at a meeting of the holders of Far East H-BT Units or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

- Far East H-BT ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee-Manager by the Far East H-BT Trust Deed or the determination of any matter which, under the Far East H-BT Trust Deed, requires the agreement of the Trustee-Manager.

The Far East H-BT Trust Deed contains provisions that are designed to limit the liability of a holder of Far East H-BT Units to the amount paid or payable for any Far East H-BT Unit. The provisions seek to ensure that if the issue price of the Far East H-BT Units held by a holder of Far East H-BT Units has been fully paid, no such holder of Far East H-BT Units, by reason

alone of being a holder of Far East H-BT Units, will be personally liable to indemnify the Trustee-Manager or any creditor of Far East H-BT in the event that the liabilities of Far East H-BT exceed its assets.

Limitation on Right to Own Far East H-BT Units

Far East H-BT Units Issued to Persons Resident outside Singapore

In relation to any rights issue, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Far East H-BT Units under the rights issue to those holders of Far East H-BT Units, whose addresses are outside Singapore. In such an event, the rights or entitlements to the Far East H-BT Units of such holders of Far East H-BT Units will be offered for subscription by the Trustee-Manager as the nominee and authorised agent of each such relevant Far East H-BT Unitholder in such manner and at such price, as the Trustee-Manager may determine.

Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant holders of Far East H-BT Units whose rights or entitlements have been thus sold, provided that where such proceeds payable to the relevant holders of Far East H-BT Units are less than S\$10.00, the Trustee-Manager shall be entitled to retain such proceeds as part of the Far East H-BT Trust Property.

Amendments to the Far East H-BT Trust Deed

After the Listing Date, the Trustee-Manager shall be entitled, by deed supplemental hereto (including by way of an amending and restating deed), to modify, alter or add to the provisions of the Far East H-BT Trust Deed in such manner and to such extent as it may consider expedient for any purpose in accordance with the provisions of the BTA.

The BTA currently provides that the trust deed of a Registered Business Trust may be amended by a resolution passed by the unitholders of that trust holding in the aggregate not less than 75.0% of the voting rights of all unitholders of the trust who, being entitled to do so, vote in person or by proxy present at a general meeting of which not less than 21 days' written notice specifying the intention to propose the resolution as a special resolution has been duly given.

Circumstances under which the Trustee-Manager may be Indemnified out of the Far East H-BT Trust Property

In general, subject to any express provision under the Far East H-BT Trust Deed and without prejudice to any right of indemnity at law given to the Trustee-Manager, the Trustee-Manager is entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Far East H-BT's trustee-manager to have recourse to the Far East H-BT Trust Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care.

Circumstances under which the Trustee-Manager may Exclude Liability in Relation to Carrying Out of Its Duties With Respect to Far East H-BT

Subject to the duties and obligations of the Trustee-Manager under the Far East H-BT Trust Deed, the Trustee-Manager shall not be liable for any act or omission of in relation to Far East H-BT save where there is, on the part of the Trustee-Manager, fraud, wilful default or breach of trust or where the Trustee-Manager fails to exercise Due Care.

In the absence of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, the Trustee-Manager shall not incur any liability to the holders of Far East H-BT Units by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Far East H-BT Trust Deed.

Substantial Far East H-BT Holdings

As the Stapled Securities comprise Far East H-REIT Units and Far East H-BT Units stapled together, Stapled Securityholders have to comply with the regulatory requirements imposed on both Far East H-REIT and Far East H-BT, including that of the requirement to disclose substantial holdings.

With regard to Far East H-BT, under Section 38 of the BTA, Substantial holders of Far East H-BT Units will be required to notify the Trustee-Manager of (i) their deemed and direct holdings within two Business Days after becoming a Substantial holder, (ii) any subsequent change in the percentage level of such holdings (rounded down to the next whole number) within two Business Days after they become aware of such changes or (iii) their ceasing to hold such number of Far East H-BT Units to which is attached not less than 5.0% of the total votes attached to all the voting Far East H-BT Units issued for the time being 5.0% or more of the total number of Far East H-BT Units, within two Business Days after such cessation.

Under Section 37 of the BTA, Substantial holders of Far East H-BT Units must also, within the same time limit, submit such notifications to the SGX-ST.

Failure to comply with either Section 38 or Section 37 of the BTA constitutes an offence and will render a holder of Far East H-BT Units with an interest in one or more Far East H-BT Units constituting not less than 5.0% of all Far East H-BT Units in issue (“**Substantial holder of Far East H-BT Units**”) liable to a fine on conviction.

All dealings in Stapled Securities or, as the case may be, Far East H-BT Units by the Trustee-Manager Directors and, upon the coming into force of the Securities and Futures (Amendment) Act 2009, the Chief Executive Officer of the Trustee-Manager, will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>.

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, under Sections 135, 136 and 137 of the SFA (read with Section 137J of the SFA), substantial holders of Far East H-BT Units will be required to notify the Trustee-Manager of their deemed and direct holdings and any subsequent change in the percentage level of such holdings (rounded down to the next whole number) or their ceasing to hold 5.0% or more of the total number of Far East H-BT Units within two Business Days after becoming aware of such information.

The Trustee-Manager Board's Declaration of Holdings of Far East H-BT Units

Under Section 13 of the BTA, the Trustee-Manager Directors are required to give notice to the Trustee-Manager of their acquisition of Far East H-BT Units or of changes to the number of Far East H-BT Units which they hold or in which they have an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Far East H-BT Units which they hold or in which they have an interest, as applicable. Upon such notification, the Trustee-Manager will promptly announce such interests or changes via SGXNET or to any other relevant Recognised Stock Exchange.

Duty of the Trustee-Manager to Make Disclosure upon the Coming into Force of the Securities and Futures (Amendment) Act 2009

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, under Section 137R of the SFA, where the Trustee-Manager has been notified by a Substantial holder of Far East H-BT Units or director or Chief Executive Officer of the Trustee-Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the Trustee-Manager shall announce such information in the SGXNET as soon as practicable and in any case no later than the end of the business day following the day on which the Trustee-Manager became aware of such information or received the notice.

Directors and Chief Executive Officers of the Trustee-Manager

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, under Section 137N of the SFA, directors and chief executive officers of the Trustee-Manager will be required to notify the Trustee-Manager of their acquisition of Far East H-BT Units or of changes to the number of Far East H-BT Units which they hold or in which they have an interest, within two Business Days after becoming aware of such information after becoming aware of such information.

A director of the Trustee-Manager is deemed to have an interest in Far East H-BT Units in the following circumstances:

- Where the director is the beneficial owner of a Far East H-BT Unit (whether directly through a direct Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that Far East H-BT Unit.
- Where a body corporate is the beneficial owner of a Far East H-BT Unit and the director is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that Far East H-BT Unit.
- Where the director's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a Far East H-BT Unit, he is deemed to have an interest in that Far East H-BT Unit.
- Where the director, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:
 - has entered into a contract to purchase a Far East H-BT Unit;
 - has a right to have a Far East H-BT Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

- has the right to acquire a Far East H-BT Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
- is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of holders of Far East H-BT Units) to exercise or control the exercise of a right attached to a Far East H-BT Unit, not being a Far East H-BT Unit of which any of them is the holder,

the director is deemed to have an interest in that Far East H-BT Unit.

- Where the property subject to a trust consists of or includes a Far East H-BT Unit and the director knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Far East H-BT Unit, he is deemed to have an interest in that Far East H-BT Unit.

The Trustee-Manager

The Trustee-Manager is FEO Hospitality Trust Management Pte. Ltd. The Trustee-Manager is a company incorporated on 30 April 2012 in Singapore. The Trustee-Manager has an issued share capital of S\$100. The Trustee-Manager has a place of business in Singapore at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213.

Powers, Duties and Obligations of the Trustee-Manager

The Trustee-Manager's powers, duties and obligations are set out in the Far East H-BT Trust Deed. The powers and duties of the Trustee-Manager include:

- acting as trustee-manager of Far East H-BT and, in such capacity, safeguarding the rights and interests of the holders of Far East H-BT Units, for example, by satisfying itself that transactions it enters into for and on behalf of Far East H-BT with an Interested Person or Far East H-BT are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-BT and the holders of Far East H-BT Units, and in accordance with all applicable requirements under all applicable laws, rules and regulations including the BTA and the Listing Manual relating to the transaction in question;
- holding the assets of Far East H-BT on trust for the benefit of the holders of Far East H-BT Units in accordance with the Far East H-BT Trust Deed;
- lending monies out of the assets of Far East H-BT for the benefit of the Stapled Securityholders as a whole to any stapled entity in accordance with the Far East H-BT Trust Deed and subject to compliance with the applicable laws, regulations and guidelines; and
- exercising all the powers of a trustee-manager and the powers that are incidental to the ownership of the assets of Far East H-BT.

The Trustee-Manager has covenanted in the Far East H-BT Trust Deed that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner in the best interests of the holders of Far East H-BT Units as a whole (subject to, the overriding best interests of Stapled Securityholders, as permitted under all applicable laws, regulations and guidelines).

In the exercise of its powers, the Trustee-Manager may, subject to the provisions of the Far East H-BT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee-Manager may, subject to the provisions of the Far East H-BT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers, including an Interested Person, in relation to the management, development, leasing, purchase or sale of any of real estate assets and real estate-related assets.

The Trustee-Manager must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Far East H-BT Trust Deed, the Listing Manual, the SFA, the BTA, the Tax Ruling and all other applicable laws, regulations and guidelines. It must retain Far East H-BT's assets, or cause Far East H-BT's assets to be retained, in safe custody and cause Far East H-BT's accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of Far East H-BT.

The Trustee-Manager is not personally liable to a holder of Far East H-BT Units in connection with the office of the Trustee-Manager except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the Far East H-BT Trust Deed or Stapling Deed or where the Trustee-Manager fails to exercise Due Care. Any liability incurred and any indemnity to be given by the Trustee-Manager shall be limited to the assets of Far East H-BT over which the Trustee-Manager has recourse, provided that the Trustee-Manager has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Far East H-BT Trust Deed or where the Trustee-Manager fails to exercise Due Care. The Far East H-BT Trust Deed contains certain indemnities in favour of the Trustee-Manager under which it will be indemnified out of the assets of Far East H-BT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Resignation or Removal of the Trustee-Manager

The Trustee-Manager may resign or be removed under the following circumstances:

- The Trustee-Manager shall only resign in accordance with the relevant laws, regulations and guidelines and its resignation shall only be upon the appointment of a new Trustee-Manager (such appointment to be made in accordance with the provisions of the Far East H-BT Trust Deed); and
- The Trustee-Manager may be removed in accordance with the relevant laws, regulations and guidelines.

(See "Management and Corporate Governance — Far East H-BT — Retirement or Removal of Trustee-Manager" for further details.)

Changes in the Fees and Charges payable to the Trustee-Manager

An Extraordinary Resolution of the holders of Far East H-BT Units at a meeting convened and held in accordance with the provisions of the Far East H-BT Trust Deed is required to approve:

- any increase in the rate or any change in the structure of the Trustee-Manager's management fee or trustee fee; and

- any increase in the rate above the permitted level or any change in the structure of the Trustee-Manager's acquisition fee, divestment fee and development management fee.

Winding-up of Far East H-BT

Under the Far East H-BT Trust Deed, Far East H-BT shall be of indefinite duration. In the event that any law is passed which renders it illegal or, in the opinion of the Trustee-Manager, impracticable or inadvisable to continue Far East H-BT, Far East H-BT may, without prejudice to the provisions of the BTA, be wound up subject to approval by the holders of Far East H-BT Units by way of an Extraordinary Resolution duly passed by the holders of Far East H-BT Units at a meeting convened by the Trustee-Manager in accordance with the Far East H-BT Trust Deed.

Generally, as soon as practicable after the commencement of the winding-up of Far East H-BT, the Trustee-Manager shall, subject to any authorisations or directions given to it by the holders of Far East H-BT Units pursuant to the Far East H-BT Trust Deed, sell the Far East H-BT Trust Property and repay any borrowings incurred on behalf of Far East H-BT in accordance with the Far East H-BT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Far East H-BT before distributing the balance of the Far East H-BT Trust Property to the holders of Far East H-BT Units in accordance with their proportionate interests in the Far East H-BT Trust Property.

Issue of Stapled Securities

For as long as Far East H-REIT Units are stapled to Far East H-BT Units, the REIT Manager may only issue Far East H-REIT Units if such issue is accompanied by the issue of Far East H-BT Units. Similarly, the Trustee-Manager may only issue Far East H-BT Units if such issue is accompanied by the issue of Far East H-REIT Units. For the avoidance of doubt, both the Managers must satisfy the requirements under the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed for the issue of Far East H-REIT and Far East H-BT Units before Stapled Securities can be issued. On the assumption that Far East H-BT Units will remain stapled to Far East H-REIT Units, see the section “— The Formation and Structure of Far East H-Trust — Issue of the Stapled Securities” above for a discussion on the issue of Stapled Securities.

CERTAIN AGREEMENTS RELATING TO FAR EAST H-TRUST, FAR EAST H-REIT, FAR EAST H-BT AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Far East H-Trust, Far East H-REIT, Far East H-BT and the Properties. Copies of these agreements are available for inspection at the registered office of the REIT Manager at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213 and the registered office of the Trustee-Manager at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213 for a period of six months from the date of this Prospectus.

RIGHT OF FIRST REFUSAL

The Far East Orchard ROFR

Far East Orchard has granted a right of first refusal dated 3 August 2012 to the REIT Trustee and the Trustee-Manager for so long as:

- FEO Hospitality Asset Management Pte. Ltd. or any of its related corporations (as defined in the Companies Act) remains the manager of Far East H-REIT;
- FEO Hospitality Trust Management Pte. Ltd. or any of its related corporations remains the trustee-manager of Far East H-BT; and
- Far East Orchard and/or any of its subsidiaries, alone or in aggregate, hold at least 15.0% of the total issued share capital of the manager of Far East H-REIT and the trustee-manager of Far East H-BT.

For the purposes of the Far East Orchard ROFR:

- a “**Relevant Entity**” means Far East Orchard or any of its existing or future subsidiaries or existing or future private funds managed by Far East Orchard (“**Far East Orchard Private Funds**”); and
- a “**Relevant Asset**” refers to a completed income-producing real estate in Singapore used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, where real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act; and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residence. Where such real estate is held by a Relevant Entity through a SPV established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate.

The Far East Orchard ROFR shall cover any proposed offer (a “**Proposed Offer**”) by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the

Relevant Entity (“**Proposed Disposal**”). If the Relevant Asset is owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required or is owned by Far East Orchard’s subsidiaries or Far East Orchard Private Funds which are not wholly-owned by Far East Orchard and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required, Far East Orchard shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the Far East Orchard ROFR will exclude the disposal of such Relevant Asset.

The Far East Orchard ROFR shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or the third parties that hold these Relevant Assets;
- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- be subject to the applicable laws, regulations and government policies.

In the event that the REIT Trustee and the Trustee-Manager fail or do not wish to exercise the Far East Orchard ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the REIT Trustee and the Trustee-Manager. However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Far East Orchard ROFR.

The Other ROFR granted by FEOPL

FEOPL has granted a right of first refusal dated 3 August 2012 to the REIT Trustee and the Trustee-Manager for so long as:

- FEO Hospitality Asset Management Pte. Ltd. or any of its related corporations (as defined in the Companies Act) remains the manager of Far East H-REIT;
- FEO Hospitality Trust Management Pte. Ltd. or any of its related corporations remains the trustee-manager of Far East H-BT;
- the Sponsor holds at least 15.0% of the total issued share capital of the manager of Far East H-REIT and the trustee-manager of Far East H-BT; and
- the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of Far East H-REIT and Far East H-BT.

For the purposes of the Other ROFR granted by FEOPL:

- a “**controlling unitholder**” in relation to a business trust means:
 - (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the business trust; or
 - (b) a person who in fact exercises control over the business trust;
- a “**controlling unitholder**” in relation to a REIT means:
 - (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the REIT; or
 - (b) a person who in fact exercises control over the REIT;
- a “**Relevant Entity**” means FEOPL or any of its existing or future subsidiaries (excluding Far East Orchard and its subsidiaries) or existing or future private funds managed by FEOPL; and
- a “**Relevant Asset**” refers to a completed income-producing real estate in Singapore used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, where real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act; and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residence. Where such real estate is held by a Relevant Entity through a SPV established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate.

The Other ROFR granted by FEOPL shall cover any proposed offer (a “**Proposed Offer**”) by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”). If the Relevant Asset is owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required or is owned by FEOPL’s subsidiaries (excluding Far East Orchard and its subsidiaries) or existing or future private funds managed by FEOPL which are not wholly-owned by the Sponsor and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required, FEOPL shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the Other ROFR granted by FEOPL will exclude the disposal of such Relevant Asset.

The Other ROFR granted by FEOPL shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or the third parties that hold these Relevant Assets;

- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- be subject to the applicable laws, regulations and government policies.

In the event that the REIT Trustee and the Trustee-Manager fail or do not wish to exercise the Other ROFR granted by FEOPL, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the REIT Trustee and the Trustee-Manager. However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Other ROFR granted by FEOPL.

The Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd.

FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd. have each granted a right of first refusal dated 3 August 2012 to the REIT Trustee and the Trustee-Manager for so long as:

- FEO Hospitality Asset Management Pte. Ltd. or any of its related corporations (as defined in the Companies Act) remains the manager of Far East H-REIT;
- FEO Hospitality Trust Management Pte. Ltd. or any of its related corporations remains the trustee-manager of Far East H-BT;
- the Sponsor holds, at least 15.0% of the total issued share capital of the manager of Far East H-REIT and the trustee-manager of Far East H-BT; and
- the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of Far East H-REIT and Far East H-BT.

For the purposes of the Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd.:

- a “**controlling unitholder**” in relation to a business trust means:
 - (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the business trust; or
 - (b) a person who in fact exercises control over the business trust;
- a “**controlling unitholder**” in relation to a REIT means:
 - (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the REIT; or
 - (b) a person who in fact exercises control over the REIT;
- a “**Relevant Entity**” means that member of the Sponsor or any of its existing or future subsidiaries or existing or future private funds managed by that member of the Sponsor; and

- a “**Relevant Asset**” refers to a completed income-producing real estate in Singapore used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, where real estate used for “**hospitality**” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “**serviced residences**” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act; and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residence. Where such real estate is held by a Relevant Entity through a SPV established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate.

The Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd. shall cover any proposed offer (a “**Proposed Offer**”) by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”). If the Relevant Asset is owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required, or if owned by that member of the Sponsor’s existing or future subsidiaries or existing or future private funds managed by that member of the Sponsor which are not wholly-owned by the Sponsor and whose other shareholder(s) or private fund investor(s) is/are third parties and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Far East H-REIT or Far East H-BT is required, that member of the Sponsor shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the Other ROFR granted by that member of the Sponsor will exclude the disposal of such Relevant Asset.

The Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd. shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or the third parties that hold these Relevant Assets;
- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- be subject to the applicable laws, regulations and government policies.

In the event that the REIT Trustee and the Trustee-Manager fail or do not wish to exercise the Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty

Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd., the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the REIT Trustee and the Trustee-Manager. However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Other ROFRs granted by each of FEOC, Golden Development Private Limited, Glory Realty Co. Private Ltd., F. E. Holdings Pte. Ltd., Boo Han Holdings Pte. Ltd., Lucky Realty Company Pte Ltd and Orchard Landmark Pte. Ltd..

There are no prior overriding contractual obligations in relation to the Sponsor ROFR Properties which oblige the Sponsor to dispose of its interest in a Relevant Asset to a third party in preference to Far East H-REIT or Far East H-BT.

STATE LEASE

Albert Court Village Hotel, Changi Village Hotel, Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences are held under 99-year State leases granted by the President of the Republic of Singapore as head lessor.

Oasia Hotel is held under 99-year State leases and a 30-year State lease granted by the President of the Republic of Singapore as head lessor.

Under the State leases, the owners are, *inter alia*:

- prohibited from transferring, leasing, mortgaging, charging or assigning the whole or part of the Properties without first obtaining the written approval of the head lessor;
- required to pay all rates, taxes, charges and outgoings imposed on the Properties;
- required to maintain the Properties in a good and tenantable condition; and
- prohibited from making any alteration or addition to the buildings or erecting any new building on the Properties without first obtaining the written consent of the head lessor.

The prohibition on transfer and leasing in the above State leases has been waived for the Properties except Central Square Village Residences, Hougang Village Residences and Regency House. The consent of the head lessor has been obtained for the sale and transfer of Central Square Village Residences, Hougang Village Residences and Regency House to Far East H-REIT and for the leaseback of the same by Far East H-REIT to the Vendors.

Orchard Parade Hotel is comprised in freehold estates granted by the President of the Republic of Singapore under two State grants and a 99-year leasehold estate under a State lease. The State grants and State lease do not contain any prohibition on any transfer or leasing of the Property by the owner.

Landmark Village Hotel is held under a 99-year lease granted by the Urban Redevelopment Authority as head lessor. Under this lease, the owner is required to pay all rates, taxes, charges and outgoings and keep the Property in tenantable repair, and prohibited from making any alteration or addition to the building or erecting any new building on the Property without first obtaining the written consent of the head lessor. This lease does not contain any prohibitions on transfer or leasing of Landmark Village Hotel.

The Elizabeth Hotel and The Quincy Hotel are comprised in freehold estates granted by the President of the Republic of Singapore under State grants. The State grants do not contain any prohibition on any transfer or leasing of the Properties by the owners.

PROPERTY SALE AND PURCHASE AGREEMENTS

Pursuant to the Property Sale and Purchase Agreements, the Vendors agreed to sell to Far East H-REIT the leasehold titles of the Properties together with the plant and equipment therein.

The leasehold titles to be acquired by Far East H-REIT comprise the following, each commencing from the Listing Date:

- a 75-year leasehold title in respect of Albert Court Village Hotel¹;
- a 65-year leasehold title in respect of Changi Village Hotel²;
- a 75-year leasehold title in respect of The Elizabeth Hotel³;
- a 66-year leasehold title in respect of Landmark Village Hotel⁴;
- a 92-year leasehold title in respect of Oasia Hotel⁵;
- a 50-year leasehold title in respect of Orchard Parade Hotel⁶;
- a 75-year leasehold title in respect of The Quincy Hotel⁷;
- a 80-year leasehold title in respect of Central Square Village Residences⁸;
- a 81-year leasehold title in respect of Hougang Village Residences⁹;
- a 81-year leasehold title in respect of Regency House¹⁰; and
- a 78-year leasehold title in respect of Riverside Village Residences¹¹.

The leasehold interests in the Properties to be acquired by Far East H-REIT are in respect of a shorter leasehold period than the length of the leasehold titles or (as the case may be) freehold titles held by the Vendors.

Upon expiry of the leasehold interests to be held by Far East H-REIT, title to the Properties will revert back to the Vendors.

1 The Vendor currently owns a leasehold interest of 99 years commencing from 10 September 1990 in Albert Court Village Hotel.

2 The Vendor currently owns a leasehold interest of 99 years commencing from 16 June 1980 in Changi Village Hotel.

3 The Vendor currently owns a freehold interest in The Elizabeth Hotel.

4 The Vendor currently owns a leasehold interest of 99 years commencing from 30 April 1981 in Landmark Village Hotel.

5 The Vendor currently owns a leasehold interest of 99 years commencing from 23 April 2007 in Oasia Hotel.

6 Orchard Parade Hotel rests on four land lots. The Vendor currently owns a freehold interest in three of the land lots, and owns a leasehold interest of 99 years commencing from 1 April 1965 in the fourth land lot.

7 The Vendor currently owns a freehold interest in The Quincy Hotel.

8 The Vendor currently owns a leasehold interest of 99 years commencing from 13 February 1995 in Central Square Village Residences.

9 The Vendor currently owns a leasehold interest of 99 years commencing from 27 February 1996 in Hougang Village Residences.

10 The Vendor currently owns a leasehold interest of 99 years commencing from 15 January 1996 in Regency House.

11 The Vendor currently owns a leasehold interest of 99 years commencing from 31 May 1993 in Riverside Village Residences.

The decision on the length of the leasehold interests to be transferred to Far East H-REIT, is entirely commercial. In valuing the Properties, the independent valuers have taken into account the tenure of the leasehold interests to be acquired by Far East H-REIT.

On the Listing Date, the Vendors will issue a registrable lease (the “**Vendor Lease**”) to Far East H-REIT for the leasehold estate of each of the Properties.

The purchase price for the Properties will be paid in cash or cash and Sponsor Stapled Securities.

In the event that there is Material Damage to the Property, Far East H-REIT may elect to terminate the sale and purchase. In the event that there is damage to the Property which is not Material Damage, the Vendor would be obliged to rectify the damage at its own cost and expense prior to the Listing Date or, if this is not possible, as soon as reasonably practicable after the Listing Date.

Certain limited representations and warranties are made by each Vendor relating to the Properties. Claims for breach of warranties are subject to an aggregate maximum limit per Property, and must be made within 18 months after the completion of the sale and purchase. If, prior to completion, it is found that there is a material breach of warranty by the Vendor, Far East H-REIT shall be entitled to rescind the sale and purchase, without prejudice to its other rights including the right to claim damages.

The completion of the sale and purchase of the Properties is subject to and conditional upon the approval of the Vendors’ shareholders being obtained by, and the listing of the Stapled Securities and commencement of trading of such units on SGX-ST on, the Listing Date.

Under the Property Sale and Purchase Agreements for Landmark Village Hotel and Orchard Parade Hotel, the Vendors are required at their own cost, to carry out and complete certain works to upgrade the Properties by no later than 30 June 2013.

On the Listing Date, all tenancy agreements relating to tenancies in the Excluded Commercial Premises of each of the Properties (except Oasia Hotel, The Quincy Hotel and Hougang Village Residences, for which there are no Excluded Commercial Premises) will be assigned by the Vendors to Far East H-REIT. Concurrently with the assignment of the tenancy agreements, the tenancy security deposits held by the Vendors in relation to such tenancy agreements will be transferred and all guarantees covering such tenancy security deposits will be assigned to Far East H-REIT.

As owner of a leasehold interest under a Vendor Lease (which is granted by the Vendor), rather than under a State Lease granted by the State, Far East H-REIT will require the consent of the Vendor for any “topping up” of its leasehold interest, as title to the Properties will revert to the relevant Vendor upon expiry of the leasehold interest.

If Far East H-REIT desires to top up its leasehold interest beyond the Vendor’s own leasehold interest, it will require the Vendor to itself extend the State Lease from the State to the Vendor before the Vendor is legally able to extend the leasehold interest of Far East H-REIT under the Vendor Lease. In the event that Far East H-REIT desires to top up its leasehold interest in a Property, such topping up of Far East H-REIT’s leasehold interest will be subject to the applicable laws and regulations, and the commercial terms will be subject to negotiations with the relevant Vendor.

VENDOR LEASES

Under the Vendor Leases, Far East H-REIT as the owner of the Properties, are required;

- to pay an annual rent of S\$12 (waived by the lessor (being the relevant Vendor) until further notice);
- to pay all rates, taxes, charges and outgoings imposed on the Properties; and
- not to use the Properties otherwise than in accordance with the approved use approved by the relevant authorities.

MASTER LEASE AGREEMENTS

Under the Master Lease Agreements, Far East H-REIT leases the Properties to the Master Lessees, together with the plant and equipment therein but excluding the Excluded Commercial Premises.

The term of each Master Lease Agreement is for 20 years with an option for the Master Lessee to obtain an additional lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew.

The Master Lessee is required to pay rent on a monthly basis in arrears on the 24th day of the following month, which rent shall comprise:

- (a) a Fixed Rent of:
- S\$3.5 million per annum in respect of Albert Court Village Hotel;
 - S\$7.5 million per annum in respect of Changi Village Hotel;
 - S\$5.5 million per annum in respect of The Elizabeth Hotel;
 - S\$7.0 million per annum in respect of Landmark Village Hotel;
 - S\$8.0 million per annum in respect of Oasia Hotel;
 - S\$10.0 million per annum in respect of Orchard Parade Hotel;
 - S\$2.5 million per annum in respect of The Quincy Hotel;
 - S\$3.5 million per annum in respect of Central Square Village Residences;
 - S\$1.5 million per annum in respect of Hougang Village Residences;
 - S\$2.5 million per annum in respect of Regency House; and
 - S\$2.5 million per annum in respect of Riverside Village Residences; and

- (b) a Variable Rent computed based on the sum of a fixed portion of the Property's Gross Operating Revenue and a fixed portion of the Property's Gross Operating Profit for that fiscal year, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The fixed portions of the Property's Gross Operating Revenue and the Property's Gross Operating Profit in a fiscal year, for the purpose of computing the Variable Rent for the Properties, are as follows:

Property	Percentage of Property's Gross Operating Revenue (%)	Percentage of Property's Gross Operating Profit (%)
Hotels		
Albert Court Village Hotel	33.0	25.0
Changi Village Hotel	33.0	24.0
The Elizabeth Hotel	33.0	34.0
Landmark Village Hotel	33.0	29.0
Oasia Hotel	33.0	28.0
Orchard Parade Hotel	33.0	37.0
The Quincy Hotel	33.0	23.0
Serviced Residences		
Central Square Village Residences	33.0	41.0
Hougang Village Residences	33.0	38.0
Regency House	33.0	40.0
Riverside Village Residences	33.0	40.0

The quantum of the Variable Rent will be adjusted at the end of each fiscal year based on the audited profit and loss statement of each Property for such fiscal year.

If the Property is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the Property cannot be used, and if part of the Property is still useable, the Master Lessee's liability to pay rent is adjusted such that:-

- if the total reinstatement costs exceed 25% of the purchase price of the Property, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (a) the fixed portions of the Property's Gross Operating Revenue and the Property's Gross Operating Profit applicable to the computation of the Variable Rent for such period, less an amount equivalent to half the Fixed Rent for such period and (b) an amount equivalent to half the Fixed Rent for such period; and
- if the total reinstatement costs do not exceed less than 25% of the purchase price of the Property, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will continue to pay the rent for such period, without any abatement of the Fixed Rent amount.

Each Master Lessee will provide a security deposit, by way of cash or bank guarantee, of an amount equivalent to six months of the monthly Fixed Rent. Except in the case of Orchard Parade Hotel, in lieu of such security deposit, the Master Lessee may provide a corporate guarantee for the payment of rent.

The FF&E in each Property at the commencement date of the Master Lease Agreement and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the Master Lessor, be transferred to the Master Lessor at the end of the Master Lease Agreement for S\$1.00. For each fiscal year, the Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Property's revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Master Lessor. Any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year. Where the total expenditure by the Master Lessee in any fiscal year is in excess of the unutilised balance in the FF&E reserve, the excess shall be carried forward and debited against the contribution to the FF&E reserve in the next fiscal year. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Master Lease Agreement shall be paid in cash by the Master Lessee to the Master Lessor.

All items of operating equipment which are acquired or replaced by the Master Lessee during the term of the Master Lease Agreement, will be the property of the Master Lessee subject to the condition that the title to the operating equipment items which are owned by the Master Lessee and still in use shall be transferred to the Master Lessor at the end of the Master Lease Agreement at the net book value or S\$1.00, whichever is the higher.

The Master Lessee must submit to the Master Lessor for review and approval by no later than 15th November of the preceding fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Master Lessor is not obliged to undertake any expenditure for capital improvements unless (i) it is approved in writing by the REIT Manager, or (ii) such capital improvements are (a) required to comply with any directive, order or requirement of any relevant government authorities or (b) required to meet safety or health requirements relating to the Property, or (iii) in certain emergency cases.

Each Master Lessee is required to enter into a hospitality management agreement with Jelco (or such related company of FEOPL, as may be appointed by the Master Lessee) and is not permitted to terminate, amend, modify or assign the hospitality management agreement or waive any right, breach or default under the hospitality management agreement without the consent of the Master Lessor. Upon termination of the Master Lease Agreement, the hospitality management agreement may be terminated by the Master Lessor without liability for any payment.

The Master Lessee must, at its cost, repair and maintain the Property, its infrastructure, plant and equipment in good and substantial condition and repair and in working order required for the operation of the Property but the Master Lessee is not responsible for works which are in the nature of capital improvements. The Master Lessee must, at its cost, repair and replace all FF&E and Operating equipment required for the operations of the Property.

All necessary licences and permits must be obtained and maintained by the Master Lessee at its cost.

The Master Lessee must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers' compensation and contract works insurance in respect of any works undertaken or carried out by the Master Lessee. The Master Lessor will take out and

maintain, at its cost, a property insurance insuring the Property, the infrastructure, plant and equipment and the contents of the Property, and business interruption policy for the respective rights and interests of the Master Lessor as lessor, and the Master Lessee as lessee. The Master Lessee is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Master Lessee's interests.

In the event a Property is damaged or destroyed such that at least 75.0% of the hotel rooms or, as the case may be, serviced residence units cannot be used or the total reinstatement costs exceed 50.0% of the purchase price of the Property and if the Master Lessor considers it impracticable or undesirable to repair or rebuild, either party may terminate the Master Lease Agreement. If the damage or destruction does not satisfy the above threshold, the Master Lessor must use the insurance proceeds which it receives to reinstate the Property to the condition as at the commencement of the Master Lease Agreement as far as practicable and to the extent possible with the available insurance proceeds.

The Master Lessor may sell or assign its interest in a Property subject to the terms of the Master Lease Agreement. The Master Lessor may also sell or assign its interest in the Property at any time free and clear of the Master Lease Agreement and such sale or assignment will not be subject to the Master Lease Agreement if the Master Lessor terminates the Master Lease Agreement with written notice to the Master Lessee and pays the Master Lessee a termination fee equal to the fair market value of the Master Lessee's leasehold interest in the remaining term and the option term (the "fair market value") or such other amount as may be mutually agreed between the Master Lessor and the Master Lessee. The fair market value is computed on the present value of "A" for each year of the unexpired term and the option term using a discount rate of 5%, where "A" means a per annum amount which is the average of the adjusted gross operating profit of the Property for the three fiscal years preceding the completion of such sale, or if the Property has not been in operation for at least three fiscal years, then the average during the preceding fiscal years that have elapsed, and "adjusted gross operating profit" in respect of a fiscal year means the gross operating profit of the Property for that fiscal year less the rent (comprising Fixed Rent, Variable Rent and Service Charge) payable to the Master Lessor for that fiscal year.

In the event the Master Lessor intends to sell the whole or any part of the Property, the Master Lessor shall first give written notice to the Master Lessee of such intention to sell and grant to the Master Lessee a right of first refusal to purchase the whole or any part of the Property, at the same purchase price and on terms and conditions no less favourable than the terms and conditions offered or proposed to be offered to any third party purchaser or received from any third party purchaser. The purchase price (which shall not be lower than the valuation) so offered or proposed to be offered by the Master Lessor to any third party purchaser or received from any third party purchaser and which the Master Lessor wishes to accept shall be the same purchase price (which shall not be lower than the valuation) as that offered by the Master Lessor to the Master Lessee.

The Master Lessee must, within 14 calendar days (or such other later period as the parties may mutually agree) of receipt of the Master Lessor's offer, give written notice to the Master Lessor of its acceptance of the Master Lessor's offer.

If the Master Lessee does not accept the Master Lessor's offer, the Master Lessor shall be entitled to accept any offer from a third party purchaser at a purchase price which shall not be lower than the purchase price stated in the Master Lessor's offer and on such terms and

conditions which shall not be more favourable than the terms and conditions of the sale and purchase agreement and any other related document incorporating the purchase price and such terms and conditions offered or proposed to be offered to the third party purchaser or received from any third party purchaser, without further reference to the Master Lessee. In the event that no sale and purchase agreement is entered into between the Master Lessor and any third party purchaser within 12 months from the date of expiry of the acceptance period, the right of first refusal to the Master Lessee and its successors to purchase the whole or any part of the Property shall continue to apply and the Master Lessor shall not at any time sell the whole or, as the case may be, any part of the Property without first re-observing the right of first refusal provisions in the Master Lease Agreements.

The benefit of the right of first refusal provision is personal to the Master Lessee or a related company of FEOPL as long as the Master Lessee or a related company of FEOPL is the tenant of the whole or any part of the Property and shall not be assigned or transferred to any other party. The right of first refusal provision shall be binding on the Master Lessor, its successors and assigns as long as the Master Lessee or a related company of FEOPL is the tenant of the whole or any part of the Property.

SHARED SERVICES AGREEMENTS

Under each of the Shared Services Agreements between the Master Lessee and Far East H-REIT in respect of the Properties (except Oasia Hotel, the Quincy Hotel, and Hougang Village Residences), the Vendors (as Master Lessees) will, after closing of the sale and purchase, continue to provide or procure provision of certain services for such Properties including the Excluded Commercial Premises. The range of services include, but are not limited to, cleaning and maintenance services, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, provision of security services, chiller plant maintenance, air conditioner maintenance and other services, and the specific services to be provided for each set of Excluded Commercial Premises will be agreed between the Master Lessee and Far East H-REIT, having regard to the needs of the relevant Excluded Commercial Premises. Under each of the Shared Services Agreements, Far East H-REIT will pay to the Master Lessee monthly, a share of the costs of the applicable services provided to and attributable to the Excluded Commercial Premises based on an agreed proportion of the total costs and expenses incurred, such proportion to be computed based on the proportion which the NLA of the Excluded Commercial Premises bears to the NLA of the entire property in each such case.

SHARED ELECTRICITY SERVICES AGREEMENTS

The Shared Electricity Services Agreements are entered into between the Master Lessees and Far East H-REIT in respect of the Properties (except Oasia Hotel, the Quincy Hotel, and Hougang Village Residences) where the Master Lessees have existing electricity supply agreements with electricity suppliers.

In respect of such Properties, the Vendors (as Master Lessees) will, after closing of the sale and purchase, continue to purchase electricity under the existing electricity agreements for the whole of the premises comprised in the Properties, including the Excluded Commercial Premises. Far East H-REIT will pay to the Master Lessee for electricity supplied only to part(s) of the Excluded Commercial Premises which are not regarded as common property (if

the Property is subdivided) or which would not reasonably be treated as common parts of the Building for common use or benefit (if the Property had been strata subdivided), as follows:

- (i) in respect of such part(s) of the Excluded Commercial Premises, for which electricity supplied can be separately monitored (e.g. through sub-meters or other means), for usage based on the actual amount of electricity supplied to such part(s), and at such rate as determined by the Master Lessee, having regard to the market rates charged by the supplier; and
- (ii) in respect of such part(s) of the Excluded Commercial Premises for which electricity supplied cannot be separately monitored, on a tiered fixed rate, based on the NLA of such part(s). These rates will be adjusted from time to time, in line with market rates.

CORPORATE GUARANTEES

The Corporate Guarantor will unconditionally and irrevocably guarantee to Far East H-REIT that the Master Lessee will punctually pay the rent and all other sums payable under the Master Lease Agreements.

Upon the default of the Master Lessee, the Corporate Guarantor will pay the rent and other sums payable under the Master Lease Agreements. The obligations of the Corporate Guarantor will cease six months after the Master Lessee yields up vacant possession of the Property in accordance with the terms of the relevant Master Lease Agreement, on the expiry or termination of the term.

PROPERTY MANAGEMENT AGREEMENT

The Excluded Commercial Premises which comprise part of the Initial Portfolio of Far East H-REIT and any excluded commercial premises located in Singapore subsequently acquired by Far East H-REIT, whether such excluded commercial premises are directly or indirectly held by Far East H-REIT, or are wholly or partly owned by Far East H-REIT will be managed by the Property Manager in accordance with the terms of the Property Management Agreement.

The Property Management Agreement for the Excluded Commercial Premises of Far East H-REIT was entered into on 3 August 2012 by the REIT Trustee, the REIT Manager and the Property Manager pursuant to which the Property Manager was appointed to operate, maintain, manage and market all the Excluded Commercial Premises of Far East H-REIT located in Singapore, subject to the terms and conditions of the Property Management Agreement. The property management will be subject to the overall management by the REIT Manager.

The initial term of the Property Management Agreement is 20 years from the Listing Date.

Six months prior to expiry of the initial term of the Property Management Agreement, the Property Manager may request to extend its appointment for a further 20 years on the same terms and conditions, except for revision of all fees payable to the Property Manager to revised rates determined by the REIT Trustee on the recommendation of the REIT Manager, having regard to prevailing market rates.

The REIT Trustee shall, based on the recommendation of the REIT Manager, agree to extend the appointment of the Property Manager for the extension term, on the revised fees

determined as aforesaid, subject to the approval of the unitholders of Far East H-REIT if such approval is required pursuant to any applicable legislation or regulations.

The REIT Trustee shall not be obliged to extend the appointment of the Property Manager if the above conditions are not fulfilled.

Six months before expiry of the initial term, the REIT Trustee will decide the prevailing market rates for the extension term, based on the recommendation of the REIT Manager. If the Property Manager disagrees with the decision of the REIT Trustee on the prevailing market rates for the extension term, the dispute shall be referred for determination by an expert in accordance with the terms of the Property Management Agreement.

Property Manager's Services

The services provided by the Property Manager for each Excluded Commercial Premise under its management include the following:

- property management services, recommending third party contracts for provision of property maintenance services, supervising the performance of contractors and ensuring compliance with building and safety regulations;
- lease management services, including coordinating tenants' fitting-out requirements, administration of rental collection, management of rental arrears, and administration of all property tax matters, arranging for adequate insurances; and
- marketing and marketing coordination services, including managing public relations, initiating lease renewals and negotiation of terms.

Fees

Under the Property Management Agreement, the Property Manager is entitled to the fees set out below, to be borne out of the Excluded Commercial Premises, for each Excluded Commercial Premise located in Singapore under its management.

Property Management Fees, Lease Management Fees and Marketing Services Fees

For property management services, lease management services and marketing services fees rendered by the Property Manager for an Excluded Commercial Premise located in Singapore, the REIT Trustee will pay the Property Manager for each such Excluded Commercial Premise a fee of 3.0% per annum of the Net Property Income of the relevant Excluded Commercial Premise.

Reimbursable Amounts

In addition to its fees, the Property Manager will be fully reimbursed for each Excluded Commercial Premise under its management for the agreed employee expenditure incurred for each month.

Expenses

The Property Manager is authorised to utilise funds deposited in operating accounts maintained in the name of the REIT Trustee, and to make payment for all costs and expenses incurred in the operation, maintenance, management and marketing of each Excluded

Commercial Premise within each annual budget approved by the REIT Trustee on the recommendation of the REIT Manager.

Provision of office space

Where applicable, the REIT Trustee or the REIT Manager shall permit employees of the Property Manager engaged to manage an Excluded Commercial Premise to occupy suitable office space at such Excluded Commercial Premise (as approved by the REIT Trustee, on the recommendation of the REIT Manager) without the Property Manager being required to pay any rent, service charge, utility charges or other sums.

Termination

The REIT Trustee or the REIT Manager may terminate the appointment of the Property Manager in relation to all the Excluded Commercial Premises of Far East H-REIT under the management of the Property Manager on the occurrence of certain specified events, which include the liquidation or cessation of business of the Property Manager.

The REIT Trustee or the REIT Manager may also terminate the appointment of the Property Manager without cause by giving three months' written notice to the Property Manager. In the event of a sale of an Excluded Commercial Premise, the REIT Trustee or the REIT Manager may terminate the appointment of the Property Manager specifically in relation to an Excluded Commercial Premise under its management by giving not less than 30 days' prior written notice to the Property Manager.

In addition, if the Property Manager, REIT Trustee or the REIT Manager, as the case may be, within 90 days of receipt of written notice, fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the Party who is not in breach may terminate the appointment of the Property Manager in relation only to such Excluded Commercial Premise in respect of which the breach relates, upon giving 30 days' written notice to the Party in breach.

On the termination of the appointment of the Property Manager, the REIT Manager shall, as soon as practicable, procure the appointment of a replacement Property Manager for the affected Excluded Commercial Premise.

Assignability

The REIT Trustee and the REIT Manager are entitled to novate their respective rights, benefits and obligations under the Property Management Agreement to a new trustee of Far East H-REIT or a new manager of Far East H-REIT appointed in accordance with the terms of the Far East H-REIT Trust Deed. The Property Manager is also entitled to novate its respective rights, benefits and obligations under the Property Management Agreement to a related company (as defined in the Companies Act) of FEOPL.

Exclusion of Liability

In the absence of fraud, negligence, default or breach of the Property Management Agreement by the Property Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Property Management Agreement.

In addition, the REIT Trustee shall indemnify the Property Manager against any actions, costs, claims, damages, expenses or demands to which it may suffer or incur as Property Manager, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, default or breach of the Property Management Agreement by the Property Manager, its employees or agents.

No Restriction on Property Manager

The Property Manager may provide services similar to those contemplated under the Property Management Agreement to other parties operating in the same or similar business as Far East H-REIT, or in other businesses.

LICENCE AGREEMENT

Pursuant to a licence agreement entered into between Far East Hospitality Services Pte Ltd and the Managers on 3 August 2012 (the “**Licence Agreement**”), in consideration for the payment of a nominal sum of S\$1.00, Far East Hospitality Services Pte Ltd has granted a non-exclusive, non-transferable licence to the Managers for the use of the “Far East Hospitality” name in connection with the business of Far East H-Trust.

The licence became effective from the date of the Licence Agreement and may be terminated by Far East Hospitality Services Pte Ltd giving at least three months’ notice in writing to the Managers in the event that the FEO Group (as defined in the Licence Agreement) collectively ceases to hold at least 30% of the issued Stapled Securities in Far East H-Trust.

Under the Licence Agreement, the Managers as licensees shall use their best endeavours at all times during the term of the Licence Agreement to create, promote and retain goodwill in the business utilising the trade mark, “Far East Hospitality”.

TAXATION

The following summary of certain Singapore tax consequences of the purchase, ownership and disposition of the Stapled Securities is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect).

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Stapled Securities and does not purport to apply to all categories of investors, some of whom may be subject to special rules, either in Singapore or in the tax jurisdiction where they are resident.

Investors should consult their own tax advisers concerning the application of Singapore tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Stapled Securities arising under the laws of any other taxing jurisdiction.

INCOME TAX

For Singapore income tax purposes, Far East H-Trust is not a taxable entity on its own. Instead, Far East H-REIT and Far East H-BT are subject to tax separately based on their own characteristics as a REIT and Registered Business Trust respectively.

The IRAS has issued a Tax Ruling on the taxation of Far East H-REIT and Stapled Securityholders. In accordance with the Tax Ruling, the Singapore tax consequences of Far East H-REIT and that of Stapled Securityholders are described below.

Taxation of Far East H-REIT

Subject to meeting the terms and conditions of the Tax Ruling, the REIT Trustee will not be assessed to tax on the Taxable Income of Far East H-REIT to the extent of the amount distributed, provided that at least 90.0% of its Taxable Income is distributed within the year in which the income is derived. Instead, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from distributions made to Stapled Securityholders that are made out of Far East H-REIT's Taxable Income. However, where the beneficial owners are individuals (who do not hold the Stapled Securities through a partnership) or Qualifying Stapled Securityholders, the REIT Trustee and the REIT Manager will make the distributions to such Stapled Securityholders without deducting any income tax. In addition, where the beneficial owners are Qualifying Foreign Non-individual Stapled Securityholders, the REIT Trustee and the REIT Manager will deduct income tax at the reduced rate of 10.0% for distributions made on or before 31 March 2015.

A “**Qualifying Stapled Securityholder**” refers to a holder who is:

- a company incorporated and tax resident in Singapore;
- a body of persons, other than a company or a partnership, incorporated or registered in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or
- a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Far East H-REIT.

A “**Qualifying Foreign Non-individual Stapled Securityholder**” is a holder (other than an individual) who is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that holder to acquire the Stapled Securities are not obtained from that operation.

To receive distributions without tax deduction at source, Stapled Securityholders who are Qualifying Stapled Securityholders must disclose their tax status in a prescribed form provided by the REIT Manager. Similarly, to receive distributions with tax deduction at the reduced rate of 10.0%, for distributions made on or before 31 March 2015, Qualifying Foreign Non-individual Stapled Securityholders must disclose their tax status in a prescribed form provided by the REIT Manager. (See Appendix E, “Independent Taxation Report” for further details.)

Where the Stapled Securities are held in joint names, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%), from distributions made out of Far East H-REIT’s Taxable Income unless all the joint Stapled Securityholders are individuals.

Where the Stapled Securities are held through nominees, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%), from distributions made out of Far East H-REIT’s Taxable Income except in the following situations:

- where the Stapled Securities are held for beneficial owners who are individuals or Qualifying Stapled Securityholders, tax may not be deducted at source where a declaration is made by the nominee of the beneficial owners’ status (which includes the provision of certain particulars of the beneficial owners) in a prescribed form to the REIT Trustee and the REIT Manager;
- where the Stapled Securities are held for beneficial owners who are Qualifying Foreign Non-individual Stapled Securityholders, tax may be deducted at source at the reduced rate of 10.0% for distributions made on or before 31 March 2015 where a declaration is made by the nominee of the beneficial owners’ status (which includes the provision of certain particulars of the beneficial owners) in a prescribed form to the REIT Trustee and the REIT Manager; and
- where the Stapled Securities are held by the nominees as Supplementary Retirement Scheme (the “**SRS**”) operators acting for individuals who purchased the Stapled Securities within the SRS, tax will not be deducted at source for distributions made in respect of these Stapled Securities.

Far East H-REIT’s distribution policy is to distribute 100.0% of Far East H-REIT’s Taxable Income for the Forecast Period 2012 and Projection Year 2013 and at least 90.0% of its Taxable Income thereafter. The amount of Taxable Income not distributed (*i.e.* the retained Taxable Income) will be assessed to Singapore income tax on the REIT Trustee. The REIT Trustee and the REIT Manager will not have to make a further deduction of income tax from any distribution made out of such retained Taxable Income.

Gains or profits arising from sale of real properties, if considered to be trading gains derived from a trade or business carried on by Far East H-REIT, will be taxable under Section 10(1)(a) of the Income Tax Act. Tax on such gains or profits will be assessed on the REIT Trustee. Consequently, if such gains or profits are distributed, the REIT Trustee and the REIT Manager will not have to make a further deduction of income tax from such distributions.

Gains or profits arising from the sale of real properties are not subject to tax if they are determined to be capital gains. Singapore does not impose tax on capital gains. If such capital gains are distributed, the REIT Trustee and REIT Manager will not have to deduct income tax from the distribution made.

See “Risk Factors — Risks Relating to an Investment in the Stapled Securities — Far East H-Trust may not be able to comply with the terms of Tax Ruling or the Tax Ruling may be revoked or amended”.

Taxation of Far East H-BT

Being a Registered Business Trust, Far East H-BT will be treated like a company under the one-tier corporate tax system for Singapore income tax purposes. Accordingly, it is subject to Singapore income tax in accordance with the same provisions of the income tax laws applicable to a company.

The income of Far East H-BT is taxed at the trust level. The tax is assessed on the Trustee-Manager at the prevailing corporate tax rate (currently 17.0%) with partial tax exemption for the first S\$300,000 of chargeable income.

Far East H-BT is liable to Singapore income tax on:

- income accruing in or derived from Singapore; and
- unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Taxation of Stapled Securityholders

For Singapore income tax purposes, the components making up a Stapled Security are recognised separately, *i.e.* as one Far East H-REIT Unit and one Far East H-BT Unit. Accordingly, distributions from Far East H-Trust are recognised separately as distributions from Far East H-REIT and distributions from Far East H-BT for the purpose of determining the applicable Singapore tax treatment.

Far East H-REIT Distributions

Individuals who hold the Stapled Securities as investment assets

All individuals who hold the Stapled Securities as investment assets (excluding individuals who hold such Stapled Securities as trading assets or individuals who hold such Stapled Securities through a partnership in Singapore) are exempt from income tax on the distributions made by Far East H-REIT, regardless of their nationality or tax residence status.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Individuals who hold the Stapled Securities as trading assets or through a partnership in Singapore

Individuals who hold the Stapled Securities as trading assets or through a partnership in Singapore are subject to income tax on the gross amount of distributions that are made out of the Taxable Income of Far East H-REIT. Such distributions will be taxed in the individuals' hands at their own applicable income tax rates.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Non-individuals (other than Qualifying Foreign Non-individual Stapled Securityholders)

Non-individual Stapled Securityholders (other than Qualifying Foreign Non-individual Stapled Securityholders) are subject to Singapore income tax on the gross amount of distributions that are made out of Far East H-REIT's Taxable Income, regardless of whether the REIT Trustee and the REIT Manager had deducted tax from the distributions.

Where tax had been deducted at source at the prevailing corporate tax rate, the tax deducted is not a final tax. Non-individual Stapled Securityholders can use such tax deducted at source as a set-off against their Singapore income tax liabilities.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Qualifying Foreign Non-individual Stapled Securityholders

Qualifying Foreign Non-individual Stapled Securityholders are subject to Singapore income tax on the gross amount of distributions that are made out of the Far East H-REIT's Taxable Income. The tax imposed is deducted at source at the prevailing corporate tax rate (currently 17.0%) except for distributions made on or before 31 March 2015 where the tax rate is reduced to 10.0%. The tax deducted at the reduced rate of 10.0% is a final tax.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Distributions of capital gains

Distributions made out of gains or profits arising from disposal of properties that have been determined to be capital gains are not taxable in the hands of all Stapled Securityholders.

Far East H-BT Distributions

Distributions made by Far East H-BT are exempt from Singapore income tax in the hands of all Stapled Securityholders. These distributions are also not subject to Singapore withholding tax. Stapled Securityholders are not entitled to tax credits for any taxes paid by the Trustee-Manager on the income of Far East H-BT.

Disposal of the Stapled Securities

Any gains on disposal of the Stapled Securities are not liable to Singapore tax provided the Stapled Securities are not held as trading assets or as assets in the ordinary course of a trade or business carried out in Singapore.

Stapled Securityholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 (“Financial Instruments: Recognition and Measurement”) (“**FRS 39**”) for financial reporting purposes may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Stapled Securities, irrespective of disposal. Stapled Securityholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their purchase, ownership and disposition of the Stapled Securities arising from the adoption of FRS 39.

Terms and Conditions of the Tax Ruling

The application of the Tax Ruling is conditional upon the REIT Trustee and the REIT Manager fulfilling certain terms and conditions. The REIT Trustee and the REIT Manager have given undertakings to take all reasonable steps necessary to safeguard the IRAS against tax leakages and to comply with all administrative requirements to ensure ease of tax administration.

The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

STAMP DUTY

By virtue of the Stamp Duty (Real Estate Investment Trust) (Remission) Rules 2010, stamp duty on any contract, agreement or instrument executed during the period from 18 February 2010 to 31 March 2015 (both dates inclusive) relating to the conveyance, assignment or transfer on sale of any Singapore immovable property or of any interest thereof to REITs listed or to be listed on the SGX-ST would be remitted. Accordingly, stamp duty will be remitted on the contracts for the sale of Singapore immovable properties to Far East H-REIT if the contracts were executed on or before 31 March 2015.

Stamp duty is imposed on the seller of residential properties in certain circumstances (“**Seller’s Stamp Duty**”). For residential properties bought or acquired on or after 14 January 2011 and sold or disposed of within four years of acquisition, the rate of Seller’s Stamp Duty ranges from 4.0% to 16.0%, depending on the holding period. Therefore, Far East H-REIT may be subject to Seller’s Stamp Duty if it were to dispose of any of its Serviced Residences.

Stamp duty will not be imposed on instruments of transfers relating to the Stapled Securities. In the event of a change of trustee for Far East H-REIT, or a change of trustee-manager for Far East H-BT, any document effecting the appointment of a new trustee or trustee-manager, as the case may be, and the transfer of trust assets from the incumbent trustee or trustee-manager to the new trustee or trustee-manager will also not be subject to stamp duty.

GOODS AND SERVICES TAX (“GST”)

The sale of the Stapled Securities by a GST-registered investor belonging in Singapore for GST purposes through a SGX-ST member or to another person belonging in Singapore is an

exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or by the Singapore Comptroller of GST.

Where the Stapled Securities are supplied by a GST-registered investor in the course or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0.0%. Any input GST incurred by a GST-registered investor in the making of the above supply in the course or furtherance of a business carried on by such investor may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and disposition of the Stapled Securities.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Stapled Securities rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, ownership or disposition of the Stapled Securities will be subject to GST at the standard rate of 7.0%. Similar services rendered contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to satisfaction of certain conditions, be subject to GST at 0.0%.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE STAPLED SECURITIES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

PLAN OF DISTRIBUTION

The Managers are making an offering of 329,366,000 Stapled Securities (representing 20.5% of the total number of Stapled Securities in issue after the Offering) for subscription at the Offering Price under the Placement Tranche and the Public Offer, of which 11,800,000 Reserved Stapled Securities (representing 3.6% of the Offering) under the Public Offer will be reserved for subscription by the directors, management and employees of the Sponsor and the REIT Manager. 267,566,000 Stapled Securities will be offered under the Placement Tranche and 61,800,000 Stapled Securities will be offered under the Public Offer. The Stapled Securities may be re-allocated between the Placement Tranche and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Managers) in the event of an excess of applications in one and a deficit in the other. In the event that any of the Reserved Stapled Securities are not subscribed for, such Stapled Securities will be made available to satisfy excess applications, if any, in the Public Offer and/or the Placement Tranche.

The Public Offer is open to members of the public in Singapore. Under the Placement Tranche, the Managers intend to offer the Stapled Securities by way of an international placement through the Joint Bookrunners to investors, including institutional investors and other investors in Singapore and elsewhere, in reliance on Regulation S.

Subject to the terms and conditions set forth in the underwriting agreement entered into between the Joint Bookrunners, the REIT Manager, the Trustee-Manager and certain entities of the Sponsor on 16 August 2012 (the “**Underwriting Agreement**”), the REIT Manager is expected to effect for the account of Far East H-REIT and the Trustee-Manager is expected to effect for the account of Far East H-BT the issue of, and the Joint Bookrunners are expected to severally (and not jointly) subscribe, or procure subscribers, for 705,710,000 Stapled Securities (which comprises 329,366,000 Stapled Securities under the Offering and 376,344,000 Cornerstone Stapled Securities), in the proportions set forth opposite their respective names below.

Joint Bookrunners	Number of Stapled Securities
DBS Bank Ltd.	246,999,000
Goldman Sachs (Singapore) Pte.	197,599,000
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	190,541,000
Oversea-Chinese Banking Corporation Limited	70,571,000
Total	705,710,000

The Stapled Securities will be offered at the Offering Price. The Offering Price per Stapled Security in the Placement Tranche and the Public Offer will be identical. The Joint Bookrunners have agreed to subscribe, or procure subscribers for 705,710,000 Stapled Securities (including the Cornerstone Stapled Securities which will be underwritten) at the Offering Price, less the Underwriting, Selling and Management Commission to be borne by Far East H-Trust.

The Managers and the Sponsor have agreed in the Underwriting Agreement to indemnify the Joint Bookrunners against certain liabilities.

The Underwriting Agreement also provides that the obligations of the Joint Bookrunners to subscribe, or procure subscribers for, the Stapled Securities in the Offering are subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Joint Bookrunners at any time prior to the issue and delivery of the Stapled Securities upon the occurrence of certain events including, among others, certain force majeure events pursuant to the terms of the Underwriting Agreement.

Subscribers of the Stapled Securities may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Offering Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of subscription, in addition to the Offering Price.

Each of the Joint Bookrunners and their respective associates may engage in transactions with, and perform services for, Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager and the Sponsor in the ordinary course of business and have engaged, and may in the future engage, in commercial banking or investment banking transactions and/or other commercial transactions with Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager and the Sponsor, for which they have received or made payment of, or may in the future receive or make payment of, customary fees.

OVER-ALLOTMENT AND STABILISATION

The Unit Lender has granted the Over-Allotment Option to the Joint Bookrunners for the purchase of up to an aggregate of 65,873,000 Stapled Securities at the Offering Price. The number of Stapled Securities subject to the Over-Allotment Option represents 20.0% of the total number of Stapled Securities in the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, may exercise the Over-Allotment Option in full or in part, on one or more occasions, from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 65,873,000 Stapled Securities, representing 20.0% of the total number of Stapled Securities in the Offering, to undertake stabilising actions. In connection with the Over-Allotment Option, the Stabilising Manager and the Unit Lender have entered into a Stapled Securities lending agreement (the “**Stapled Securities Lending Agreement**”) dated 16 August 2012 pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 65,873,000 Stapled Securities from the Unit Lender for the purpose of facilitating settlement of the over-allotment of Stapled Securities in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will re-deliver to the Unit Lender such number of Stapled Securities which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations.

None of the Managers, the Sponsor, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) make any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Stapled Securities. In addition, none of the Managers, the Sponsor, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) make any representation that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Stapled Securities purchased by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), not later than 12 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Stapled Securities in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

LOCK-UP ARRANGEMENTS

The Sponsor

Subject to the exceptions described below, each of FEOC and F. E. Holdings Pte. Ltd. has agreed with the Joint Bookrunners that it will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of any or all of its effective interest in the relevant Lock-up Stapled Securities directly (in the case of FEOC) or indirectly (in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd), enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any or all of the relevant Lock-up Stapled Securities held by it in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above during the Lock-up Period.

The restrictions described in the preceding paragraph do not apply to:

- the creation of a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance can only be enforced after the end of the Lock-up Period;
- the entry into of any securities lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Stapled Securities by the Unit Lender pursuant to the exercise of the Over-Allotment Option; or
- the transfer of such Lock-up Stapled Securities to and between wholly-owned subsidiaries of each of FEOC and F. E. Holdings Pte. Ltd., provided that FEOC or, as the case may be, F. E. Holdings Pte. Ltd. has procured that such subsidiaries have executed and delivered to the Joint Bookrunners an undertaking to the effect that it will undertake to comply with the foregoing restrictions in the above paragraph to remain in effect for the unexpired period of the Lock-up Period.

If, for any reason, the Offering is not completed by 30 September 2012, the lock-up arrangements described above will be terminated.

Shareholders of the Sponsor

Subject to the exceptions described below, the ultimate shareholders of the Sponsor as at the date of this Prospectus, who are members of the Ng Family, have agreed with the Joint Bookrunners that they will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of any or all of their effective interest in the Sponsor Stapled Securities (whether held through their respective shares in the relevant Sponsor companies or otherwise); enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any or all of their effective interest in the Sponsor Stapled Securities (whether held through their respective shares in the relevant Sponsor companies or otherwise) in any depository receipt facility; or enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above, during the Lock-up Period.

The restrictions described in the preceding paragraph do not apply to:

- the creation of a charge or other security or encumbrance over the Lock-up Stapled Securities or, the relevant shareholder's effective interest in the Lock-up Stapled Securities or the relevant Shareholders respective shares in the relevant Sponsor companies, provided that such charge, security or encumbrance can only be enforced after the end of the Lock-up Period;
- the entry into of any securities lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Stapled Securities by the Unit Lender pursuant to the exercise of the Over-Allotment Option; or
- any transfer by the ultimate shareholders of their effective interests in the Sponsor Stapled Securities or any of their respective shares in the relevant Sponsor companies to any of the following:
 - (i) Mrs Ng Teng Fong, her children, grandchildren and their spouses; and
 - (ii) any existing or future trust, where one or more of the beneficiaries of such trust are members of the Ng Family at the time of the transfer,

provided that such transferee has executed and delivered to the Joint Bookrunners an undertaking to the reasonable satisfaction of the Joint Bookrunners to the effect of the restrictions described above remaining in effect for the remainder of the Lock-up Period. For purposes of the foregoing paragraphs, the "**Ng Family**" means Mrs Ng Teng Fong, her children, grandchildren and their spouses.

If, for any reason, the Listing Date does not fall within three months from the date of registration of the final prospectus issued in connection with the Offering with the MAS, the lock-up arrangements described above will be terminated.

The Unit Lender

Subject to the exceptions described below, Golden Development Private Limited has agreed with the Joint Bookrunners that it will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of any or all of its effective interest in the Lock-up Stapled Securities, enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any or all of its effective interest in the Lock-up Stapled Securities in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above during the Lock-up Period.

The restrictions described in the preceding paragraph do not apply to:

- the creation of a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities provided that such charge, security or encumbrance can only be enforced after the end of the Lock-up Period;
- the entry into of any securities lending arrangement with the Joint Bookrunners or any sale or transfer of the Lock-up Stapled Securities by the Unit Lender pursuant to the exercise of the Over-Allotment Option; or
- the transfer of such Lock-up Stapled Securities to and between wholly-owned subsidiaries of the Sponsor provided that the Sponsor has procured that such subsidiaries have executed and delivered to the Joint Bookrunners an undertaking to the effect that it will undertake to comply with the foregoing restrictions in the above paragraph to remain in effect for the unexpired period of the Lock-up Period.

If, for any reason, the Offering is not completed by 30 September 2012, the lock-up arrangements described above will be terminated.

The REIT Manager and the Trustee-Manager

Subject to the exceptions described below, each of the Managers has agreed with the Joint Bookrunners that it will not without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), for the Lock-up Period, directly or indirectly, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any Stapled Securities; enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Stapled Securities in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above.

The restrictions described in the preceding paragraph do not apply to the issuance of (i) Stapled Securities to be offered under the Offering; (ii) the Sponsor Stapled Securities; (iii) the Cornerstone Stapled Securities and (iv) the Stapled Securities to the Managers in payment of any fees payable to the Managers under the Far East H-REIT Trust Deed and the Far East H-BT Trust Deed.

If, for any reason, the Offering is not completed by 30 September 2012, the lock-up arrangements described above will be terminated.

SGX-ST LISTING

Far East H-Trust has received a letter of eligibility from the SGX-ST for the listing and quotation of the Stapled Securities on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the Trustee-Manager or the Stapled Securities. It is expected that the Stapled Securities will commence trading on the SGX-ST on a “ready” basis on or about 27 August 2012.

Prior to this Offering, there has been no trading market for the Stapled Securities. There can be no assurance that an active trading market will develop for the Stapled Securities, or that the Stapled Securities will trade in the public market subsequent to this Offering at or above the Offering Price.

ISSUE EXPENSES

The Managers estimate that expenses payable in connection with the Offering and the issuance of the Sponsor Stapled Securities and the Cornerstone Stapled Securities and the application for listing, including the Underwriting, Selling and Management Commission, professional fees and all other incidental expenses relating to the Offering and the issuance of the Sponsor Stapled Securities and the Cornerstone Stapled Securities will be approximately S\$32.8 million based on the Offering Price, assuming the Over-Allotment Option is fully exercised.

A breakdown of these estimated expenses is as follows:

	(S\$'000) (based on the Offering Price)	As a dollar amount for each S\$ of the total issue proceeds of the Offering and the issue of the Sponsor Stapled Securities and Cornerstone Stapled Securities
Underwriting, Selling and Management Commission ⁽¹⁾	21,527	0.014
Professional and other fees ⁽²⁾	5,394	0.004
Miscellaneous offering expenses ⁽³⁾	5,892	0.004
TOTAL ESTIMATED EXPENSES⁽⁴⁾	32,813	0.022

Notes:

- (1) Such commission represents a maximum of 3.0% of the total amount of the Offering and the Cornerstone Stapled Securities. The amount of total commission payable by Far East H-Trust is pegged to the Offering Price.
- (2) Includes financial advisory fees, solicitors' fees and fees for the Independent Accountants, Ernst & Young Solutions LLP as the Independent Tax Adviser, the Independent Valuers, the Independent Market Research Consultant and other professionals' fees.
- (3) Includes cost of prospectus production, roadshow expenses and certain other expenses incurred or to be incurred in connection with the Offering and the issuance of the Sponsor Stapled Securities and Cornerstone Stapled Securities.
- (4) The total expenses in relation to the Offering will be ultimately borne by the investors subscribing for the Stapled Securities pursuant to the Offering.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Managers, the Sponsor or the Joint Bookrunners have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of the Stapled Securities, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Stapled Securities may not offer or sell, directly or indirectly, any Stapled Securities and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Stapled Securities in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Stapled Securities is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Australia

Any offer, invitation, transfer or issue of Stapled Securities in Far East H-Trust to any person located in, or a resident of, Australia may not occur unless the person is a professional investor or sophisticated investor for the purposes of Chapter 6D, or a wholesale client for the purposes of Chapter 7.9, of the Corporations Act 2001 (Cth) (the **Australian Corporations Act**). This document has not been, and will not be, lodged with the Australian Securities and Investments Commission, Australian Securities Exchange or any other regulatory body or agency in Australia as a prospectus or product disclosure statement for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a prospectus or product disclosure statement under Australian law.

Any Stapled Securities in Far East H-Trust issued upon acceptance of the Offering may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Chapter 6D or Chapter 7.9 of the Australian Corporations Act. Accordingly, each investor acknowledges these restrictions and, by applying for Stapled Securities under this document, gives an undertaking not to sell those Stapled Securities (except in the circumstances referred to above) for 12 months after their issue.

Far East H-Trust has not been and will not be registered as a managed investment scheme under Chapter 5C of the Australian Corporations Act. Neither Far East H-Trust, the REIT Manager nor the Trustee-Manager holds an Australian financial services licence and they are not licensed to provide financial product advice in relation to Stapled Securities in Far East H-Trust. Investors in Far East H-Trust do not have “cooling off” rights under Australian law.

Bahrain

This Prospectus has not been approved by the Central Bank of Bahrain (**CBB**) and the regulations of the CBB do not apply.

No offer will be made in Bahrain to the public to purchase Stapled Securities and this Prospectus will not be issued to, or made available to, the public generally in Bahrain.

The CBB takes no responsibility for the performance of the Stapled Securities nor for the correctness of any statements or representation made by the Joint Bookrunners.

Canada

This Prospectus constitutes an offering of the Stapled Securities only in those jurisdictions of Canada and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell the Stapled Securities. The Offering in Canada is being made on a private placement basis. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Stapled Securities in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Stapled Securities, and any representation to the contrary is an offence.

Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (**DFSA**). This document is intended for distribution only to persons of a type specified in the Offered Securities Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Stapled Securities to which this document relates may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the Stapled Securities offered should conduct their own due diligence on the Stapled Securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer to the public of any Stapled Securities which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Stapled Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Stapled Securities shall result in a requirement for the REIT Manager and the Trustee-Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer to the public** in relation to any Stapled Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Stapled Securities to be offered so as to enable an investor to decide to purchase any Stapled Securities, as the

same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Hong Kong

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong. Accordingly:

- (a) Stapled Securities may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to “professional investors” within the meaning of Part I of Schedule I to the Securities and Futures Ordinance (Cap. 571) (**SFO**) and any rules made under the SFO; and
- (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Stapled Securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Kuwait

This Prospectus is not for general circulation to the public in Kuwait. The Stapled Securities have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The Offering in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Stapled Securities is being made in Kuwait, and no agreement relating to the sale of the Stapled Securities will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Stapled Securities in Kuwait.

Japan

The Stapled Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**). Accordingly, the Stapled Securities are not being offered or sold, directly or indirectly, in or into Japan or, to or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and ministerial guidelines of Japan.

Malaysia

No approval from the Securities Commission of Malaysia (**SC**) has been applied for or will be obtained for the offer or invitation in respect of the Offering under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the SC in connection with the Offering in Malaysia. Accordingly, this Prospectus or any amendment or supplement hereto or any other offering document in relation to Far East H-Trust may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Stapled Securities and no person may offer for subscription or purchase any of the Stapled Securities directly or indirectly to anyone in Malaysia.

Qatar

This Prospectus is not intended to constitute an offer, sale or delivery of shares, units in a collective investment scheme or other securities under the laws of the State of Qatar including the rules and regulations of Qatar Financial Centre Authority (**QFCA**) or the Qatar Financial Centre Regulatory Authority (**QFCRA**) or equivalent laws of the Qatar Central Bank (**QCB**). This Prospectus has not been lodged or registered with, or reviewed or approved by the QFCA, the QFCRA, the QCB or the Qatar Financial Markets Authority (**QFMA**) and is not otherwise authorised or licensed for distribution in the State of Qatar or the Qatar Financial Centre. The information contained in this Prospectus does not, and is not intended to, constitute a public or general offer or other invitation in respect of shares, Stapled Securities in a collective investment scheme, or other securities in the State of Qatar or the Qatar Financial Centre.

This Prospectus originates from outside of the jurisdiction of Qatar and is distributed to a limited number of sophisticated potential investors who are willing and able to conduct an independent investigation of the risks involved in an investment. Investors in the scheme may not have the same access to information about the scheme that they would have to information about a collective investment scheme registered in the Qatar Financial Centre. Recourse against the scheme, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside the Qatar Financial Centre. The Joint Bookrunners are not regulated or authorised by the QCB, QFMA, QFC Authority, QFC Regulatory Authority or any other government authority in the State of Qatar.

The Joint Bookrunners are not, by virtue of the distribution of this Prospectus, conducting any banking, investment or other commercial business in the State of Qatar or the Qatar Financial Centre. The Joint Bookrunners are each an entity regulated under laws outside the State of Qatar.

Saudi Arabia

No action has been or will be taken in Saudi Arabia that would permit a public offering of the Stapled Securities in the Kingdom of Saudi Arabia. As required by Article 4 of the Investment Fund Regulations, as enacted by Resolution of the Board of the Capital Market Authority No. 1–219-2006 dated 3/12/1427 H (24 December 2006) (the **IF Regulations**), the Stapled Securities will only be initially offered and sold in the Kingdom of Saudi Arabia following 15 days prior notification to the Capital Market Authority (the **CMA**) through an entity authorised by the CMA in accordance with the Authorised Persons Regulations, as enacted by Resolution of the Board of the Capital Market Authority No. 1–83-2005 dated 21/5/1426 H (28 June 2005) and further amended.

The Stapled Securities will be offered in the Kingdom of Saudi Arabia to no more than two hundred offerees and the minimum amount payable per offeree will not be less than Saudi Riyals one million or an equivalent initial amount, in accordance with Articles 4 of the IF Regulations.

Investors are informed that Article 4 of the IF Regulations places restrictions on secondary market activity with respect to the Stapled Securities, which are summarised as follows:

- (a) any transfer must be made through an entity licensed by the CMA;
- (b) a person (the **Transferor**) who has acquired Stapled Securities may not offer or sell such Stapled Securities or any part thereof to any other person (referred to as a **Transferee**) unless the price to be paid by the Transferee for such Stapled Securities equals or exceeds Saudi Riyals 1 million;
- (c) if the provisions of paragraph (b) cannot be fulfilled because the price of the Stapled Securities being offered or sold to the Transferee has declined since the date of the original private placement, the Transferor may offer or sell the Stapled Securities to the Transferee if their purchase price during the period of the original offer was equal to or exceeded Saudi Riyals 1 million;
- (d) if the provisions of either (b) or (c) cannot be fulfilled, the Transferor may offer or sell the Stapled Securities if he/she sells his entire holding of the Stapled Securities to one Transferee; and
- (e) the provisions of paragraphs (b), (c) and (d) shall apply to all subsequent Transferees of the Stapled Securities.

Switzerland

The Stapled Securities may not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland and neither this Prospectus nor any other solicitation for investments in Far East H-Trust may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 1156/652a of the Swiss Code of Obligations (**CO**). This Prospectus may not be copied, reproduced, distributed or passed on to others without the prior written consent of the Joint Bookrunners. This Prospectus is not a prospectus within the meaning of Articles 1156/652a CO and the Stapled Securities will not be listed on the SIX Swiss Exchange. Therefore, this Prospectus may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. In addition, it cannot be excluded that Far East H-Trust could qualify as a foreign collective investment scheme pursuant to Article 119 para. 2 Swiss Federal Act on Collective Investment Schemes (**CISA**). The Stapled Securities will not be licensed for public distribution in and from Switzerland. Therefore, the Stapled Securities may only be offered and sold to so-called “qualified investors” in accordance with the private placement exemptions pursuant to applicable Swiss law (in particular, Article 10 para. 3 CISA and Article 6 of the implementing ordinance to the CISA). Far East H-Trust has not been licensed and is not subject to the supervision of the Swiss Financial Market Supervisory Authority (**FINMA**). Therefore, investors in the Stapled Securities do not benefit from the specific investor protection provided by CISA and the supervision of the FINMA.

The Netherlands

With regard to the Offering, neither the REIT Manager or the Trustee-Manager is obliged to obtain a license pursuant to the Netherlands Act on Financial supervision (*Wet op het financieel toezicht*) (**AFS**) and neither the REIT Manager or the Trustee-Manager is subject to the supervision of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (**AFM**).

The Stapled Securities will not be offered or sold, directly or indirectly, in the Netherlands, other than solely to Qualified Investors (*gekwalficeerde beleggers*) as defined in section 1:1 of the AFS, all within the meaning of section 1:12 and section 5:2 of the AFS.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document and the information contained herein does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates (**UAE**) and accordingly should not be construed as such. The Stapled Securities are only being offered to a limited number of sophisticated investors in the UAE who are willing and able to conduct an independent investigation of the risks involved in an investment in such Stapled Securities, upon their specific request. The Stapled Securities have not been approved or licensed or registered with the UAE Central Bank, the UAE Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE and no transaction will be concluded in the UAE. This document is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

United Kingdom

The Stapled Securities in Far East H-Trust are Stapled Securities in a collective investment scheme as defined in the Financial Services and Markets Act 2000 (**FSMA**) of the United Kingdom (**UK**). Far East H-Trust has not been authorised, or otherwise recognised or approved by the UK Financial Services Authority (**FSA**) and, as an unregulated collective investment scheme, accordingly cannot be marketed in the UK to the general public.

The issue or distribution of this Prospectus in the UK, (a) if made by a person who is not an authorised person under FSMA, is being made only to, or directed only at, persons who (i) have professional experience in matters relating to investments; or (ii) are high net worth companies (and certain other entities) falling within Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who meet the requirements thereunder (all such persons together being referred to as **FPO persons**); and (b) if made by a person who is an authorised person under FSMA, is being made only to, or directed only at, (i) persons who have professional experience in participating in unregulated collective investment schemes; or (ii) high net worth companies (and certain other entities) falling within Article 22 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the **CIS Order**) who meet the requirements thereunder; or (iii) persons to whom it may otherwise lawfully be distributed under the CIS Order or Section 4.12 of the FSA's Conduct of Business Sourcebook (all such persons together being referred to as **PCIS persons** and, together with the FPO persons, the **relevant persons**). This Prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Potential investors in the UK are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in Far East H-Trust and that compensation will not be available under the UK Financial Services Compensation Scheme.

United States

The Stapled Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act. The Stapled Securities are being offered and sold outside of the United States in reliance on Regulation S (terms used in this subsection that are defined in Regulation S are used herein as defined therein).

Transfer Restrictions

Each purchaser of the Stapled Securities offered hereby in reliance on Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (a) it is aware that the Stapled Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- (b) it is purchasing the Stapled Securities in an offshore transaction meeting the requirements of Regulation S; and
- (c) it will not offer, sell, pledge or transfer any Stapled Securities, except in accordance with the Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

Terms used in this subsection that are defined in Regulation S are used herein as defined therein.

General

Each applicant for Stapled Securities in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of Far East H-Trust, Far East H-REIT, Far East H-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Stapled Securities. For the purpose of trading on the SGX-ST, a board lot for the Stapled Securities will comprise 1,000 Stapled Securities.

Upon listing and quotation on the SGX-ST, the Stapled Securities will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Stapled Securities through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

It is expected that the Stapled Securities will be credited into the Securities Accounts of applicants for the Stapled Securities within four Market Days¹ after the closing date for applications for the Stapled Securities.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Stapled Securities will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, will be treated as Stapled Securityholders in respect of the number of Stapled Securities credited to their respective Securities Accounts.

Transactions in the Stapled Securities under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Stapled Securities sold and the buyer's Securities Account being credited with the number of Stapled Securities acquired. No transfer stamp duty is currently payable for the transfer of the Stapled Securities that are settled on a book-entry basis.

The Stapled Securities credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. The Stapled Securities credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S\$10.00 transfer fee payable to CDP. All persons trading in the Stapled Securities through the SGX-ST should ensure that the relevant Stapled Securities have been credited into their Securities Account, prior to trading in such Stapled Securities, since no assurance can be given that the Stapled Securities can be credited into the Securities Account in time for settlement following a dealing. If the Stapled Securities have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

¹ "Market Day" means any day on which the SGX-ST is open for trading in securities.

CLEARING FEES

A clearing fee for the trading of the Stapled Securities on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S\$600.00 per transaction. The clearing fee, deposit fee and Stapled Security withdrawal fee may be subject to GST (currently 7.0%).

Dealings in the Stapled Securities will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date and payment for the Stapled Securities is generally settled on the following Market Day. CDP holds Stapled Securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

EXPERTS

Ernst & Young LLP, the Independent Accountants, was responsible for preparing the Independent Accountants' Report on the Profit Forecast and Profit Projection and the Independent Accountants' Report on the Unaudited Pro Forma Financial Information found in Appendix A and Appendix B of this Prospectus, respectively.

Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd, the Independent Valuers, was responsible for preparing the Independent Property Valuation Summary Reports in Appendix C of this Prospectus.

CBRE Pte. Ltd., the Independent Market Research Consultant, was responsible for preparing the Independent Hospitality Industry Report in Appendix D of this Prospectus.

Ernst & Young Solutions LLP, the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report found in Appendix E of this Prospectus.

The Independent Accountants, the Independent Valuers, the Independent Market Research Consultant and the Independent Tax Adviser have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of Allen & Gledhill LLP, Allen & Overy LLP and Shook Lin & Bok LLP make, or purport to make, any statement in this Prospectus and none of them are aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

- (1) The REIT Manager Directors and the Trustee-Manager Directors (together, the “**Directors**”) collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, Far East H-Trust and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection has been stated after due and careful inquiry. Where information in the Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

- (2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Managers the outcome of which, in the opinion of the Managers, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Managers.
- (3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against Far East H-REIT and/or Far East H-BT the outcome of which, in the opinion of the Directors, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of Far East H-REIT and/or, as the case may be, Far East H-BT.
- (4) The name, age and address of each of the Directors are set out in “Management and Corporate Governance — Far East H-Trust — The REIT Manager Board” and “Management and Corporate Governance — Far East H-Trust – The Trustee-Manager Board”. A list of the present and past directorships of each director and executive officer of the Managers over the last five years preceding the Latest Practicable Date is set out in Appendix G, “List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers”.
- (5) There is no family relationship among the directors and executive officers of the Managers.
- (6) There have been no public takeover offers by third-parties in respect of the Far East H-BT Units or by the Trustee-Manager in respect of the shares of a corporation or the units of another business trust, that have occurred between 1 August 2012, being the date of constitution of Far East H-BT, and up to the Latest Practicable Date.

- (7) None of the directors, executive officers or controlling shareholders of the Managers, or the controlling Stapled Securityholder are or were involved in any of the following events:
- (a) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (b) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency, saved as disclosed in Appendix G, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers";
 - (c) any unsatisfied judgment against him;
 - (d) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust) in any jurisdiction, or from taking part directly or indirectly in the management of any entity or business trust in any jurisdiction;
 - (i) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

- (j) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
 - in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

EXCHANGE CONTROLS

- (8) As at the date of this Prospectus, there is no governmental law, decree or regulatory requirement which may affect the repatriation of capital and the remittance of profits by or to the REIT Manager and/or the Trustee-Manager.

MATERIAL CONTRACTS

- (9) The dates of, parties to, and general nature of every material contract which the REIT Trustee has entered into within the two years preceding the date of lodgement of this Prospectus (not being contracts entered into in the ordinary course of the business of Far East H-Trust) are as follows:
 - (a) the Far East H-REIT Trust Deed;
 - (b) the Stapling Deed;
 - (c) the Property Sale and Purchase Agreements (which include the forms of the Master Lease Agreements);
 - (d) the Sponsor ROFRs;
 - (e) the Property Management Agreement;
 - (f) the Licence Agreement; and
 - (g) the subscription agreements entered into between the Managers and the Cornerstone Investors to subscribe for the Cornerstone Stapled Securities (the “**Cornerstone Subscription Agreements**”).

- (10) The dates of, parties to, and general nature of every material contract which the Trustee-Manager has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of Far East H-Trust) are as follows:
- (a) the Far East H-BT Trust Deed;
 - (b) the Stapling Deed;
 - (c) the Sponsor ROFRs; and
 - (d) the Licence Agreement; and
 - (e) the Cornerstone Subscription Agreements.

DOCUMENTS FOR INSPECTION

- (11) Copies of the following documents are available for inspection at the registered office of the REIT Manager at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213 and of the Trustee-Manager at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213 for a period of six months from the date of this Prospectus:
- (a) the material contracts referred to in paragraphs 9 and 10 above, save for the Deeds (which will be available for inspection for so long as Far East H-REIT and Far East H-BT are in existence);
 - (b) the Independent Accountants' Report on the Profit Forecast and Profit Projection as set out in Appendix A of this Prospectus;
 - (c) the Independent Accountants' Report on the Unaudited Pro Forma Financial Information as set out in Appendix B of this Prospectus;
 - (d) the Independent Property Valuation Summary Reports as set out in Appendix C of this Prospectus as well as the full valuation reports for each of the Properties;
 - (e) the Independent Hospitality Industry Report as set out in Appendix D of this Prospectus;
 - (f) the Independent Taxation Report as set out in Appendix E of this Prospectus;
 - (g) the written consents of the Independent Accountants, the Independent Valuers, the Independent Market Research Consultant and the Independent Tax Adviser (see "Experts" for further details); and
 - (h) the Depository Terms and Conditions.

CONSENTS OF THE JOINT GLOBAL COORDINATORS AND THE JOINT BOOKRUNNERS

- (12) DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch have each given and not withdrawn its written consent to being named in this Prospectus as a Joint Financial Advisers, Global Coordinators and Issue Managers to the Offering.
- (13) DBS Bank Ltd., Goldman Sachs (Singapore) Pte., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited have each given and have not withdrawn their written consent to

being named in this Prospectus as the Joint Bookrunners and Underwriters to the Offering.

WAIVERS FROM THE MAS

- (14) The MAS has granted the Trustee-Manager an exemption from compliance with sections 10(2)(a) and 11(1)(a) of the BTA to the extent that sections 10(2)(a) and 11(1)(a) of the BTA require the Trustee-Manager and the Trustee-Manager Directors to act in the best interests of the holders of Far East H-BT Units only, subject to the conditions that (a) the Trustee-Manager shall ensure that the Far East H-BT Units remain stapled to the Far East H-REIT Units, and (b) the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole.
- (15) The MAS has also granted the Trustee-Manager an exemption from compliance with section 15(1) of the BTA to the extent that section 15(1) requires an audit committee to be constituted when Far East H-BT is dormant, subject to the conditions that (a) the exemption shall only be in effect for so long as Far East H-BT is dormant, and (b) immediately upon the Trustee-Manager becoming aware that Far East H-BT will become active, the Trustee-Manager shall ensure that an audit committee in compliance with the requirements of the BTA and the BTR is constituted before Far East H-BT becomes active.
- (16) The MAS has also granted the Trustee-Manager an exemption from compliance with regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that regulations 12(1)(a) and 12(1)(b) of the BTR require the Trustee-Manager Directors to be independent, subject to the following conditions:
- (a) the Trustee-Manager shall ensure that the Far East H-BT Units remain stapled to the Far East H-REIT Units;
 - (b) the Trustee-Manager shall ensure that, in relation to the composition of the Trustee-Manager Board:
 - (i) the Trustee-Manager Directors are also the REIT Manager Directors;
 - (ii) at least a majority of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers as a whole; and
 - (iii) at least one-third of the Trustee-Manager Directors shall be independent from management and business relationships with the Managers as a whole and from every Substantial shareholder of the Managers; and
 - (c) the Stapling Deed shall contain covenants binding the Managers to exercise all due diligence and vigilance to safeguard the rights and interests of the Stapled Securityholders in the event of a conflict of interest between the Managers and their respective shareholders, and that of the Stapled Securityholders.

For the purposes of this paragraph (16), a director shall not be considered independent from a Substantial shareholder if he is also a director of a subsidiary or an associated company of the Substantial shareholder (where the subsidiary or associated company is not the Trustee-Manager or the REIT Manager).

WAIVERS FROM THE SGX-ST

- (17) The Managers have obtained from the SGX-ST waivers from compliance with the following listing rules under the Listing Manual:
- (a) Rule 404(3), which relates to restrictions on investments subject to compliance with the Code on Collective Investment Schemes;
 - (b) Rule 404(5), which requires the management company to be reputable and have an established track record in managing investments subject to the management in the REIT Manager, which is the entity responsible for managing the assets held by Far East H-REIT, having the relevant experience;
 - (c) Rule 407(4), which requires the submission of the financial track record of the investment manager and the investment adviser;
 - (d) Rule 748(1), which requires an investment fund to announce via SGXNET its net tangible assets per unit at the end of each week, subject to such disclosures being made on a quarterly basis;
 - (e) Rule 748(3), which requires an investment fund to disclose certain information in its annual report, subject to disclosure of the information set out under “Management and Corporate Governance — Annual Reports”; and
 - (f) Rule 705(2)(b) in relation to the announcement of Far East H-Trust’s financial statements for its third quarter ending 30 September 2012, provided that Far East H-Trust makes an announcement of its financial results for the period from the date of its constitution to 31 December 2012.

MISCELLANEOUS

- (18) The financial year-end of Far East H-Trust, Far East H-REIT and Far East H-BT is 31 December. The annual audited consolidated financial statements of Far East H-Trust will be prepared and sent to Stapled Securityholders within three months of the financial year-end and not less than 14 days before the date of the annual general meeting of Stapled Securityholders.
- (19) While Far East H-Trust is listed on the SGX-ST, investors may check the SGX-ST website <http://www.sgx.com> for the prices at which the Stapled Securities are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao* for the price range within which the Stapled Securities were traded on the SGX-ST on the preceding day.
- (20) Save as disclosed elsewhere in this Prospectus, there is no arrangement or understanding with a Substantial shareholder of the Trustee-Manager, Substantial Unitholder of Far East H-BT, customer or supplier of the Trustee-Manager, pursuant to which any Trustee-Manager Director or any executive officer of Far East H-BT was selected as a director or executive officer of Far East H-BT.
- (21) There is no known arrangement the operation of which may at a subsequent date, result in a change of control in Far East H-BT or the Trustee-Manager.

- (22) A full valuation of each of the real estate assets held by Far East H-REIT will be carried out at least once a year in accordance with the Property Funds Appendix. Generally, where Far East H-Trust proposes to issue new Stapled Securities or to redeem existing Stapled Securities, or (in the event that Unstapling has occurred), Far East H-REIT proposes to issue new Far East H-REIT Units or to redeem existing Far East H-REIT Units, and the assets held by Far East H-REIT were valued more than six months ago, the REIT Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets held by Far East H-REIT, especially when market conditions indicate that real estate values have changed materially. The REIT Manager or the REIT Trustee may at any other time arrange for the valuation of any of the real estate assets held by Far East H-REIT if it is of the opinion that it is in the best interest of Stapled Securityholders to do so.
- (23) The REIT Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of Far East H-REIT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the REIT Manager, the Trustee-Manager nor any of their associates will be entitled to receive any part of any brokerage charged to Far East H-REIT or Far East H-BT, or any part of any fees, allowances or benefits received on purchases charged to Far East H-REIT or Far East H-BT.

TREND INFORMATION AND PROFIT FORECAST

- (24) Save as disclosed under the sections entitled “Risk Factors”, “Capitalisation and Indebtedness”, “Profit Forecast and Profit Projection”, “Strategy” and “Business and Properties” of this Prospectus, the financial condition and operations of Far East H-Trust is not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in Far East H-Trust’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any insignificant economic changes that materially affects the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that Far East H-Trust reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.
- (25) Due to the nature of the business of Far East H-Trust, an order book is not maintained.

GLOSSARY

Aberdeen Asia	Aberdeen Asset Management Asia Limited
Aggregate Leverage	The ratio of Far East H-REIT's total borrowings (including deferred payments for assets whether to be settled in cash or in Far East H-REIT Units) to the value of the Far East H-REIT Deposited Property, adjusted for the distribution of any accrued Taxable Income and tax-exempt income
Agreed FF&E Plan	The FF&E plan of each of the Properties listing out the existing FF&E items, the anticipated FF&E works proposed for the year and a rolling three-year FF&E forward plan, as agreed upon between the REIT Manager and the respective Master Lessee
AIA or the Group	AIA Group Limited and its subsidiaries
APG Pool	APG Strategic Real Estate Pool
Application Forms	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
Application List	The list of applicants subscribing for the Stapled Securities which are the subject of the Public Offer
associate	Has the meaning ascribed to it in the Listing Manual
associated company	Has the meaning ascribed to it in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005
associated entity	Has the meaning ascribed to it in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005
ATM	Automated teller machine
Authorised Investments	Has the meaning ascribed to it in the Deeds
Authority or MAS	Monetary Authority of Singapore
Available Hotel Rooms	Number of available hotel rooms in a hotel less house use hotel rooms
Available Serviced Residence Units	Number of available serviced residence units in a serviced residence less house use serviced residence units
Average Daily Rate or ADR	Total room revenue or, as the case may be, total serviced residence unit rental revenue divided by the total number of paid occupied hotel rooms or, as the case may be, paid occupied nights of serviced residence units
Average Occupancy Rate	The percentage of hotel rooms or serviced residence units sold for a particular period out of the Available Hotel Rooms or Available Serviced Residence Units respectively for the relevant period
Base Fee	0.3% per annum of the value of the Far East H-REIT Deposited Property

BTA	Business Trusts Act, Chapter 31A of Singapore
BTR	Business Trusts Regulations 2005
Business Day	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
CAGR	Compound annual growth rate
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
Central Region	Comprises the Core Central Region, as well as other planning areas including Bukit Merah, Bukit Timah, Queenstown, Kallang, Bishan, Marine Parade, Geylang, Toa Payoh, Tanglin, Novena and the Southern Islands
CIS Code	The Code on Collective Investment Schemes issued by the MAS
CMS Licence	The capital markets services licence for REIT management
Colliers	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
Companies Act	Companies Act, Chapter 50 of Singapore
Company Secretary	The company secretary of the REIT Manager
controlling shareholder	Has the meaning ascribed to it in the Listing Manual
controlling Stapled Securityholder	Has the meaning ascribed to it in the Listing Manual
Core Central Region	Comprises the Downtown Core, Orchard, Marina East, Marina South, Museum, Newton, Outram, River Valley, Rochor, Singapore River and Straits View planning areas
Cornerstone Investors	Aberdeen Asset Management Asia Limited, AIA, APG Strategic Real Estate Pool, Havenport Asset Management Pte. Ltd., Hwang Investment Management Berhad, Indus, JF Asset Management Limited, Lion Global Investors Limited, Myriad Asset Management Limited and NTUC Income Co-operative Limited
Cornerstone Stapled Securities	The 376,344,000 Stapled Securities subscribed for by each of the Cornerstone Investors pursuant to a subscription agreement
Cornerstone Subscription Agreements	The subscription agreements entered into between the Managers and the Cornerstone Investors to subscribe for the Cornerstone Stapled Securities
Corporate Guarantees	The corporate guarantees entered into between the REIT Trustee and the Guarantor in respect of the Master Lease Agreements

Corporate Guarantor	FEOC (in respect of The Quincy Hotel and The Elizabeth Hotel), Golden Development Private Limited (in respect of Oasia Hotel, Changi Village Hotel, Landmark Village Hotel, Regency House, Riverside Village Residences and Hougang Village Residences) and Far East Orchard (in respect of Albert Court Village Hotel and Central Square Village Residences), in their capacity as guarantors of the Corporate Guarantees
Deeds	The Far East H-REIT Trust Deed, Far East H-BT Trust Deed and Stapling Deed
Depository Services Terms and Conditions	CDP's depository services terms and conditions in relation to the deposit of the Far East H-REIT Units and Far East H-BT Units in CDP
Development Project	<p>In relation to Far East H-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Far East H-REIT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works, provided always that the Property Funds Appendix shall be complied with for the purposes of such development; and</p> <p>In relation to Far East H-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Far East H-BT, including major development, re-development, refurbishment, retrofitting, addition and alteration and renovations works</p>
Directors	The REIT Manager Directors and the Trustee-Manager Directors
DPS	Distributions per Stapled Security
Due Care	The degree of care and diligence required of a trustee-manager of a registered business trust under the BTA
Excluded Commercial Premises	Specific commercial areas in the Properties (other than Oasia Hotel, The Quincy Hotel and Hougang Village Residences) which are not subject to the respective Master Lease Agreements
Extraordinary Resolution	A resolution proposed and passed as such by a super-majority consisting of more than 75.0% of the total number of votes cast for and against such resolution at a meeting of the holders of Far East H-REIT Units or, as the case may be, Far East H-BT Units duly convened and held
FAMPL	FEO Asset Management Pte Ltd
Far East H-BT	Far East Hospitality Business Trust

Far East H-BT Trust Deed	The trust deed dated 1 August 2012 made by the Trustee-Manager constituting Far East H-BT
Far East H-BT Trust Property	The Trust Property of Far East H-BT
Far East H-BT Unit	An undivided interest in Far East H-BT as provided for in the Far East H-BT Trust Deed
Far East H-BT Unit Issue Mandate	General mandate given by holders of Far East H-BT Units to allow the Managers to jointly issue Stapled Securities
Far East H-REIT	Far East Hospitality Real Estate Investment Trust or as the case may be, Far East Hospitality Real Estate Investment Trust and its subsidiaries
Far East H-REIT Debt Facilities	S\$725.0 million unsecured floating rate banking facilities for Far East H-REIT comprising S\$650.0 million term loan facilities and S\$75.0 million revolving credit facilities from DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
Far East H-REIT Deposited Property	The gross assets of Far East H-REIT, including all the Authorised Investments of Far East H-REIT for the time being held or deemed to be held by Far East H-REIT under the Far East H-REIT Trust Deed
Far East H-REIT Trust Deed	The trust deed dated 1 August 2012 made between the REIT Manager and the REIT Trustee constituting Far East H-REIT
Far East H-REIT Unit	An undivided interest in Far East H-REIT as provided for in the Far East H-REIT Trust Deed
Far East H-REIT Unit Issue Mandate	General mandate given by holders of Far East H-REIT Units to allow the Managers to jointly issue Stapled Securities
Far East H-Trust	Far East Hospitality Trust, the hospitality stapled group comprising Far East H-REIT and Far East H-BT
Far East Organization or FEO	The Far East Organization group of companies of which the Sponsor is a part
Fee Arrangements	The fee arrangements of the REIT Manager, the REIT Trustee and the Hotel and Serviced Residence Operator
FEOC	Far East Organization Centre Pte. Ltd.
Far East Orchard	Far East Orchard Limited (formerly known as Orchard Parade Holdings Limited)
Far East Orchard Private Funds	Existing or future private funds managed by Far East Orchard
Far East Orchard ROFR	The right of first refusal granted by Far East Orchard to Far East H-Trust

FEOPL	Far East Organisation Pte. Ltd.
FF&E	Furniture, fixtures and equipment
FF&E Reserve	An amount equal to 2.5% of the anticipated revenue of each Property ¹ as set out in the agreed budget for that year, which may be used and disbursed only in accordance with the Agreed FF&E Plan
Fixed Rent	Fixed rent under the terms of the Master Lease Agreements
Forecast Period 2012 or FP2012E	The period from 1 August 2012 to the end of the financial year ending 31 December 2012
FRS 39	Singapore Financial Reporting Standard 39 (“Financial Instruments: Recognition and Measurement”)
FY	The financial year ended or, as the case may be, ending 31 December
FY2013E	The financial year ending 31 December 2013 (estimated)
FY2014E	The financial year ending 31 December 2014 (estimated)
F&B	Food and beverage
GDP	Gross domestic product
GFA	Gross floor area
Gross Operating Profit	The gross operating profit of a Property, comprising Gross Operating Revenue less operating expenses
Gross Operating Revenue	The gross operating revenue of a Property
Gross Revenue	The gross revenue of a Property comprising the rental payment under the respective Master Lease Agreement, which consists of a Fixed Rent and a Variable Rent and commercial rental income from the Excluded Commercial Premises
GST	Goods and services tax
Hong Kong	The Hong Kong Special Administrative Region of the People’s Republic of China
Hospitality Management Agreements	The hospitality management agreements between the Master Lessees and the Hotel and Serviced Residence Operator in relation to the Properties ²
Housing Developers (Control and Licensing) Act	Housing Developers (Control and Licensing) Act, Chapter 130 of Singapore
Hotel and Serviced Residence Operator	The operator of the Properties, which as at the Listing Date is Jelco

1 Excluding Oasia Hotel. As Oasia Hotel is a new property, its FF&E Reserve will amount to 1.0% of the anticipated revenue for the first three years of the respective Master Lease Agreement, and 2.5% thereafter.

2 Excluding the Excluded Commercial Premises.

Hotels	Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel and The Quincy Hotel
Hotels Act	Hotels Act, Chapter 127 of Singapore
HwangIM	Hwang Investment Management Berhad
Income Tax Act	Income Tax Act, Chapter 134 of Singapore
Independent Accountants	Ernst & Young LLP
Independent Market Research Consultant, CBRE or CBRE Hotels	CBRE Pte. Ltd.
Independent Tax Adviser	Ernst & Young Solutions LLP
Independent Valuers	Colliers and Knight Frank
Indus	Indus Pacific Opportunities Master Fund, Ltd. and Indus Asia Pacific Master Fund, Ltd.
Initial Portfolio	The initial portfolio of Far East H-Trust
Instruments	Offers, agreements or options
Interested Party	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	Has the meaning ascribed to it in the Listing Manual
IRAS	Inland Revenue Authority of Singapore
Jelco	Jelco Properties Pte Ltd, the Hotel and Serviced Residence Operator as at the Listing Date
JFAM	JF Asset Management Limited
Joint Bookrunners and Underwriters or Joint Bookrunners	DBS Bank Ltd., Goldman Sachs (Singapore) Pte., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited
Joint Financial Advisers, Global Coordinators and Issue Managers or Joint Global Coordinators	DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Knight Frank	Knight Frank Pte Ltd
Latest Practicable Date	26 July 2012, being the latest practicable date prior to the lodgement of this Prospectus with the MAS

Listing Date	The date of admission of the Stapled Securities to the Official List of the SGX-ST
Listing Manual	The Listing Manual of the SGX-ST
Lock-up Period	The period commencing from the Listing Date until the date falling 180 days after the Listing Date (both dates inclusive)
Lock-up Stapled Securities	All of the Stapled Securities which will be held by FEOC, Golden Development Private Limited and F. E. Holdings Pte. Ltd. on the Listing Date, directly (in the case of FEOC and Golden Development Private Limited) or indirectly ((i) in the case of Golden Development Private Limited, through Oxley Hill Properties Pte Ltd and (iii) in the case of F. E. Holdings Pte. Ltd., through Golden Landmark Pte Ltd and Riverland Pte Ltd)
Managers	The REIT Manager and the Trustee-Manager
Market Day	A day on which the SGX-ST is open for trading in securities
Market price	<p>(i) The volume weighted average price per Stapled Security (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Far East H-Trust is listed, in the ordinary course of trading, for the period of 10 Business Days (or such other period as prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day, or</p> <p>(ii) where the Managers believe that such market price is not a fair reflection of the market price of a Stapled Security, such amount as determined by the Managers, as being the fair market price of a Stapled Security.</p>
Master Lease Agreements	The lease agreements entered into by the REIT Manager, the REIT Trustee and the relevant Master Lessees in relation to the Properties (excluding the Excluded Commercial Premises), on the Listing Date
Master Lessees	<p>The master lessees of the Properties, which as at the Listing Date comprise:</p> <p>(i) FEOC;</p> <p>(ii) Golden Development Private Limited;</p> <p>(iii) Far East Orchard;</p> <p>(iv) First Choice Properties Pte Ltd;</p> <p>(v) OPH Riverside Pte Ltd;</p> <p>(vi) Serene Land Pte Ltd;</p>

- (vii) Oxley Hill Properties Pte Ltd;
- (viii) Transurban Properties Pte. Ltd.;
- (ix) Golden Landmark Pte Ltd; and
- (x) Riverland Pte Ltd.

Master Lessor	The REIT Trustee in relation to the Master Lease Agreements of the Properties
Material Damage	Damage to a Property which in the opinion of the REIT Trustee, acting on the recommendation of the REIT Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of Far East H-REIT, the Property and other Properties in each case taken as a whole
MCST	Management Corporation Strata Title Plan
MICE	Meetings, incentives, conventions and exhibitions
MNC	Multinational corporation
MRT	Mass Rapid Transit
MTI	Ministry of Trade and Industry
NAV	Net asset value
Net Property Income or NPI	Consists of Gross Revenue less Property Expenses
NLA	Net lettable area
NTUC Income	NTUC Income Co-operative Limited
Offering	The initial public offering of 329,366,000 Stapled Securities by the Managers for subscription at the Offering Price under the Placement Tranche and the Public Offer
Offering Price	S\$0.93 per Stapled Security
Operating equipment	Items customarily referred to as “operating equipment” in the hotel industry, including but not limited to glassware, silverware, cutlery, chinaware, crockery, linen and uniforms as well as all those items generally required for the day-to-day operation of a hotel
Other ROFRs	The rights of first refusal granted by each of the following members of the Sponsor to Far East H-Trust: <ul style="list-style-type: none"> (i) FEOC; (ii) FEOPL; (iii) Golden Development Private Limited; (iv) Glory Realty Co. Private Ltd.; (v) F. E. Holdings Pte. Ltd.; (vi) Boo Han Holdings Pte. Ltd.;

(vii) Lucky Realty Company Pte Ltd; and

(viii) Orchard Landmark Pte. Ltd.

Ordinary Resolution	A resolution proposed and passed as such by a majority consisting of more than 50.0% of the total number of votes cast for and against such resolution at a meeting of the holders of Far East H-REIT Units or, as the case may be, Far East H-BT Units duly convened and held
Outside Central Region	Comprises the North, North-East, East and West Regions
Over-Allotment Option	An option granted by the Unit Lender to the Stabilising Manager to acquire from the Unit Lender up to an aggregate of 65,873,000 Stapled Securities at the Offering Price, solely to cover the over-allotment of Stapled Securities (if any)
Participating Banks	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (including its subsidiary, Far Eastern Bank Limited)
Performance Fee	4.0% per annum of the Net Property Income of Far East H-REIT in the relevant financial year
Placement Tranche	The international placement of 267,566,000 Stapled Securities to investors, including institutional and other investors in Singapore pursuant to the Offering
Profit Forecast and Profit Projection	The forecast and projected results of Far East H-Trust for Forecast Period 2012 and Projection Year 2013 respectively
Projection Year 2013	The full financial year ending 31 December 2013
Properties	The Hotels and the Serviced Residences
Property Expenses	Comprises (i) property tax on each hospitality property, (ii) insurance expenses on each Property, (iii) Sinking Fund Contributions and (iv) other property expenses
Property Funds Appendix	Appendix 6 to the CIS Code issued by the Authority in relation to REITs
Property Management Agreement	The property management agreement dated 3 August 2012 between the REIT Trustee and the Hotel and Serviced Residence Operator in relation to the Excluded Commercial Premises
Property Sale and Purchase Agreements	The property sale and purchase agreements dated 3 August 2012 between the Vendors and the REIT Trustee on behalf of Far East H-REIT in respect of the sale and purchase of the Properties
Proposed Disposals	In relation to the Sponsor ROFRs, means disposals of any interest by a Relevant Entity in any Relevant Asset which is wholly-owned by the Relevant Entity

Proposed Offers	In relation to the Sponsor ROFRs, means proposed offers by a Relevant Entity to dispose of any interest in any Relevant Asset which is wholly-owned by the Relevant Entity
Public Offer	The offering of 61,800,000 Stapled Securities (including the Reserved Stapled Securities) at the Offering Price to the public in Singapore pursuant to the Offering
Qualifying Foreign Non-individual Stapled Securityholder	<p>A Stapled Securityholder (other than an individual) who is not a resident of Singapore for income tax purposes and:</p> <ul style="list-style-type: none"> ● who does not have a permanent establishment in Singapore; or ● who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that Stapled Securityholder to acquire the Stapled Securities are not obtained from that operation
Qualifying Stapled Securityholder	<p>A Stapled Securityholder who is:</p> <ul style="list-style-type: none"> ● a company incorporated and tax resident in Singapore; ● a body of persons, other than a company or a partnership, incorporated or registered in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or ● a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Far East H-REIT
Recognised Stock Exchange	Any stock exchange of repute in any part of the world
Registered Business Trusts	Business trusts registered with the MAS
Regulation S	Regulation S under the Securities Act
REIT	Real estate investment trust
REIT Manager	FEO Hospitality Asset Management Pte. Ltd., in its capacity as manager of Far East H-REIT
REIT Manager Audit Committee	The audit committee of the REIT Manager
REIT Manager Board	The board of directors of the REIT Manager
REIT Manager Directors	The directors of the REIT Manager

REIT Trustee	DBS Trustee Limited, in its capacity as trustee of Far East H-REIT
Related Party	Refers to an Interested Person and/or, as the case may be, Interested Party
Related Party Transactions	Refers to an Interested Person Transaction and/or, as the case may be, Interested Party Transaction
Relevant Asset	In relation to the Sponsor ROFRs, means a completed income-producing real estate in Singapore used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, where real estate used for “ hospitality ” purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, and the term “ serviced residences ” means apartments with full or partial services. For the avoidance of doubt, such real estate shall not include (a) residential units sold under the Housing Developers (Control and Licensing) Act; and (b) the aforesaid residential units sold by a developer after the certificate of statutory completion and individual titles have been issued in respect of the development comprising such residential units, unless approval is granted by the relevant authorities for such units to be used as serviced residence. Where such real estate is held by a Relevant Entity through a SPV established solely to own such real estate, the term “ Relevant Asset ” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “ Relevant Asset ” shall refer to the ownership share of the Relevant Entity in such real estate.
Relevant Entity	<ul style="list-style-type: none"> (i) In relation to the Far East Orchard ROFR, means Far East Orchard or any of its existing or future subsidiaries or Far East Orchard Private Funds; (ii) in relation to the Other ROFR granted by FEOPL to the REIT Trustee and the Trustee-Manager, means FEOPL or any of its existing or future subsidiaries (excluding Far East Orchard and its subsidiaries) or existing or future private funds managed by FEOPL; and (iii) in relation to the Other ROFRs granted by each of (a) FEOC, (b) Golden Development Private Limited, (c) Glory Realty Co. Private Ltd., (d) F. E. Holdings Pte. Ltd., (e) Boo Han Holdings Pte. Ltd., (f) Lucky Realty Company Pte Ltd and (g) Orchard Landmark Pte. Ltd. to the REIT Trustee and the Trustee-

Manager, means that member of the Sponsor or any of its existing or future subsidiaries or existing or future private funds managed by that member of the Sponsor

Reserved Stapled Securities	11,800,000 Stapled Securities reserved for subscription by the directors, management and employees of the Sponsor and the REIT Manager
RevPAR	Revenue per Available Hotel Room (excluding house use hotel rooms)
RevPAU	Revenue per Available Serviced Residence Unit (excluding house use serviced residence units)
R&D	Research and development
SARS	Severe acute respiratory syndrome
Securities Account	Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP
Securities Act	U.S. Securities Act of 1933, as amended
Securities and Futures (Amendment) Act 2009	A bill to amend the SFA as passed by the Singapore Parliament on 19 January 2009
serviced residences	Apartments with full or partial services
Serviced Residences	Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences
Settlement Date	The date and time on which the Stapled Securities are issued as settlement under the Offering
SFA	Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	Singapore Exchange Securities Trading Limited
Sinking Fund Contributions	MCST sinking fund contributions
SLA	Singapore Land Authority
SOHOs	Small offices / home offices
Sponsor	<p>The following Far East Organization group of companies comprising the Vendors and companies which directly or indirectly hold the pipeline of hospitality properties that fall or may potentially fall within the Sponsor ROFRs:</p> <ul style="list-style-type: none">(i) FEOC, the Vendor of Changi Village Hotel and the owner of Far East Plaza Residences;(ii) FEOPL;(iii) Golden Development Private Limited, the Vendor of The Quincy Hotel and The Elizabeth Hotel and the

owner of Orchard Scotts Residences, a potential pipeline property under the Sponsor ROFRs;

- (iv) Glory Realty Co. Private Ltd.;
- (v) F. E. Holdings Pte. Ltd.;
- (vi) Boo Han Holdings Pte. Ltd., which directly holds Oasia West Residences, a potential pipeline property under the Sponsor ROFRs;
- (vii) Lucky Realty Company Pte Ltd; and
- (viii) Orchard Landmark Pte. Ltd., which holds Leonie View,

and their respective subsidiaries, including:

- (i) Far East Orchard, a subsidiary of FEOPL and the Vendor of Orchard Parade Hotel;
- (ii) First Choice Properties Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Albert Court Village Hotel;
- (iii) OPH Riverside Pte Ltd, a subsidiary of Far East Orchard and the Vendor of Central Square Village Residences;
- (iv) Serene Land Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Hougang Village Residences;
- (v) Oxley Hill Properties Pte Ltd, a subsidiary of Golden Development Private Limited and the Vendor of Regency House;
- (vi) Far East SOHO Pte. Ltd., a subsidiary of Golden Development Private Limited, which holds Oasia Downtown Hotel, a potential pipeline property under the Sponsor ROFRs;
- (vii) Transurban Properties Pte. Ltd., a subsidiary of Glory Realty Co. Private Ltd. and the Vendor of Oasia Hotel;
- (viii) Orchard Parksuites Pte Ltd, a subsidiary of Glory Realty Co. Private Ltd., which holds Orchard Parksuites, a potential pipeline property under the Sponsor ROFRs;
- (ix) Golden Landmark Pte Ltd, a subsidiary of F. E. Holdings Pte. Ltd. and the Vendor of Landmark Village Hotel;
- (x) Riverland Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd. (which is in turn a subsidiary of F. E.

	Holdings Pte. Ltd.) and the Vendor of Riverside Village Residences;
	(xi) Victory Realty Co. Private Ltd., a subsidiary of F. E. Holdings Pte. Ltd.;
	(xii) China Classic Pte Ltd, a subsidiary of Victory Realty Co. Private Ltd., which holds The Amoy Hotel and The Outpost Hotel, two potential pipeline properties under the Sponsor ROFRs; and
	(xiii) Dollar Land Singapore Private Limited, a subsidiary of Lucky Realty Company Pte Ltd, which holds West Coast Village Residences
Sponsor Initial Stapled Security	The total number of Stapled Securities in issue as at the date of this Prospectus
Sponsor ROFRs	The Far East Orchard ROFR and the Other ROFRs
Sponsor ROFR Properties	The properties that fall or may potentially fall within the Sponsor ROFRs
Sponsor Stapled Securities	The Sponsor Initial Stapled Security and the Stapled Securities received by the Vendors (excluding Far East Orchard and its subsidiaries) on the Listing Date in part satisfaction of the purchase consideration for all of the Properties save for Albert Court Village Hotel, Orchard Parade Hotel, Central Square Village Residences, Oasia Hotel and Hougang Village Residences
SPV	Special purpose vehicle
Sq ft	Square feet
Sq m	Square metres
SRS	Supplementary Retirement Scheme
Stabilising Manager	DBS Bank Ltd.
Stapled Securities	Stapled Securities in Far East H-Trust, each comprising one unit in Far East H-REIT and one unit in Far East H-BT stapled together under the terms of the Stapling Deed
Stapled Securityholders	The holders of the Stapled Securities
Stapled Security Issue Mandate	The authority given to the Managers to issue Stapled Securities
Stapled Securities Lending Agreement	The Stapled Securities lending agreement entered into between the Stabilising Manager and the Unit Lender dated 16 August 2012 in connection with the Over-Allotment Option
Stapling Deed	The stapling deed dated 1 August 2012 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager

STB	Singapore Tourism Board
Subsidiary	Has the meaning ascribed thereto in the Companies Act
Substantial holders of Far East H-BT Units	Any holder of Far East H-BT Units with an interest in one or more Far East H-BT Units constituting not less than 5.0% of all Far East H-BT Units in issue
Substantial holders of Far East H-REIT Units	Any holder of Far East H-REIT Units with an interest in one or more Far East H-REIT Units constituting not less than 5.0% of all Far East H-REIT Units in issue
Substantial Stapled Securityholders	Any Stapled Securityholder with an interest in one or more Stapled Securities constituting not less than 5.0% of all Stapled Securities in issue
Substantial shareholder	Any shareholder with an interest in not less than 5.0% of the shares in issue
Take-over Code	The Singapore Code on Take-overs and Mergers
Tax Ruling	The tax ruling dated 28 May 2012 issued by the IRAS on the taxation of Far East H-REIT and Stapled Securityholders
Taxable Income	Income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act after deduction of allowable expenses and applicable tax allowances (but excluding gains on sale of real properties which are determined to be trading gains)
TOP	Temporary occupation permit
Total Gross Revenue	The total gross revenue of Far East H-REIT, comprising (i) gross rental income from the Properties under the Master Lease Agreements and (ii) commercial rental income
Total Project Costs	The sum of the following (where applicable): <ul style="list-style-type: none"> (i) construction cost based on the project final account prepared by the project quantity surveyor; (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; (iii) the cost of obtaining all approvals for the project; (iv) site staff costs; (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with generally accepted accounting practices in Singapore; and (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and

can be capitalised to the project in accordance with generally accepted accounting practices in Singapore

Trust Companies Act	Trust Companies Act, Chapter 336 of Singapore
Trust Property	Has the meaning ascribed to it in the BTA
Trustee-Manager	FEO Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of Far East H-BT
Trustee-Manager Board	The board of directors of the Trustee-Manager
Trustee-Manager Directors	The directors of the Trustee-Manager
Trustees Act	Trustees Act, Chapter 337 of Singapore
Unaudited Pro Forma Financial Information	The unaudited pro forma financial information of Far East H-REIT
Unclaimed Monies Account	A special account which holds any unclaimed monies payable to holders of Far East H-REIT Units or, as the case may be, Far East H-BT Units
Underwriting Agreement	The underwriting agreement entered into between the Joint Bookrunners, the REIT Manager, the Trustee-Manager and the Sponsor on 16 August 2012
Underwriting, Selling and Management Commission	An underwriting, selling and management commission (including incentive fees) of up to S\$21.5 million excluding GST based on the Offering Price of S\$0.93 per Stapled Security
Unit Lender	Golden Development Private Limited
Unstapling	The process that results in a Far East H-REIT Unit no longer being stapled to a Far East H-BT Unit
URA	Urban Redevelopment Authority
US or United States	United States of America
Variable Rent	The variable rent per annum of a Property, comprising the sum of a stated percentage of the Property's Gross Operating Revenue and a stated percentage of the Property's Gross Operating Profit less Fixed Rent
Vendors	The vendors from whom Far East H-REIT will acquire the leasehold titles to the Properties
1Q2011	The three months ended 31 March 2011
1Q2012	The three months ended 31 March 2012
2H2009	The second half of 2009
2H2011	The second half of 2011
2H2012	The second half of 2012
2Q2013	The second quarter of 2013

2014E

2014 (estimated)

**S\$, \$ or Singapore dollars
and cents**

Singapore dollars and cents, the lawful currency of the
Republic of Singapore

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Prospectus to any enactment is a reference to that enactment for the time being amended or re-acted.

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

Information contained in the Managers' and the Sponsor's website does not constitute part of this Prospectus.

Any reference in this Prospectus to "**ACVH**", "**CVH**", "**TEH**", "**LVH**", "**OH**", "**OPH**", "**TQH**", "**CSV**", "**HVR**", "**RH**" or "**RVR**" is a reference to Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel, The Quincy Hotel, Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences respectively.

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**INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST AND
PROFIT PROJECTION**

16 August 2012

The Board of Directors
FEO Hospitality Asset Management Pte. Ltd.
(as Manager of Far East Hospitality Real Estate Investment Trust)
14 Scotts Road #06-01
Far East Plaza
Singapore 228213

DBS Trustee Limited
(as Trustee of Far East Hospitality Real Estate Investment Trust)
12 Marina Boulevard
#44-01/04 DBS Asia Central @
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs

Letter from the Independent Accountant on the Profit Forecast for the period from 1 August 2012 to 31 December 2012 and Profit Projection for the year ending 31 December 2013

This letter has been prepared for inclusion in the prospectus (the "**Prospectus**") to be issued in connection with the offering of stapled securities in Far East H-Trust, comprising Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**") and Far East Hospitality Business Trust at the offering price of S\$0.93 per stapled security (the "**Offering**").

The directors of FEO Hospitality Asset Management Pte. Ltd. (the "**Directors**") are responsible for the preparation and presentation of the forecast and projected statements of total return of Far East H-REIT for the period from 1 August 2012 to 31 December 2012 (the "**Profit Forecast**") and the year ending 31 December 2013 (the "**Profit Projection**"), as set out on page 137 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 139 to 152 of the Prospectus.

We have examined the Profit Forecast and Profit Projection as set out on page 137 of the Prospectus in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 139 to 152 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages B-13 to B-19 of the Prospectus, and is presented in accordance with the relevant presentation

principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures), issued by the Institute of Certified Public Accountants of Singapore (“**ICPAS**”), which is the framework to be adopted by Far East H-REIT in the preparation of its financial statements.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion, the Profit Projection are properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages B-13 to B-19 of the Prospectus, and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures), issued by the ICPAS which is the framework to be adopted by Far East H-REIT in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn to the risk factors set out on pages 73 to 97 of the Prospectus which describe the principal risks associated with the Offering to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Directors’ Profit Forecast and Profit Projection as set out on pages 152 to 153 of the Prospectus.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner- in-charge: Nelson Chen

**INDEPENDENT ACCOUNTANTS' REPORT ON THE EXAMINATION OF THE
UNAUDITED PRO FORMA FINANCIAL INFORMATION**

16 August 2012

The Board of Directors
FEO Hospitality Asset Management Pte. Ltd.
(as Manager of Far East Hospitality Real Estate Investment Trust)
14 Scotts Road #06-01
Far East Plaza
Singapore 228213

DBS Trustee Limited
(as Trustee of Far East Hospitality Real Estate Investment Trust)
12 Marina Boulevard
#44-01/04 DBS Asia Central
@ Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs

Far East Hospitality Real Estate Investment Trust

We report on the unaudited pro forma financial information of Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**") set out on pages B-4 to B-24 of the prospectus (the "**Prospectus**") to be issued in connection with the offering of stapled securities in Far East H-Trust, comprising Far East H-REIT and Far East Hospitality Business Trust (the "**Offering**"). The unaudited pro forma financial information of Far East H-REIT has been prepared for illustrative purposes only and is based on certain assumptions after making certain adjustments:

- (i) Unaudited pro forma statements of total return for the years ended 31 December 2009, 2010, 2011, and the three months ended 31 March 2011 and 31 March 2012, which have been prepared to provide information on the total return of Far East H-REIT had it acquired the properties comprising Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel, The Quincy Hotel, Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences (collectively, the "**Properties**"), and entered into master lease agreements with First Choice Properties Pte Ltd, Far East Organization Centre Pte. Ltd., Golden Development Private Limited, Golden Landmark Pte Ltd, Transurban Properties Pte. Ltd., Far East Orchard Limited (formerly known as Orchard Parade Holdings Limited), OPH Riverside Pte Ltd, Serene Land Pte Ltd, Oxley Hill Properties Pte Ltd and Riverland Pte Ltd ("**Master Lease Agreements**"), under the same terms set out in the Prospectus on 1 January 2009;
- (ii) Unaudited pro forma cash flow statements for the year ended 31 December 2011 and the three months ended 31 March 2012, which have been prepared to provide

information on the cash flows of Far East H-REIT, had it purchased the Properties and entered into the Master Lease Agreements, under the same terms set out in the Prospectus on 1 January 2011; and

- (iii) Unaudited pro forma balance sheets as at 31 December 2011 and 31 March 2012, which have been prepared to provide information on the financial position of Far East H-REIT, had it purchased the Properties and entered into the Master Lease Agreements, under the same terms set out in the Prospectus on 31 December 2011 and 31 March 2012, respectively.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of Far East H-REIT's actual total returns, cash flows or financial position.

The unaudited pro forma financial information is the responsibility of the directors of FEO Hospitality Asset Management Pte. Ltd. (the "**Directors**"). Our responsibility is to express an opinion on the unaudited pro forma financial information based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice 24 Auditors and Public Offering Documents ("**SSAP 24**"). Our work, which involved no independent examination of the underlying financial information, consisted primarily of:

- (i) comparing the financial information used in the preparation of the unaudited pro forma financial information to the audited financial statements and unaudited management accounts of the following companies which owned the Properties prior to their acquisition by Far East H-REIT: First Choice Properties Pte Ltd, Far East Organization Centre Pte. Ltd., Golden Development Private Limited, Golden Landmark Pte Ltd, Far East Orchard Limited (formerly known as Orchard Parade Holdings Limited), OPH Riverside Pte Ltd, Serene Land Pte Ltd, Oxley Hill Properties Pte Ltd and Riverland Pte Ltd for the years ended 31 December 2009, 2010 and 2011, and the three months ended 31 March 2011 and 31 March 2012, and Transurban Properties Pte. Ltd. for the year ended 31 December 2011 and the three months ended 31 March 2011 and 31 March 2012. The aforementioned audited financial statements and unaudited management accounts are hereinafter collectively referred to as "the Relevant Financial Statements"; and
- (ii) considering the evidence supporting the pro forma adjustments and discussing the unaudited pro forma financial information with the Directors.

In our opinion:

- (i) the unaudited pro forma financial information has been properly prepared based on information in the Relevant Financial Statements (which were prepared in accordance with Singapore Financial Reporting Standards) and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore;
- (ii) the unaudited pro forma financial information has been properly prepared in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by Far East H-REIT;
- (iii) each material adjustment to the information used in the preparation of the unaudited pro forma financial information is appropriate for the purpose of preparing such financial information and in accordance with SSAP 24; and

- (iv) the unaudited pro forma financial information has been properly prepared on the basis of the assumptions set out on pages B-5 to B-10 after making the adjustments described on pages B-5 to B-10.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner- in-charge: Nelson Chen

(A) INTRODUCTION

The Unaudited Pro Forma Financial Information of Far East H-REIT has been prepared for inclusion in the prospectus (the “**Prospectus**”) to be issued in connection with the initial public offering of the Stapled Securities in Far East H-Trust on the Singapore Exchange Securities Trading Limited (the “**Offering**”).

Far East H-Trust is a hospitality stapled group comprising Far East H-REIT and Far East H-BT. Far East H-REIT is a Singapore-based REIT established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. Far East H-BT is a Singapore-based business trust which will be dormant as at the Listing Date.

Under the proposed initial public offering of the Stapled Securities in Far East H-Trust, 329,366,000 Stapled Securities will be offered at an offering price of S\$0.93 per Stapled Security (the “**Offering Price**”), payable in full on application. The Offering consists of an international placement to investors, including institutional and other investors in Singapore and an offering to the public in Singapore.

As at the Listing Date, the initial property portfolio of Far East H-REIT will comprise seven hotels and four serviced residences, all of which are located in Singapore. The seven hotels are Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel and The Quincy Hotel (together, the “**Hotels**”). The four serviced residences are Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences (together, the “**Serviced Residences**”), and with the Hotels, the “**Properties**”).

The tenures of the Properties to be acquired by Far East H-REIT from their respective vendors (the “**Vendors**”) are set out in the table below.

Name of Property	Leasehold Tenure ⁽¹⁾ (years)	Vendor and Master Lessee
Hotels		
Albert Court Village Hotel	75	First Choice Properties Pte Ltd
Changi Village Hotel	65	Far East Organization Centre Pte. Ltd.
The Elizabeth Hotel	75	Golden Development Private Limited
Landmark Village Hotel	66	Golden Landmark Pte Ltd
Oasia Hotel	92	Transurban Properties Pte. Ltd.
Orchard Parade Hotel	50	Far East Orchard Limited
The Quincy Hotel	75	Golden Development Private Limited
Serviced Residences		
Central Square Village Residences	80	OPH Riverside Pte Ltd
Hougang Village Residences	81	Serene Land Pte Ltd
Regency House	81	Oxley Hill Properties Pte Ltd
Riverside Village Residences	78	Riverland Pte Ltd

Note:

(1) This commences as at the Listing Date.

As at the Listing Date, the Vendors will also be Master Lessees of the Properties’ hotel and serviced residence operations. The initial term of the Master Lease Agreements for each of the Hotels and Serviced Residences will be 20 years with an option to obtain an additional

lease for a further 20 years on the same terms and conditions save for amendments required due to any change in law. Far East H-REIT may, in relation to any Property for which the option for an additional lease is not exercised, enter into a new master lease agreement, on terms to be agreed, with either the existing Master Lessee or a new master lessee.

Details on the REIT Manager's management fees, the REIT Trustee's fee and the lease payments under the Master Lease Agreements are set out in Section G.

(B) BASES OF PREPARATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

No financial statements of Far East H-Trust have been prepared for the financial years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 31 March 2012 as Far East H-REIT and Far East H-BT were both constituted on 1 August 2012.

Ernst & Young LLP has been appointed as auditors of Far East H-REIT and Far East H-BT since their respective dates of constitution.

No pro forma financial information of Far East H-BT has been presented as it will be dormant as at the Listing Date. Accordingly, no consolidated pro forma financial information for Far East H-Trust has been presented.

The Unaudited Pro Forma Financial Information of Far East H-REIT set out in this report, expressed in Singapore dollars, is prepared for illustrative purposes only and is based on certain assumptions, and shows the Unaudited Pro Forma Statements of Total Return of Far East H-REIT for each of the three years ended 31 December 2009, 2010 and 2011, and the three months ended 31 March 2011 and 31 March 2012, the Unaudited Pro Forma Balance Sheets of Far East H-REIT as at 31 December 2011 and 31 March 2012, and the Unaudited Pro Forma Cash Flow Statements of Far East H-REIT for the year ended 31 December 2011 and the three months ended 31 March 2012. In preparing the Unaudited Pro Forma Financial Information, certain assumptions have been applied on the audited financial statements of the Vendors. The aforementioned financial statements of the Vendors are hereinafter collectively referred to as the "Relevant Financial Statements".

The Relevant Financial Statements are audited by the following auditors:

	Year End	Name of Auditor		
		2009	2010	2011
Hotels				
Albert Court Village Hotel	31 December	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP
Changi Village Hotel	31 December	AC Alliances	AC Alliances	Ernst & Young LLP
The Elizabeth Hotel	31 December	Tan Choon Chye & Co	Tan Choon Chye & Co	Ernst & Young LLP
Landmark Village Hotel	30 September	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP
Oasia Hotel	31 December	N.A.	N.A.	Ernst & Young LLP
Orchard Parade Hotel	31 December	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP
The Quincy Hotel	31 December	AC Alliances	AC Alliances	Ernst & Young LLP
Serviced Residences				
Central Square Village Residences	31 December	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP
Hougang Village Residences	31 December	AC Alliances	AC Alliances	Ernst & Young LLP
Regency House	31 December	AC Alliances	AC Alliances	Ernst & Young LLP
Riverside Village Residences	30 September	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP	Ernst & Young LLP

The Unaudited Pro Forma Statements of Total Return of Far East H-REIT for the years ended 31 December 2009, 2010 and 2011, and the three months ended 31 March 2011 and 31 March 2012 reflect the total return of Far East H-REIT, assuming Far East H-REIT had purchased the Properties and entered into the Master Lease Agreements on 1 January 2009 under the same terms set out in the Prospectus.

The Unaudited Pro Forma Cash Flow Statements show the cash flows of Far East H-REIT for the year ended 31 December 2011 and the three months ended 31 March 2012, assuming Far East H-REIT had purchased the Properties and entered into the Master Lease Agreements on 1 January 2011 under the same terms set out in the Prospectus.

The Unaudited Pro Forma Balance Sheets of Far East H-REIT as at 31 December 2011 and 31 March 2012 present the financial position of Far East H-REIT, assuming Far East H-REIT had purchased the Properties and entered into the Master Lease Agreements on 31 December 2011 and 31 March 2012, respectively, under the same terms set out in the Prospectus.

The Unaudited Pro Forma Financial Information has been prepared on the basis of the accounting policies as set out in Section F and is to be read in conjunction with Section G. In addition, the Unaudited Pro Forma Financial Information has been prepared based on the assumption that the issue price is the Offering Price and that the Over-Allotment Option is fully exercised.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and because of its nature, may not give a true picture of Far East H-REIT's actual total returns, cash flows or financial position.

(i) Unaudited Pro Forma Statements of Total Return

The Unaudited Pro Forma Statements of Total Return have been prepared on the basis that Far East H-REIT purchased the Properties at their respective purchase prices and entered into the Master Lease Agreements on 1 January 2009.

The following assumptions were made for each of the periods presented:

- Gross revenue for the Hotels and Serviced Residences is assumed to be computed based on the terms of the Master Lease Agreements as set out in Section G Note 3, which have been applied to the gross operating revenue and gross operating profit in the Relevant Financial Statements, where applicable, after making certain adjustments as set out below:

(S\$'000)	Albert Court Village Hotel	Changi Village Hotel	The Elizabeth Hotel	Landmark Village Hotel	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Total	Pro Forma Adjustments	Adjusted
Gross Operating Revenue										
FY2009	9,386	21,590	13,967	17,558	N.A.	26,182	6,795	95,478	(2,594) ⁽¹⁾⁽²⁾	92,884
FY2010	12,294	26,666	18,401	23,018	N.A.	33,578	9,570	123,527	(2,659) ⁽¹⁾⁽²⁾	120,868
FY2011	12,396	27,963	17,855	24,883	10,862	34,568	10,097	138,624	44 ⁽²⁾	138,668
1Q2011	2,904	6,505	4,787	5,758	N.A.	8,584	2,396	30,934	-	30,934
1Q2012	2,702	6,878	4,475	6,040	6,789	8,787	2,444	38,115	-	38,115
Gross Operating Profit										
FY2009	4,699	7,396	7,584	8,387	N.A.	16,126	3,014	47,206	4,371 ⁽¹⁾⁽³⁾⁽⁴⁾	51,577
FY2010	7,024	12,555	11,653	12,673	N.A.	21,618	4,756	70,279	3,137 ⁽¹⁾⁽³⁾⁽⁴⁾	73,416
FY2011	6,720	14,261	10,520	13,686	3,989	21,824	5,053	76,053	3,097 ⁽³⁾⁽⁴⁾	79,150
1Q2011	1,618	3,329	3,073	3,165	N.A.	5,695	1,195	18,075	855 ⁽³⁾⁽⁴⁾	18,930
1Q2012	1,085	3,414	2,550	3,023	3,412	5,575	1,164	20,223	913 ⁽³⁾⁽⁴⁾	21,136

(S\$'000)	Central Square Village Residences	Hougang Village Residences	Regency House	Riverside Village Residences	Total	Pro Forma Adjustments	Adjusted
Gross Operating Revenue							
FY2009	7,029	2,968	5,313	4,557	19,867	93 ⁽⁵⁾	19,960
FY2010	8,787	4,243	6,074	5,500	24,604	66 ⁽⁵⁾	24,670
FY2011	9,976	5,487	7,113	6,246	28,822	65 ⁽⁵⁾	28,887
1Q2011	2,502	1,238	1,668	1,495	6,903	12 ⁽⁵⁾	6,915
1Q2012	2,380	1,281	1,698	1,533	6,892	22 ⁽⁵⁾	6,914
Gross Operating Profit							
FY2009	3,864	1,181	3,255	2,957	11,257	1,679 ⁽⁴⁾⁽⁵⁾	12,936
FY2010	5,592	2,471	4,125	3,605	15,793	1,607 ⁽⁴⁾⁽⁵⁾	17,400
FY2011	6,593	3,293	4,922	4,179	18,987	1,929 ⁽⁴⁾⁽⁵⁾	20,916
1Q2011	1,741	764	1,190	999	4,694	475 ⁽⁴⁾⁽⁵⁾	5,169
1Q2012	1,571	809	1,171	1,048	4,599	474 ⁽⁴⁾⁽⁵⁾	5,073

Notes:

- (1) Adjustments to exclude F&B revenue from 2009 to 2010 for outlets outsourced to a related party with effect from 2011.
- (2) Adjustments to include rental revenue from 2009 to 2011 for areas previously leased out and returned to hotel operation with effect from 2012.

- (3) Adjustments to exclude MCST Sinking Fund payments to be borne by Far East H-REIT.
- (4) Adjustments to:-
- (i) Exclude staff costs relating to hospitality core management to be borne by Far East H-REIT as part of Property Manager Fees.
- (ii) Exclude previously charged selling, promotion and administrative expenses, and replace the same based on agreed charge-out rates.
- (5) Adjustments to include revenue and expenses derived from car park operations.

The variable rent component of Far East H-REIT's gross revenue derived from the Master Lessees is computed as follows:

	FY2009	FY2010	FY2011	1Q2011	1Q2012
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
% of adjusted gross operating revenue ⁽¹⁾	37,238	48,027	55,293	12,490	14,859
% of adjusted gross operating profit ⁽¹⁾	21,104	29,416	32,298	7,874	9,512 ⁽³⁾
	58,342	77,443	87,591	20,364	24,371
Less: Fixed Rent	46,000	46,000	49,000 ⁽²⁾	11,500	15,850 ⁽³⁾
Variable Rent	12,409 ⁽⁴⁾	31,443	38,591	8,864	8,521

	FY2009	FY2010	FY2011	1Q2011	1Q2012
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Far East H-REIT's gross revenue comprising those derived from:					
(a) Master Lessees based on terms of Master Lease Agreements					
- Fixed Rent	46,000	46,000	49,000 ⁽²⁾	11,500	15,850 ⁽³⁾
- Variable Rent	12,409	31,443	38,591	8,864	8,521
	58,409	77,443	87,591	20,364	24,371
(b) Commercial rental revenue	15,513	15,452	16,805	4,006	4,351
	73,922	92,895	104,396	24,370	28,722

Notes:

- (1) The adjusted gross operating revenue and adjusted gross operating profit represent the gross operating revenue and gross operating profit of the Properties on which Far East H-REIT's gross revenue from the Master Lessees is derived based on the terms of the Master Lease Agreements as set out in Section G note (c).
- (2) Includes pro-rated fixed rent for Oasia Hotel which commenced operations only in April 2011 and became fully operational in October 2011.
- (3) Includes pro-rated minimum guarantee for Oasia Hotel.
- (4) As Hougang Village Residences' Variable Rent in FY2009 was a negative S\$66,360, the Variable Rent was capped at 0.

- Property tax, insurance expense and Sinking Fund contributions previously incurred by the respective Vendors of the Properties to be assumed by Far East H-REIT;
- Other property expenses comprises property expenses of the commercial units such as staff costs, property tax, property management fees, marketing expenses, utilities, repair and maintenance expenses, general and administrative expenses and other miscellaneous operating expenses and are based on the amounts incurred on the commercial units included in the Relevant Financial Statements;
- REIT Manager's management fees are based on the formula as set out in Section G Note 1;
- REIT Trustee's fee is based on the formula as set out in Section G Note 2;
- Other trust expenses comprise annual listing fees, registry fees, audit and tax advisory fees, valuation fees, legal fees, costs associated with the preparation of annual reports, investor communication costs and other miscellaneous costs. Other trust expenses of S\$18,028,000, S\$1,040,000, S\$1,082,000, S\$270,000 and S\$281,000 are assumed to

be incurred by Far East H-REIT for the years ended 31 December 2009, 2010 and 2011, and the three months ended 31 March 2011 and 2012 respectively. Other trust expenses for the year ended 31 December 2009 includes a one-off non-capitalised issuance costs of S\$17,028,000;

- Capital expenditure incurred for the respective periods are assumed to be capitalised as part of the value of the relevant Property and as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and the fees payable to the REIT Trustee;
- Capital expenditure incurred for the respective periods are assumed to be funded by borrowings;
- The Far East H-REIT Debt Facilities, being \$725.0 million unsecured floating rate banking facilities, were in place at the time of the acquisition of the Properties;
- Interest expense on borrowings is based on an effective interest rate of approximately 2.5% per annum (inclusive of all margins and amortisation of upfront debt financing cost) and an average principal of S\$651,594,000, S\$654,595,000 and S\$660,765,000, S\$656,402,000 and S\$666,175,000 for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 31 March 2012 respectively;
- 100% of taxable income available for distribution to holders of Far East H-REIT Units is distributed;
- Far East H-REIT is not taxed on the taxable income that is distributed to holders of the Stapled Securities;
- Properties are acquired at an estimated aggregate purchase price of S\$2,104,953,000;
- The aggregate valuation of the Properties of S\$2,139,850,000 remained unchanged throughout the periods presented except to the extent of the assumed capital expenditure described below; and
- Capital expenditure of S\$3,187,000, S\$2,815,000, S\$9,525,000, S\$796,000 and S\$1,296,000 were incurred by Far East H-REIT on the Properties for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 31 March 2012 respectively.

(ii) Unaudited Pro Forma Cash Flow Statements

The unaudited Pro Forma Cash Flow Statements for the year ended 31 December 2011 and the three months ended 31 March 2012 have been prepared assuming Far East H-REIT had purchased the Properties and entered into the Master Lease Agreements on 1 January 2011, and is based on the cash flows directly attributable to the Properties and Far East H-REIT's borrowing and unit structures.

In addition, the following assumptions were made:

- Properties are acquired at an estimated aggregate purchase price of S\$2,104,953,000;
- Assets (comprising cash) and liabilities (comprising rental deposits of commercial units of the Hotels and Serviced Residences) directly attributable to the Properties, amounting to S\$4,557,000 and S\$4,557,000 respectively, were also acquired by Far East H-REIT;

- The Far East H-REIT Debt Facilities were in place at the time of the acquisition of the Properties;
- The date that Far East H-REIT's borrowings were fully drawn down and the Stapled Securities were issued correspond to the timing of the purchase of the Properties on 1 January 2011;
- Interest expense on borrowings is paid on a quarterly basis, in arrears in the following quarter;
- Management fees payable to the REIT Manager in the form of Stapled Securities are paid on a quarterly basis, in arrears in the following quarter. Management fees payable to the REIT Manager in cash are paid on a monthly basis, in arrears in the following month;
- Capital expenditure of S\$9,525,000 and S\$1,296,000 incurred for the year ended 31 December 2011 and the three months ended 31 March 2012 respectively is assumed to be capitalised as part of the value of the relevant Property and as such, would increase the value of the Far East H-REIT Deposited Property for purposes of computation of the management fees payable to the REIT Manager and the fees payable to the REIT Trustee;
- Capital expenditure incurred is assumed to be funded by borrowings;
- Issue costs are assumed to be funded by proceeds raised from the Offering;
- Proceeds raised, net of issue costs, from the Offering amounted to S\$1,458,773,000;
- Rental deposit remained unchanged at S\$4,557,000;
- 100% of taxable income available for distribution to holders of Far East H-REIT Units is distributed for each of the periods presented. Distribution to holders of Far East H-REIT Units are paid on a quarterly basis, in arrears; and
- Far East H-REIT is not taxed on the taxable income that is distributed to holders of Far East H-REIT Units.

(iii) Unaudited Pro Forma Balance Sheets

The unaudited Pro Forma Balance Sheets have been prepared on the basis that Far East H-REIT purchased the Properties at their respective purchase prices and entered into the Master Lease Agreements on 31 December 2011 and 31 March 2012.

The following assumptions are made:

- Properties are acquired at an estimated aggregate purchase price of S\$2,104,953,000;
- Assets (comprising cash) and liabilities (comprising rental deposits of commercial units of the Hotels and Serviced Residences) directly attributable to the Properties, amounting to S\$4,557,000 and S\$4,557,000 as at 31 December 2011 and 31 March 2012 respectively, were also acquired by Far East H-REIT;
- Proceeds raised, net of issue costs, from the Offering amounted to S\$1,458,773,000;
- Issue costs relating to the Offering are estimated to be S\$32,813,000 and are assumed to be funded by proceeds raised from the Offering; and
- Borrowings of S\$650,000,000 were drawn down by Far East H-REIT on 31 December 2011 and 31 March 2012 to partially fund the acquisition of the Properties, issue and debt related costs.

(C) UNAUDITED PRO FORMA STATEMENTS OF TOTAL RETURN

The unaudited Pro Forma Statements of Total Return of Far East H-REIT for the years ended 31 December 2009, 2010 and 2011 and the three months ended 31 March 2011 and 31 March 2012 have been prepared for inclusion in this Prospectus and are presented below. The assumptions used to prepare the unaudited Pro Forma Statements of Total Return are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

		FY2009	FY2010	FY2011	1Q2011	1Q2012
	Note	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Total Gross Revenue	9	73,922	92,895	104,396	24,370	28,722
Property Expenses						
- Property tax		(3,721)	(3,459)	(4,624)	(1,091)	(1,338)
- Insurance expense		(163)	(142)	(147)	(29)	(38)
- Sinking Fund Contributions		(276)	(237)	(46)	(11)	(11)
- Other property expenses		(4,315)	(5,107)	(4,892)	(1,178)	(1,368)
		(8,475)	(8,945)	(9,709)	(2,309)	(2,755)
Net Property Income		65,447	83,950	94,687	22,061	25,967
REIT Manager's management fees		(9,047)	(9,796)	(10,254)	(2,492)	(2,656)
Trustee's Fees		(429)	(429)	(431)	(107)	(108)
Other trust expenses		(18,028)	(1,040)	(1,082)	(270)	(281)
Finance costs (net)	10	(16,288)	(16,360)	(16,508)	(4,101)	(4,160)
Net income before tax and fair value change		21,655	56,325	66,412	15,091	18,762
Fair value change in investment properties		34,897	-	-	-	-
Net income before tax		56,552	56,325	66,412	15,091	18,762
Income tax expense		-	-	-	-	-
Net income after tax		56,552	56,325	66,412	15,091	18,762
Add/(Less): Non-tax (chargeable)/deductible items (net) ⁽¹⁾		(9,553)	8,916	9,284	2,264	2,395
Income available for distribution to holders of Far East H-REIT units		46,999	65,241	75,696	17,355	21,157

Note:

- (1) "Non-tax (chargeable)/deductible items" comprise the REIT Manager's management fees paid/payable in Stapled Securities, Trustees' fees, amortisation of upfront debt financing cost, fair value change in investment properties and non-capitalised issuance costs.

(D) UNAUDITED PRO FORMA CASH FLOW STATEMENTS

The unaudited Pro Forma Cash Flow Statements for the year ended 31 December 2011 and the three months ended 31 March 2012 have been prepared for inclusion in the Prospectus and presented below. The assumptions used to prepare the unaudited Pro Forma Cash Flow Statement are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

	FY2011	1Q 2012
	(S\$'000)	(S\$'000)
Operating activities		
Net income before income tax	84,527	18,825
Adjustments for:		
Finance costs	16,364	4,124
Fair value change in investment properties	(34,897)	-
Non-capitalised issuance costs	17,028	-
REIT Manager's management fees paid or payable in Far East H-REIT Units	8,188	2,121
Operating income before working capital changes	91,210	25,070
Changes in trade payables	171	6
Changes in trade receivables	(7,299)	(825)
Finance costs paid	(15,714)	(3,961)
Cash flows from operating activities	68,368	20,290
Investing activities		
Purchase of investment properties and related assets and liabilities ⁽¹⁾	(2,100,396)	-
Capital expenditure	(9,525)	(1,296)
Cash flows used in investing activities	(2,109,921)	(1,296)
Financing activities		
Proceeds from issue of Far East H-REIT Units (net of issuance costs)	1,458,773	-
Proceeds from borrowings	656,674	1,296
Distribution to holders of Far East H-REIT Units	(56,944)	(18,981)
Cash flows from/(used in) financing activities	2,058,503	(17,685)
Net increase in cash & cash equivalents	16,950	1,309
Cash & cash equivalents at beginning of year/ period	-	16,950
Cash & cash equivalents at end of year/ period	16,950	18,259

Note:

- (1) The effect of acquisition of the Properties and related assets and liabilities of Far East H-REIT's pro forma cash flows for the year ended 31 December 2011 is set out below:

	FY2011
	(S\$'000)
Investment properties	2,104,953
Cash	4,557
Rental deposits	(4,557)
Net assets acquired	2,104,953
Purchase price	(2,104,953)
Less:	
Cash acquired	4,557
Net cash outflow	(2,100,396)

Significant Non-Cash Transactions

During the year ended 31 December 2011 and the three months ended 31 March 2012, 8,804,815 and 2,281,045 Stapled Securities at S\$0.93 per Stapled Security, amounting to approximately S\$8,188,000 and S\$2,121,000, were issued and accrued as payment for the portion of the REIT Manager's management fees which is payable in the form of Stapled Securities (see Section G note (1)).

(E) UNAUDITED PRO FORMA BALANCE SHEETS

The unaudited Pro Forma Balance Sheets as at 31 December 2011 and 31 March 2012 have been prepared for inclusion in the Prospectus and is presented below. The assumptions used to prepare the unaudited Pro Forma Balance Sheet are consistent with those described in Bases of Preparation of Unaudited Pro Forma Financial Information.

		As at 31 December 2011	As at 31 March 2012
	Note	(S\$'000)	(S\$'000)
Non-current assets			
Investment Properties	2	2,139,850	2,139,850
Current assets			
Cash and cash equivalents		5,527	5,527
Total assets		<u>2,145,377</u>	<u>2,145,377</u>
Current liabilities			
Rental deposits	3	4,557	4,557
Non-current liabilities			
Borrowings (net of upfront debt financing costs)	4	647,150	647,150
Total liabilities (excluding net assets attributable to holders of Far East-H REIT Units)		<u>651,707</u>	<u>651,707</u>
Net assets attributable to holders of Far East H-REIT Units	5	<u>1,493,670</u>	<u>1,493,670</u>
Number of Far East H-REIT Units in issue ('000)		<u>1,603,888</u>	<u>1,603,888</u>
Net asset value per Far East H-REIT Unit (S\$)		<u>0.93</u>	<u>0.93</u>

(F) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Significant Accounting Policies of Far East H-REIT

The significant accounting policies of Far East H-REIT, which have been consistently applied in preparing the Unaudited Pro Forma Financial Information set out in this report, are as follows:

Basis of Preparation of the Unaudited Pro Forma Financial Information

The Unaudited Pro Forma Financial Information, which is expressed in Singapore dollars and rounded to the nearest thousand, is prepared in accordance with the bases set out in Section B and applied to financial information prepared in accordance with Singapore Financial Reporting Standards (but not all the required disclosures), which is the accounting framework to be adopted by Far East H-REIT, and the provisions of the Trust Deed.

The Unaudited Pro Forma Financial Information is prepared on the historical cost basis, except that investment properties are stated at valuation.

The functional currency of Far East H-REIT is Singapore dollars. Revenue, expenses, receipts and payments are denominated primarily in Singapore dollars.

The preparation of the Unaudited Pro Forma Financial Information requires the REIT Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities.

Estimates and underlying assumptions are reviewed by the REIT Manager on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Investment Properties

Investment properties comprise completed properties and properties under construction or redevelopment to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs incurred to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, representing open market values, determined by independent professional valuers. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the period of derecognition. Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties are not subject to depreciation.

Impairment of non-financial assets

The REIT Manager assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the REIT Manager makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the REIT Manager estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the

carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

Financial assets are recognised when, and only when, Far East H-REIT becomes a party to the contractual provisions of the financial instrument. The REIT Manager determines the classification of financial assets at initial recognition.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets, at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On disposal of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the REIT Manager commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Impairment of financial assets

The REIT Manager assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the REIT Manager first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the REIT Manager determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the

discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the REIT Manager considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits.

Financial liabilities

Financial liabilities are recognised when, and only when, Far East H-REIT becomes a party to the contractual provisions of the financial instrument. The REIT Manager determines the classification of financial liabilities at initial recognition.

Financial liabilities are initially recognised at fair value plus transaction costs except for financial liabilities, at fair value through profit or loss, which are recognised at fair value.

After initial recognition, financial liabilities other than those designated at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss

Net assets attributable to Holders of Far East H-REIT

Net assets attributable to holders of Far East H-REIT Units represent the holders' residual interest in Far East H-REIT's net assets upon termination.

Expenses incurred in connection with the initial public offering of Far East H-REIT Units and listing on the SGX-ST are deducted directly against net assets attributable to holders of Far East H-REIT Units.

Revenue recognition

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease.

Interest income is recognised using the effective interest method.

Expenses

Property expenses are recognised on an accrual basis.

Fees paid and payable to the REIT Manager are recognised on an accrual basis based on the formula stipulated in Section G Note 1.

Trust expenses are recognised on an accrual basis.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

(i) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period. Current income taxes are recognised in profit or loss.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable

profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- (a) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Related parties

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Trust if that person:
 - (a) Has control or joint control over the Trust;
 - (b) Has significant influence over the Trust; or
 - (c) Is a member of the key management personnel of the Trust or REIT Manager or of a parent of the Trust.
- (ii) An entity is related to the Trust if any of the following conditions applies:
 - (i) The entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;

- (vi) The entity is controlled or jointly controlled by a person identified in (i);
- (vii) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Segment reporting

A segment is a distinguishable component of Far East H-REIT that is engaged in either providing goods or services (business segment), or in providing goods or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

No business segment information has been presented as the REIT Manager is of the view that all the properties are being leased and operated as hotels and serviced residences and the contribution of the commercial units of the Properties to Far East H-REIT's results and net assets is insignificant. No geographical segment has been presented as all the properties are located in Singapore.

2. Investment Properties

	As at 31 December 2011	As at 31 March 2012
	(S\$'000)	(S\$'000)
Investment properties	2,139,850	2,139,850

Independent valuations of the Properties were undertaken by Knight Frank and Colliers as of 31 March 2012. The investment properties are measured based on the average of the independent valuations. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and categories of the Properties being valued. Each of the Properties is recorded in the balance sheet at the average valuation.

3. Rental deposits

These relate to rental deposits received for the commercial units of the Properties.

4. Loans and Borrowings

	As at 31 December 2011	As at 31 March 2012
	(S\$'000)	(S\$'000)
Bank loans	650,000	650,000
Less: Debt upfront costs capitalised	(2,850)	(2,850)
Borrowings (net)	647,150	647,150

Far East H-REIT has put in place the Far East H-REIT Debt Facilities, being S\$725.0 million unsecured floating rate banking facilities comprising S\$650.0 million term loan facilities and S\$75.0 million revolving credit facilities from DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

5. Net Assets Attributable to Unitholders

		As at 31 December 2011	As at 31 March 2012
	Note	(S\$'000)	(S\$'000)
Far East H-REIT Units in issue		1,491,586	1,491,586
Fair value change in investment properties		34,897	34,897
Issue costs	8	(32,813)	(32,813)
Net assets attributable to holders of Far East H-REIT Units		1,493,670	1,493,670

1,603,888,000 units in issue as at the Listing Date relate to the number of units in issue immediately after the completion of the Offering.

Each unit in Far East H-REIT represents an undivided interest in Far East H-REIT. The rights and interests of holders of Far East H-REIT Units are contained in the Trust Deed and include the rights to:

- (i) receive income and other distributions attributable to the units held;
- (ii) participate in the termination of Far East H-REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Far East H-REIT less any liabilities, in accordance with their proportionate interests in Far East H-REIT. However, a holder of the Far East H-REIT Units does not have the right to require any assets (or part thereof) of Far East H-REIT be returned to him;

The restrictions of a holder of the Far East H-REIT Units include the following:

- (i) a holder of the right is limited to the right to require due administration of Far East H-REIT in accordance with the provisions of the Trust Deed; and
- (ii) a holder of the Far East H-REIT Units has no right to request to redeem his units while his units are listed on SGX-ST.

The liability of a holder of the Far East H-REIT Units is limited to the amount paid or payable for any unit in Far East H-REIT. The provisions of the Far East H-REIT Trust Deed provide that no holders of the Far East H-REIT Units will be personally liable to indemnify the REIT Trustee or any creditor of Far East H-REIT in the event that the liabilities of Far East H-REIT exceed its assets.

Under the Far East H-REIT Trust Deed, every Far East H-REIT Unit carries the same voting rights.

6. Financial Instruments

Financial risk management objectives and policies

Exposure to credit, currency, interest rate and liquidity risks arises in the normal course of Far East H-REIT's business. Far East H-REIT has written policies and guidelines, which set out its overall business strategies and its general risk management philosophy.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The REIT Manager's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit evaluations are performed by the REIT Manager before lease agreements are entered into with lessees. In addition, Far East H-REIT

requires lessees to provide tenancy rental deposits. Cash and cash equivalents are placed with financial institutions which are regulated.

At the pro forma balance sheet date, the investment properties of Far East H-REIT, except for the commercial units of the Properties, are leased to Master Lessees. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

Interest rate risk

Far East H-REIT's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest-bearing financial liabilities.

Currency risk

Far East H-REIT's investment strategy is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. As such, Far East H-REIT's exposure to currency risk is insignificant.

Liquidity risk

The REIT Manager monitors the liquidity of Far East H-REIT and maintains a level of cash and cash equivalents deemed adequate to finance Far East H-REIT's operations. In addition, the REIT Manager also monitors and observes the Code on Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

Fair values

The carrying amounts of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

7. Commitments

Far East H-REIT entered into leases on its investment properties. Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	As at 31 December 2011 (S\$'000)	As at 31 March 2012 (S\$'000)
Receivable		
- After 1 financial year	77,413	58,217
- After 1 financial year but within 5 financial years	235,652	235,984
- After 5 financial years	810,000	810,000
	1,123,065	1,104,201

The above operating lease rental receivables comprise amounts receivable under the Master Leases and the leases relating to the commercial units of the Properties.

Rental receivable under the Master Leases are based on the terms of the Master Lease Agreements as set out in Section G Note 3. The amounts receivable for such leases are based on the fixed rent as set out in the Master Leases.

The REIT Trustee has granted an option to each of the Master Lessees to obtain an additional lease for another 20 years on expiry of the initial 20-year leases based on the same terms as described above save for amendments required due to any changes in law.

8. Issue Costs

	As at 31 December 2011	As at 31 March 2012
	(S\$'000)	(S\$'000)
Underwriting and selling commission	21,527	21,527
Professional and other fees	5,394	5,394
Miscellaneous issue expenses	5,892	5,892
Total issue costs	<u>32,813</u>	<u>32,813</u>

9. Gross Revenue

Gross revenue represents rental income received/receivable on Far East H-REIT's investment properties.

10. Finance costs (net)

	FY2009	FY2010	FY2011	1Q2011	1Q2012
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Interest paid and payable to banks	15,638	15,710	15,858	3,938	3,997
Amortisation of debt upfront costs	650	650	650	163	163
	<u>16,288</u>	<u>16,360</u>	<u>16,508</u>	<u>4,101</u>	<u>4,160</u>

(G) REIT MANAGER'S MANAGEMENT FEES, REIT TRUSTEE'S FEES AND LEASE PAYMENTS UNDER MASTER LEASE AGREEMENTS

1. REIT Manager's Management Fees

The REIT Manager is entitled under the Far East H-REIT Trust Deed to the following management fees:

- (i) Base Fee of 0.3% per annum of the value of the Far East H-REIT's Deposited Property (being the gross assets of Far East H-REIT, as stipulated in the Far East H-REIT Trust Deed); and
- (ii) Performance Fee of 4.0% per annum of the Net Property Income (as defined in the Far East H-REIT Trust Deed) of Far East H-REIT in the relevant financial year (calculated before accounting for this additional fee in that financial year).

For Forecast Period 2012 and Projection Year 2013, 80.0% of the management fees payable to the REIT Manager will be paid in the form of Stapled Securities or (in the event that Unstapling of the Far East H-REIT Units and Far East H-BT Units has taken place) Far East H-REIT Units issued at the market price (as defined in the Far East H-REIT Trust Deed) prevailing at the date of issue and 20.0% of the management fees will be paid in the form of cash.

Any increase in the maximum permitted rate or any change in the structure of the REIT Manager's management fees must be approved by an Extraordinary Resolution at a meeting of holders of the Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed.

The portion of the management fees payable in the form of Stapled Securities will be made on a quarterly basis, in arrears. The portion of the management fees payable in the form of cash will be made on a monthly basis, in arrears.

The aforementioned basis has been used to compute the REIT Manager's management fees for the purposes of the unaudited pro forma financial information of Far East H-REIT.

2. REIT Trustee's Fees

The REIT Trustee's fee is presently charged on a scaled basis of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property, subject to a minimum of S\$20,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee will also be paid a one-time inception fee of S\$50,000. The REIT Trustee's fee is payable out of the Deposited Property of Far East H-REIT on a monthly basis, in arrears.

Under the Far East H-REIT Trust Deed, the maximum fee which the REIT Trustee may charge is 0.02% per annum of the Far East H-REIT Deposited Property. Any increase in the REIT Trustee's fee beyond the current scaled basis of up to 0.02% per annum of the value of the Far East H-REIT Deposited Property will be subject to agreement between the REIT Manager and the REIT Trustee.

Any increase in the maximum permitted amount or any change in the structure of the REIT Trustee's fee must be approved by an Extraordinary Resolution at a meeting of holders of the Far East H-REIT Units duly convened and held in accordance with the provisions of the Far East H-REIT Trust Deed.

The aforementioned basis has been used to compute the REIT Trustee's fee for the purpose of the Unaudited Pro Forma Financial Information.

3. Lease Payments under the Master Lease Agreements

Under the terms of the Master Lease Agreements, Far East H-REIT will be entitled to an annual rental payment for the duration of the term of each Master Lease Agreement comprising a Fixed Rent and a Variable Rent. Should the calculation of the Variable Rent yield a negative figure, the Variable Rent will be deemed to be zero.

	Fixed Rent (S\$'000)	Variable Rent (Sum of Percentage of Gross Operating Revenue and Percentage of Gross Operating Profit less Fixed Rent)	
		Percentage of Gross Operating Revenue (%)	Percentage of Gross Operating Profit (%)
Hotels			
Albert Court Village Hotel	3,500	33.0	25.0
Changi Village Hotel	7,500	33.0	24.0
The Elizabeth Hotel	5,500	33.0	34.0
Landmark Village Hotel	7,000	33.0	29.0
Oasia Hotel ⁽¹⁾	8,000	33.0	28.0
Orchard Parade Hotel	10,000	33.0	37.0
The Quincy Hotel	2,500	33.0	23.0
Serviced Residences			
Central Square Village Residences	3,500	33.0	41.0
Hougang Village Residences	1,500	33.0	38.0
Regency House	2,500	33.0	40.0
Riverside Village Residences	2,500	33.0	40.0

Note:

- (1) As Oasia Hotel's operations have yet to stabilise, the total rental income of Oasia Hotel for Forecast Period 2012 and Projection Year 2013 is subject to a minimum guarantee of S\$7.3 million and S\$18.2 million, respectively.



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Our Ref: 2012/69

26 July 2012

DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)

12 Marina Boulevard Level 44
 DBS Asia Central @ Marina Bay Financial Centre Tower 3
 Singapore 018982

Manager of Far East H-Reit

FEO Hospitality Asset Management Pte. Ltd.

14 Scotts Road #06-01 Far East Plaza
 Singapore 228213

Trustee-Manager of Far East H-BT

FEO Hospitality Trust Management Pte. Ltd.

14 Scotts Road #06-01 Far East Plaza
 Singapore 228213

Dear Sirs,

VALUATION OF:

- (1) ALBERT COURT VILLAGE HOTEL, 180 Albert Street, Singapore 189971
- (2) CHANGI VILLAGE HOTEL, 1 Netheravon Road, Singapore 508502
- (3) THE ELIZABETH HOTEL, 24 Mount Elizabeth, Singapore 228518
- (4) LANDMARK VILLAGE HOTEL, 390 Victoria Street, Singapore 188061
- (5) OASIA HOTEL, 8 Sinaran Drive, Singapore 307470
- (6) ORCHARD PARADE HOTEL, 1 Tanglin Road, Singapore 247905
- (7) THE QUINCY HOTEL, 22 Mount Elizabeth, Singapore 228517
- (8) CENTRAL SQUARE VILLAGE RESIDENCES, 20 Havelock Road, Singapore 059765
- (9) HOUGANG VILLAGE RESIDENCES, 1 Hougang Street 91, Singapore 538692
- (10) REGENCY HOUSE, 121 Penang Road, Singapore 238464
- (11) RIVERSIDE VILLAGE RESIDENCES, 30 Robertson Quay, Singapore 238251

Instructions

We refer to your instructions to carry out a valuation in respect of the abovementioned properties for listing purposes. Our instructions are to provide our opinion of the market value of the unexpired leasehold interest in the properties as at 31 March 2012, on 'as is' basis and subject to the proposed master lease arrangement and existing tenancies.

We confirm that we have inspected the subject properties and have prepared full valuation reports ("Reports") in accordance with the requirements of the instructions.

The valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

Our valuation is on the basis of Market Value which is intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors (RICS) and the International Valuation Standards (IVS).



Our valuation has been made on the assumption that the properties are sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the value of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the properties are free from any major or material encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

Reliance on This Letter

For the purpose of this Prospectus, we have prepared this letter and the enclosed valuation certificates which summarise our Reports and outline key factors which we have considered in arriving at our opinion of values. This letter and the valuation certificates do not contain all the necessary data and information included in our Reports. For further information, reference should be made to the Reports.

The valuations and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated value is based upon the factual information provided by the owner. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavoured to ensure the accuracy of the information, it has not independently verified all information provided by the owner. Colliers International also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.
- The methodologies adopted in valuing the properties are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the properties and future economic conditions in the local market.

Summary of Property Information

No.	Property	Balance Lease Term (years)	No. of Rooms/Units	Gross Floor Area/Strata Area* (sm)
1	180 Albert Street, ALBERT COURT VILLAGE HOTEL	75	210	11,425.5
2	1 Netheravon Road, CHANGI VILLAGE HOTEL	65	380	22,826.1
3	24 Mount Elizabeth, THE ELIZABETH HOTEL	75	256	11,723.2
4	390 Victoria Street, LANDMARK VILLAGE HOTEL	66	393	21,761.0*
5	8 Sinaran Drive, OASIA HOTEL	92	428	22,487.0*
6	1 Tanglin Road, ORCHARD PARADE HOTEL	50	388	34,072.0
7	22 Mount Elizabeth, THE QUINCY HOTEL	75	108	4,810.3
8	20 Havelock Road, CENTRAL SQUARE VILLAGE RESIDENCES	80	128	17,857.5
9	1 Hougang Street 91 HOUGANG VILLAGE RESIDENCES	81	78	14,635.0*
10	121 Penang Road, REGENCY HOUSE	81	90	10,722.7
11	30 Robertson Quay, RIVERSIDE VILLAGE RESIDENCES	78	72	10,592.0*

We have been advised that the subject hotels and serviced residences will be leased under master lease arrangements. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rents will comprise a Fixed Rent component plus a Variable Rent component. The Variable Rent refers to an amount computed based on a fixed percentage of Gross Operating Revenue and a fixed percentage of Gross Operating Profit less the Fixed Rent. We are of the opinion that based on the proposed lease structure, the resultant rental amounts are at market levels and the terms of the lease agreement made known to us are typical of market norms.

Valuation Rationale

In determining the market value of the properties, we have considered relevant general and economic factors and examined available market evidence. We have used the Income Capitalisation Method and the Discounted Cash Flow Analysis as the primary methods. These approaches have in turn been checked by the Sales Comparison Method.

In the Income Capitalisation Method, the estimated annual net income of the property after deducting all necessary outgoings is capitalized at an appropriate rate of return for the balance term of the lease tenure to arrive at the market value. The adopted rate reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

We have also carried out a 10-year Discounted Cash Flow (DCF) Analysis with respect to Net Present Value Method on the properties. Briefly, this method entails comparison of all future receipts from an investment with all future outgoings and the application of an appropriate discounted rate to this flow of net income to determine the net present value (NPV) of this income stream. The property is hypothetically assumed to be sold after the end of the tenth year.

In undertaking this method, a wide range of assumptions are made including rental growth and outgoings escalation throughout the cash flow period as well as sale price (or terminal value) of the property at the end of the investment horizon. The future estimates adopted for rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. These assumptions have been based on the current market conditions and current expectations as to property values, income and yield.

Summary of Values

Summarised below are our opinion of values:

No.	Property	Market Value (S\$) as at 31 March 12
1	180 Albert Street, ALBERT COURT VILLAGE HOTEL	126,000,000/-
2	1 Netheravon Road, CHANGI VILLAGE HOTEL	257,000,000/-
3	24 Mount Elizabeth, THE ELIZABETH HOTEL	193,000,000/-
4	390 Victoria Street, LANDMARK VILLAGE HOTEL	227,000,000/-
5	8 Sinaran Drive, OASIA HOTEL	322,000,000/-
6	1 Tanglin Road, ORCHARD PARADE HOTEL	419,000,000/-
7	22 Mount Elizabeth, THE QUINCY HOTEL	84,000,000/-
8	20 Havelock Road, CENTRAL SQUARE VILLAGE RESIDENCES	208,000,000/-
9	1 Hougang Street 91 HOUGANG VILLAGE RESIDENCES	66,000,000/-



No.	Property	Market Value (S\$) as at 31 March 12
10	121 Penang Road, REGENCY HOUSE	170,000,000/-
11	30 Robertson Quay, RIVERSIDE VILLAGE RESIDENCES	117,000,000/-
TOTAL		2,189,000,000/-

Disclaimer

We have prepared this Valuation Summary Letter and the enclosed Valuation Certificates for inclusion in the prospectus and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the prospectus, other than in respect of the information provided within the Reports and this Valuation Summary Letter.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Colliers International Consultancy and Valuation (Singapore) Pte Ltd has relied upon the property data supplied by the owner/manager which we assume to be true and accurate. Colliers International Consultancy and Valuation (Singapore) Pte Ltd takes no responsibility for inaccurate data supplied by the owner/manager and subsequent conclusions related to such data.

We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorised to practise as valuers and have at least 15 years continuous experience in valuation.

Our Valuation Certificates are appended.

Yours faithfully

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Cynthia Ng
B Sc (Est Mgt), FSISV
Appraiser's Licence No. AD041-2003388A
Deputy Managing Director

Goh Seow Leng
B Sc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2003809B
Executive Director
Valuation

Encl



VALUATION CERTIFICATE

Address of Property	:	180 Albert Street ALBERT COURT VILLAGE HOTEL Singapore 189971
Our Reference	:	2012/69 (E)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	A 2-storey refurbished boutique hotel with an 8-storey extension and basement carpark comprising a total of 210 guest rooms
Brief Description	:	<p>The subject property is located on the cul-de-sac of Albert Street, south of Selegie Road, at its junction with Rochor Canal Road. It is some 3 km from the City Centre.</p> <p>Currently erected on site is a 2-storey refurbished boutique hotel with an 8-storey extension and basement carpark. The subject hotel accommodates a total of 210 guest rooms with 65 carpark lots in the basement levels. Hotel facilities provided include a gym with Jacuzzi and steam room on the 1st storey, function and meeting rooms, 3 food & beverage outlets located on the 1st and 2nd storeys.</p> <p>The property is air-conditioned and equipped with security/ modern fire protection systems.</p>
Legal Description	:	Lots 797T and 813N Town Subdivision 12
Tenure	:	Our instructions are to value the property based on a balance lease term of 75 years from date of listing.
Registered Proprietor	:	First Choice Properties Pte Ltd
Site Area	:	4,272.9 sm or thereabouts
Gross Floor Area	:	Approximately 11,425.53 sm (as provided and subject to survey)
Net Lettable Area of Commercial Area	:	Retail shops – 1,002 sm
Year of Completion	:	Certificate of Statutory Completion was issued on 2 August 1996 and the building was refurbished in the 2000s.
Condition of Building	:	Fairly good



- Tenancy/Occupancy** : The hotel (excluding the commercial area) will be leased to First Choice Properties Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$3,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 25% of Gross Operating Profit less the Fixed Rent.
- Property management fee and furniture, fittings and equipment will be borne by master lessee.
- Master Plan Zoning (2008 Edition)** : 'Commercial' with a gross plot ratio of 1.5, "Hotel" with a gross plot ratio of 3.5 and open space.
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Sales Comparison Method
- Capitalisation Rate** : 5.75%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 6.00%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$126,000,000/-**
(Singapore Dollars One Hundred and Twenty Six Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

SS/GSL/CN/tc

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	:	1 Netheravon Road CHANGI VILLAGE HOTEL Singapore 508502
Our Reference	:	2012/69 (C)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	An 8-storey hotel with 3 basement levels comprising a total of 380 guest rooms
Brief Description	:	<p>The subject property is located along the western side of Netheravon Road, off Loyang Avenue, within Changi Village and some 19 km from the City Centre.</p> <p>Currently erected on site is an 8-storey hotel building with 3 basement levels. It accommodates a total of 380 guest rooms from the 2nd to 7th storeys and 107 carpark lots in the basement levels. Hotel facilities provided include 2 swimming pools, a spa facility, ballroom, function and meeting rooms, gym with steam rooms, club lounge, various Food & Beverages outlets and a convenience store.</p> <p>The property is air-conditioned and equipped with security/ modern fire protection systems.</p>
Legal Description	:	Lot 1215V Mukim 31
Tenure	:	Our instructions are to value the property based on a balance lease term of 65 years from date of listing.
Registered Proprietor	:	Far East Organization Centre Pte Ltd
Site Area	:	7,023.8 sm or thereabouts
Gross Floor Area	:	Approximately 22,826.08 sm (as provided and subject to survey)
Net Lettable Area Of Commercial Area	:	Retail Shops - 778 sm
Year of Completion	:	Temporary Occupation Permit and Certificate Of Statutory Completion was issued in 30 April 2004 and 23 December 2004 respectively
Condition of Building	:	Fairly good



Tenancy/Occupancy : The hotel (excluding the commercial area) will be leased to Far East Organization Centre Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$7,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 24% of Gross Operating Profit less the Fixed Rent.

Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee.

Master Plan Zoning (2008 Edition) : 'Hotel' with a gross plot ratio of 2.0

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Sales Comparison Method

Capitalisation Rate : 6.00%

Discount Rate : 7.50%

Terminal Cap Rate : 6.25%

Basis of Valuation : As-is basis and subject to the master lease arrangement

Date of Valuation : 31 March 2012

Valuation : Market Value **S\$257,000,000/-**
(Singapore Dollars Two Hundred And Fifty-Seven Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

CYC/CN/ds

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	:	24 Mount Elizabeth THE ELIZABETH HOTEL Singapore 228518
Our Reference	:	2012/69 (A)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	A 12-storey hotel comprising a total of 256 guest rooms
Brief Description	:	<p>THE ELIZABETH HOTEL is located near the end of Mount Elizabeth, off Orchard Road, and approximately 4.5 km from the City Centre. It lies within the popular shopping, hotel and entertainment belt at Orchard Road. The Orchard MRT Station is within walking distance away.</p> <p>The subject 12-storey hotel features 256 guest rooms with a basement car park. Hotel facilities include a swimming pool, 2 function/meeting rooms, business centre, a café, a bar lounge and 2 retail shops.</p> <p>The property is air-conditioned and equipped with security/ modern fire protection systems.</p>
Legal Description	:	Part of Lot 1083L (previously known as Lot 552N) Town Subdivision 27
Tenure	:	Our instructions are to value the property based on a balance lease term of 75 years from date of listing.
Registered Proprietor	:	Golden Development Private Limited
Site Area	:	3,672.9 sm or thereabouts
Gross Floor Area	:	Approximately 11,723.24 sm (as provided and subject to survey)
Net Lettable Area Of Commercial Area	:	Retail Shops – 595 sm
Year of Completion	:	The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 3 May 1993 and 8 May 1995 respectively.
Condition of Building	:	Fairly good



- Tenancy/Occupancy** : The hotel (excluding the commercial area) will be leased to Golden Development Private Limited under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$5,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 34% of Gross Operating Profit less the Fixed Rent.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee.
- Master Plan Zoning (2008 Edition)** : 'Hotel' with a gross plot ratio of 3.5
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Sales Comparison Method
- Capitalisation Rate** : 5.50%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 5.75%
- Basis of Valuation** : As-Is basis and subject to the master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$193,000,000/-**
(Singapore Dollars One Hundred And Ninety-Three Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

GSL/CN/k

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	:	390 Victoria Street LANDMARK VILLAGE HOTEL Singapore 188061
Our Reference	:	2012/69 (D)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	A 19-storey hotel comprising a total of 393 guest rooms
Brief Description	:	<p>The subject property is located on the southern side of Victoria Street, at the cross junction with Kallang Road/Arab Street/North Bridge Road and Ophir Road. It is some 3 km from the City Centre.</p> <p>Currently erected on site is a 19-storey hotel building with a retail podium known as "Golden Landmark Shopping Centre" and basement carpark. The subject hotel accommodates a total of 393 guest rooms. Hotel facilities provided include a swimming pool with gazebo, al fresco poolside dining, 2 restaurants, meeting/function rooms, an executive club room, gym with changing rooms and a small launderette.</p> <p>The property is air-conditioned and equipped with security/ modern fire protection systems.</p>
Legal Description	:	Strata Lot U573M and Accessory Lots A1N, A2X, A3L and A4C, Town Subdivision 13
Tenure	:	Our instructions are to value the property based on a balance lease term of 66 years from date of listing.
Registered Proprietor	:	Golden Landmark Pte Ltd
Strata Floor Area	:	21,676 sq m together with accessory lot areas of 85 sq m
Net Lettable Area of Commercial Area	:	Retail shops – 1,164 sm
Year of Completion	:	Certificate of Statutory Completion was issued on 24 June 1992.
Condition of Building	:	Average



- Tenancy/Occupancy** : The hotel (excluding the commercial area) will be leased to Golden Landmark Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years.
- The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$7,000,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 29% of Gross Operating Profit less the Fixed Rent.
- Property management fee and furniture, fixture, furnishings and equipment (FF&E) will be borne by master lessee.
- Master Plan Zoning (2008 Edition)** : 'Hotel' with a gross plot ratio of 4.2
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Sales Comparison Method
- Capitalisation Rate** : 6.00%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 6.25%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$227,000,000/-**
(Singapore Dollars Two Hundred and Twenty Seven Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

SS/GSL/CN/tc

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

- Address of Property** : 8 Sinaran Drive
OASIA HOTEL
Singapore 307470
- Our Reference** : 2012/69 (K)
- Valuation Prepared for** : DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
- Type of Property** : A hotel comprising a total of 428 guest rooms
- Brief Description** : The subject property is located on the south-western side of Sinaran Drive, next to Novena Square, off Thomson Road/ Moulmein Road and approximately 6 km from the City Centre.
- The subject property is within a 25-storey mixed development which comprises food and beverage outlets on the 1st and 2nd storey, office for a cancer foundation (Viva Foundation) on the 3rd storey, 69 medical suites on the 4th to 7th storeys known as Novena Specialist Center and Oasia Hotel (subject property) from 8th to 25th storeys. There is also a sky garden on the 5th and 6th storeys.
- Hotel facilities include all-day dining restaurant, F&B outlets, a swimming pool, spa pool, fitness centre and roof terrace area, and The Living Room (for club floor guests only) comprising an executive lounge, private 20-metre lap pool and jacuzzi with sun deck area. There are also meeting & events facilities.
- Vertical movement within the development is via lifts, escalators and r.c. staircases. Modern fire protection devices, fire protection/ alarm systems and basement car parking facilities are also available within the development.
- Legal Description** : Strata Lot U4834M and Accessory Lot A123C, both of Town Subdivision 29
- Tenure** : We are instructed to value the property based on a balance lease term of 92 years from date of listing.
- Registered Proprietor** : Transurban Properties Pte. Ltd.
- Strata Floor Area** : 22,457 sm (including void) together with an additional accessory lot area of 30 sm, as provided
- Year of Completion** : We understand that the Temporary Occupation Permit was issued on 2 June 2011.
- Condition of Building** : Good



- Tenancy/Occupancy** : The hotel will be leased to Transurban Properties Pte. Ltd. under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$8,000,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 28% of Gross Operating Profit less the Fixed Rent. In addition, total rental income for 2012 and 2013 is subject to a minimum of S\$8,700,000/- (for half year) and S\$18,200,000/- respectively.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by master lessee.
- Master Plan Zoning (2008 Edition)** : 'Hotel' with a gross plot ratio of 4.2
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
- Capitalisation Rate** : 5.25%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 5.50%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$322,000,000/-**
(Singapore Dollars Three Hundred And Twenty-Two Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

DA/CN/hl

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

- Address of Property** : 1 Tanglin Road
ORCHARD PARADE HOTEL
Singapore 247905
- Our Reference** : 2012/69 (F)
- Valuation Prepared for** : DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
- Type of Property** : A 17-storey hotel with a 5-storey front commercial podium and a 6-storey rear carpark block comprising a total of 388 guest rooms
- Brief Description** : ORCHARD PARADE HOTEL is a 17-storey hotel development (total 388 guest rooms) with a 6-storey rear carpark (total 176 lots) with guest room, a 5-storey front office block (total 51 units), and a level of shops (total 33 units) on the first storey. There is a link bridge between the main hotel block and car park block via the top level of the car park.
- The subject property is located on the south-eastern side of Tanglin Road, near its junction with Cuscaden Road and opposite its junction with Orange Grove Road. It is sited outside the ERP traffic restricted zone and some 5-km from the City Centre.
- Hotel facilities include a swimming pool with gazebo, a fitness centre, steam bath and a meeting room on the 6th storey. The function/meeting rooms (Antica I, II, III and IV), ballroom and a Chinese restaurant are located on the 2nd storey. A lobby lounge and shops are located on the 1st storey. Other amenities and hotel facility includes business centre, tour desk and club lounge.
- The buildings are fully air-conditioned and equipped with modern fire protection and security system.
- All essential public services are connected.
- Legal Description** : Lot Nos. 653V, 656A, 659X and 769W Town Subdivision 24
- Tenure** : We are instructed to value the property based on a balance lease term of 50 years from date of listing.
- Registered Proprietor(s)** : Orchard Parade Holdings Limited
- Site Area** : 8,143.2 sm or thereabouts
- Gross Floor Area** : Approximately 34,072.0 sm



Net Lettable Area of Commercial Area	:	Shops	3,694.0 sm
		Offices	2,508.9 sm
		<i>(As provided to us and subject to final survey)</i>	
Year of Completion	:	We understand that Orchard Parade Hotel was acquired by Far East Organisation on 20 June 1987. Addition/ alteration/ renovation works were carried out in 2008/09.	
Condition of Building	:	Good	
Tenancy/Occupancy	:	The hotel (excluding the commercial area) will be leased to Orchard Parade Holdings Limited under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$10,000,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 37% of Gross Operating Profit less the Fixed Rent. Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee.	
Master Plan Zoning (2008 Edition)	:	Hotel with gross plot ratio of 4.2+	
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Capitalisation Rate	:	6.25 %	
Discount Rate	:	7.50 %	
Terminal Cap Rate	:	6.50 %	
Basis of Valuation	:	As-is basis and subject to master lease arrangement	



Date of Valuation : 31 March 2012
Valuation : Market Value **S\$419,000,000/-**
(Singapore Dollars Four Hundred And Nineteen Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

CN/CYC/ct

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	: 22 Mount Elizabeth THE QUINCY HOTEL Singapore 228517
Our Reference	: 2012/69 (B)
Valuation Prepared for	: DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	: A 14-storey hotel comprising a total of 108 guest rooms
Brief Description	: THE QUINCY HOTEL is located near the end of Mount Elizabeth, off Orchard Road, and approximately 4.5 km from the City Centre. It lies within the popular shopping, hotel and entertainment belt at Orchard Road. The Orchard MRT Station is within walking distance away. The subject 14-storey boutique hotel features 108 guest rooms of standard size. Hotel facilities include an indoor swimming pool, a gym and a café. The property is air-conditioned and equipped with security/ modern fire protection systems.
Legal Description	: Part of Lot 1083L (previously known as Lots 544V, 547A & 550A) Town Subdivision 27
Tenure	: Our instructions are to value the property based on a balance lease term of 75 years from date of listing.
Registered Proprietor	: Golden Development Private Limited
Site Area	: 1,313.8 sm or thereabouts
Gross Floor Area	: Approximately 4,810.3 sm (as provided and subject to survey)
Year of Completion	: The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 27 November 2008 and 15 July 2009 respectively.
Condition of Building	: Good



- Tenancy/Occupancy** : The hotel will be leased to Golden Development Private Limited under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$2,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 23% of Gross Operating Profit less the Fixed Rent.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee.
- Master Plan Zoning (2008 Edition)** : 'Hotel' with a gross plot ratio of 2.8
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Sales Comparison Method
- Capitalisation Rate** : 5.50%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 5.75%
- Basis of Valuation** : As-Is basis and subject to the master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$84,000,000/-**
(Singapore Dollars Eighty-Four Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

GSL/CN/k

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

- Address of Property** : 20 Havelock Road
CENTRAL SQUARE VILLAGE RESIDENCES
Singapore 059765
- Our Reference** : 2012/69 (J)
- Valuation Prepared for** : DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
- Type of Property** : A 7-storey serviced apartment-cum-commercial development comprising a total of 128 serviced apartments with shops, serviced offices and offices
- Brief Description** : The subject property is located on the northern side of Havelock Road, off Eu Tong Sen Street and Clemenceau Avenue. It lies just within the Traffic Restricted Zone of the Central Business District, and some 1.5 km from the City Centre.

Currently erected on site is a 7-storey serviced apartment and commercial development with a basement. It comprises shops/F&B outlets and reception lobby at 1st storey, serviced offices and business centre at 2nd storey, offices at 3rd storey and serviced apartments from 4th to 7th storeys. Recreational facilities and communal amenities are located on the 4th storey and include swimming pool, jacuzzi, gymnasium, BBQ pits and sauna, amongst others. Car parking lots are located at basement level, 2nd and 3rd storeys. Housekeeping, 24-hour service desk & security and weekday breakfast are also provided.

The property is air-conditioned and equipped with modern fire protection system.

- Legal Description** : Lot 320N Town Subdivision 8
- Tenure** : We are instructed to value the property based on a balance lease term of 80 years.
- Registered Proprietor** : OPH Riverside Pte Ltd
- Site Area** : 6,238.2 sm or thereabouts
- Gross Floor Area** : Approximately 17,857.54 sm (as provided and subject to survey)
- Net Lettable Area
Of Commercial Area** :
- | | | |
|------------------|---|--------------------|
| Serviced Offices | - | 695.84 sm |
| Offices | - | 1,473.82 sm |
| Retail Shops | - | <u>2,212.86 sm</u> |
| Total | | <u>4,382.52 sm</u> |

(as provided and subject to survey)



- Year of Completion** : Temporary Occupation Permit was issued on 19 February 1998 and Certificate of Statutory Completion was issued on 2 August 1999.
- Condition of Building** : Fairly good
- Tenancy/Occupancy** : The serviced apartment (excluding the commercial area) will be leased to OPH Riverside Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$3,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 41% of Gross Operating Profit less the Fixed Rent.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee.
- Master Plan Zoning (2008 Edition)** : "Commercial & Residential" with gross plot ratio of 2.8
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
- Capitalisation Rate** : 4.00%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 4.50%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$208,000,000/-**
(Singapore Dollars Two Hundred And Eight Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

CT/CN/ct

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

- Address of Property** : 1 Hougang Street 91
HOUGANG VILLAGE RESIDENCES
Singapore 538692
- Our Reference** : 2012/69 (G)
- Valuation Prepared for** : DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
- Type of Property** : A 13-storey residential block comprising 78 units of serviced apartments with basement and recreational facilities
- Brief Description** : The subject property is located at the north-western junction of Hougang Avenue 9 and Street 91, off Buangkok Green and Yio Chu Kang Road, and some 12 km from the City Centre.
- HOUGANG VILLAGE RESIDENCES comprises a total of 78 units of fully furnished 2-bedroom and 3-bedroom serviced apartments within a 13-storey block with basement and recreational facilities.
- Recreational facilities and communal amenities are located on the 4th storey. These include swimming and wading pools, sun-tanning timber pool deck, jacuzzi, sauna, gymnasium, tennis court, roof garden with BBQ pits, children's playground and outdoor fitness centre.
- Vertical movement within the development is via 2 passenger lifts and r.c. staircases. Modern fire protection system, CCTV and car parking facilities are also available within the development.
- Legal Description** : Strata Lot U66063V Mukim 22
- Tenure** : We are instructed to value the property based on a balance lease term of 81 years.
- Registered Proprietor** : Serene Land Pte Ltd
- Strata Floor Area** : 14,635 sm (including void and as provided)
- Year of Completion** : We understand that the Temporary Occupation Permit was issued on 30 December 1999.
- Condition of Building** : Fairly good



- Tenancy/Occupancy** : The serviced apartment will be leased to Serene Land Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$1,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 38% of Gross Operating Profit less the Fixed Rent.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the serviced apartment will be borne by master lessee.
- Master Plan Zoning (2008 Edition)** : "Commercial & Residential"
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
- Capitalisation Rate** : 4.25%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 4.50%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$66,000,000/-**
(Singapore Dollars Sixty-Six Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

DA/CN/hl

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	:	121 Penang Road REGENCY HOUSE Singapore 238464
Our Reference	:	2012/69 (I)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	A part 8/part 10-storey serviced apartment-cum-commercial development comprising a total of 90 serviced apartments, 13 office units and 3 retail units.
Brief Description	:	<p>The subject property is located at the south-eastern junction of Penang Road and Oxley Road, just one street away from the prime shopping and entertainment belt of Orchard Road, and some 2.5 km from the City Centre.</p> <p>Currently erected on site is a 10-storey serviced apartment building with an adjoining 8-storey commercial annex and 2 basement levels of 102 car park lots.</p> <p>Recreation facilities for the residents are located on the 8th storey which include swimming pool with Jacuzzi, gymnasium, barbecue pits, breakfast lounge and changing facilities. Other amenities include concierge service and sheltered drop-off porch.</p> <p>The adjoining 8-storey commercial annex accommodates 13 office units and 3 ground floor retail units.</p> <p>The property is fully air-conditioned and equipped with security/modern fire protection systems.</p> <p>All essential public utilities and tele-communication services are connected.</p>
Legal Description	:	Lot 485A Town Subdivision 20
Tenure	:	We are instructed to value the property based on a balance lease term of 81 years from date of listing.
Registered Proprietor	:	Oxley Hill Properties Pte Ltd
Site Area	:	2,550.5 sm or thereabouts
Gross Floor Area	:	10,722.69 sm (as provided and subject to survey)



Net Lettable Area Of Commercial Area : Offices - 2,322.02 sm
Retail shops - 539.00 sm

(As provided and subject to survey).

Year of Completion : We understand that the Temporary Occupation Permit and Certificate Of Statutory Completion were issued on 24 October 2000 and 14 December 2001 respectively.

Condition of Building : Good

Tenancy/Occupancy : The serviced apartments will be leased to Oxley Hill Properties Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$2,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent.

Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the service apartment will be borne by the master lessee.

Master Plan Zoning (2008 Edition) : Commercial/residential with gross plot ratio of 4.2+

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

Capitalisation Rate : 3.75%

Discount Rate : 7.50%

Terminal Cap Rate : 4.00%

Basis of Valuation : As-Is basis and subject to master lease arrangement

Date of Valuation : 31 March 2012

Valuation : Market Value **S\$170,000,000/-**
(Singapore Dollars One Hundred And Seventy Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

RL/CN/k

This valuation certificate is subject to the attached Limiting Conditions.

121 Penang Road
REGENCY HOUSE
Singapore 238464
Our Ref: 2012/69 (I)

Page 2



VALUATION CERTIFICATE

Address of Property	:	30 Robertson Quay RIVERSIDE VILLAGE RESIDENCES Singapore 238251
Our Reference	:	2012/69 (H)
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust)
Type of Property	:	A 10-storey serviced apartment-cum-commercial development comprising a total of 72 serviced apartments with shops at 1 st storey and a basement car park
Brief Description	:	<p>The subject property is located at the cul-de-sac of Merbau Road, off Clemenceau Avenue and Mohamed Sultan Road. It lies just outside the Traffic Restricted Zone of the Central Business District, and is some 2 km from the City Centre.</p> <p>Currently erected on site is a 10-storey serviced apartment and commercial development with basement car park. It accommodates shops/F&B outlets, reception lobby, business centre and meeting room at 1st storey. Recreational facilities and communal amenities are located on the 2nd storey and include swimming and wading pools, jacuzzi, outdoor shower areas, gymnasium, children's playground and BBQ pits, amongst others. A total of 72 apartments are located from 3rd to 10th storeys. Housekeeping, 24-hour service desk & security and weekday breakfast are also provided.</p> <p>The property is air-conditioned and equipped with modern fire protection system.</p>
Legal Description	:	Strata Lots U836V, U837P and U838T, All of Town Subdivision 9
Tenure	:	We are instructed to value the property based on a balance lease term of 78 years.
Registered Proprietor	:	Riverland Pte Ltd
Strata Floor Area	:	10,592.0 sm (including void - as provided)
Net Lettable Area of Commercial Area	:	Retail - 1,178.66 sm (as provided and subject to survey) Shops
Year of Completion	:	Temporary Occupation Permit was issued on 12 July 1996 and Certificate of Statutory Completion was issued on 10 November 1998.
Condition of Building	:	Fairly good



- Tenancy/Occupancy** : The serviced apartment (excluding the commercial area) will be leased to Riverland Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S\$2,500,000/-. Variable Rent refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 40% of Gross Operating Profit less the Fixed Rent.
- Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the serviced apartments will be borne by the master lessee.
- Master Plan Zoning (2008 Edition)** : "Residential with Commercial at 1st Storey" with gross plot ratio of 2.8
- Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
- Capitalisation Rate** : 4.00%
- Discount Rate** : 7.50%
- Terminal Cap Rate** : 4.25%
- Basis of Valuation** : As-is basis and subject to master lease arrangement
- Date of Valuation** : 31 March 2012
- Valuation** : Market Value **S\$117,000,000/-**
(Singapore Dollars One Hundred And Seventeen Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

CT/CN/ct

This valuation certificate is subject to the attached Limiting Conditions.

LIMITING CONDITIONS Valuation

1. Values are reported in Singapore currency unless otherwise stated.
2. In our valuation, it is presumed that the property as currently used is not in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise.
3. For obvious reasons, we do not and cannot provide information relating to government acquisitions, unless the land has already been gazetted for acquisition.
4. No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
5. While due care is exercised in the course of our inspection to note any serious defects, no structural surveyor the like will or has been made. Further, we will not be able to report that the building is free from rot, infestations or other defects. The building services will not be tested but will be presumed to be in good working order.
6. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorised inclusion or publication.
7. In accordance with our usual practice, we must state that this valuation report is restricted to the client or person to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.
8. Where it is stated in the valuation report that information has been supplied to us by another party, the information is presumed to be reliable and we do not accept any responsibility should it be proven otherwise.
9. No allowance will be made in our valuation report for any charges, mortgages or other claims affecting the property nor for any costs, expenses, taxation or outgoings which may be involved in any transaction of the property.
10. The title to the property is presumed to be good and marketable and, unless mentioned in this valuation report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.
11. Any plans included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
12. All Location Plans are obtained from Virtual Map (S) Pte Ltd. While we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
13. We shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.



31 March 2012

DBS Trustee Limited
(as Trustee of Far East Hospitality Real Estate Investment Trust)
12 Marina Boulevard
Level 44 DBS Asia Central @Marina Bay Financial Centre Tower 3
Singapore 018982

Manager of Far East H-REIT
FEO Hospitality Asset Management Pte. Ltd.
14 Scotts Road #06-01
Far East Plaza
Singapore 228213

Trustee-Manager of Far East H-BT
FEO Hospitality Trust Management Pte. Ltd.
14 Scotts Road #06-01
Far East Plaza
Singapore 228213

Dear Sirs

VALUATION OF

- (1) No. 180 Albert Street "Albert Court Village Hotel"
 - (2) No. 1 Netheravon Road "Changi Village Hotel"
 - (3) No. 24 Mount Elizabeth "The Elizabeth Hotel"
 - (4) No. 390 Victoria Street "Landmark Village Hotel"
 - (5) No. 8 Sinaran Drive "Oasia Hotel"
 - (6) No. 1 Tanglin Road "Orchard Parade Hotel"
 - (7) No. 22 Mount Elizabeth "The Quincy Hotel"
 - (8) No. 20 Havelock Road "Central Square Village Residences"
 - (9) No. 1 Hougang Street 91 "Hougang Village Residences"
 - (10) Nos. 121/123 Penang Road "Regency House"
 - (11) No. 30 Robertson Quay "Riverside Village Residences"
- Singapore

1 Instructions

We refer to the instructions by DBS Trustee Limited as Trustee of Far East Hospitality Real Estate Investment Trust to carry out a formal valuation in respect of the abovementioned properties (the "Properties"). We have specifically been instructed to provide our opinion of the Open Market Values of the Properties as at 31 March 2012, subject to the proposed leases for the Hotels and Serviced Residences and existing leases and occupational arrangements of the retail/office/serviced office units.

We have, in accordance with the instructions, prepared a formal comprehensive valuation report for each of the Properties.

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
Tel: (65) 6222 1333 Fax: (65) 6224 5843 www.knightfrank.com.sg Reg. No. 198205243Z

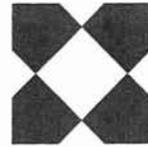
Other Offices:

Knight Frank Estate Management Pte Ltd 160 Paya Lebar Road #05-05/06 Orion @ Paya Lebar Singapore 409022
Knight Frank Shopping Centre Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167



Cert No. 160076





1 Instructions

Our valuation is our opinion of the Open Market Value, which we would define as intended to mean:

"the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing, but not anxious, buyer and seller;
- (b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market), for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation; and
- (d) that no account is taken of any additional bid by a purchaser with a 'special interest'."

Our valuation has been made on the assumption that the Properties are sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the value of the Properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect value.

In preparing this valuation, we have relied on information provided by FEO Hospitality Asset Management Pte. Ltd, as Manager of Far East Hospitality Real Estate Investment Trust, particularly in respect of such matters as proposed hotel/serviced residence leases, tenancy schedules, site and floor areas, year of completion, lease tenure, occupancy rates, room rates, other revenues, etc. Dimensions, measurements and areas are only approximations.

We have prepared and provided this Valuation Summary letter outlining key factors that have been considered in arriving at our opinion of open market value for inclusion in the Prospectus to be issued in connection with the Initial Public Offer of Far East Hospitality Trust. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuations in respect to the Properties, market conditions and available data.



2 Reliance on This Letter

For the purposes of the Prospectus, we have prepared this letter which summarises our Reports and outlines key factors which have been considered in arriving at our opinion of value. This letter alone does not contain all the necessary data and support information included in our Reports. Knight Frank Pte Ltd has provided the Trustee with a comprehensive valuation report for each of the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated value is based upon the factual information provided by FEO Hospitality Asset Management Pte. Ltd, as Manager of Far East Hospitality Real Estate Investment Trust. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by FEO Hospitality Asset Management Pte. Ltd, as Manager of Far East Hospitality Real Estate Investment Trust (primarily copies of profit and loss statements, rent roll and other information with respect to the Properties) or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every investor and every recipient of the Prospectus, before making an investment in the Far East Hospitality Trust, should review the Reports to understand the complexity of the methodology and the many variables involved.
- (b) The methodologies used by Knight Frank Pte Ltd in valuing the Properties – the Investment Method and Discounted Cash Flow Analysis – are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in Section 6 of this letter. Each methodology is based on a set of assumptions as to income and expenses of the relevant Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions.
- (c) The Reports were undertaken based upon information available as at 31 March 2012. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

3 The Properties

The Properties comprise seven hotels and four serviced residences.

Each hotel/serviced residence is to be subject to a Lease which will begin on the Commencement Date (the completion date of the Lessor's acquisition of the Premises) and ends on the Terminating Date. Terminating Date means the date falling 20 years from (and including) the Commencement Date or the date of termination of the Lease in accordance with the terms of the Lease, whichever is the earlier date. There is an option term of 20 years commencing on the expiry of the Term.



4 Hotel/Service Residence Leases

Lessee

We understand that the hotels/service residences will be leased to various lessees as follows:

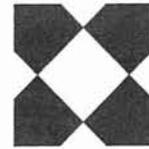
Property	Lessee
Albert Court Village Hotel	First Choice Properties Pte Ltd
Changi Village Hotel	Far East Organization Centre Pte. Ltd.
The Elizabeth Hotel	Golden Development Private Limited
Landmark Village Hotel	Golden Landmark Pte Ltd
Oasia Hotel	Transurban Properties Pte. Ltd.
Orchard Parade Hotel	Orchard Parade Holdings Limited
The Quincy Hotel	Golden Development Private Limited
Central Square Village Residences	OPH Riverside Pte Ltd
Hougang Village Residences	Serene Land Pte Ltd
Regency House	Oxley Hill Properties Pte Ltd
Riverside Village Residences	Riverland Pte Ltd

Gross Rent

The gross rent of each hotel/service residence comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of a percentage of the hotel's gross operating revenue (GOR) for that fiscal year and a percentage of the hotel's gross operating profit (GOP) for that fiscal year, less the Fixed Rent for that fiscal year. If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

Property	Fixed Rent	Variable Rent	
		% GOR	% GOP
Albert Court Village Hotel	S\$ 3,500,000	33%	25%
Changi Village Hotel	S\$ 7,500,000	33%	24%
The Elizabeth Hotel	S\$ 5,500,000	33%	34%
Landmark Village Hotel	S\$ 7,000,000	33%	29%
Oasia Hotel *	S\$ 8,000,000	33%	28%
Orchard Parade Hotel	S\$10,000,000	33%	37%
The Quincy Hotel	S\$ 2,500,000	33%	23%
Central Square Village Residences	S\$ 3,500,000	33%	41%
Hougang Village Residences	S\$ 1,500,000	33%	38%
Regency House	S\$ 2,500,000	33%	40%
Riverside Village Residences	S\$ 2,500,000	33%	40%
Total	S\$54,000,000		

* For 2H 2012 and 2013, the total Gross Rent is subject to a minimum of S\$8.7 million and S\$18.2 million respectively.



4 Hotel/Serviced Residence Leases

We are of the opinion that based on the proposed lease structures, the resultant rental amounts are at market levels and the terms of the lease agreement between DBS Trustee Limited as Trustee of Far East Hospitality Real Estate Investment Trust and the Lessees are typical of market norms.

Lessor's Expenses

Lessor's expenses include property tax, property insurance and MCST contribution*.

* For Landmark Village Hotel, Oasia Hotel, Hougang Village Residences and Riverside Village Residences only.

Furniture, Fixtures, Furnishings and Equipment (FF&E) Reserve

An amount equivalent to 2.5%* of total revenue of the hotel/serviced residence for that fiscal year will have to be set aside by the Lessee as a reserve for furniture, fixtures, furnishings and equipment (FF&E). The FF&E Reserve must be used and disbursed only in accordance with the Agreed FF&E Plan. Any expenditure from the FF&E Reserve in excess of that provided in the Agreed FF&E Plan shall not require the prior approval of the Lessor but must be notified to the Lessor as soon as practicable.

* For Oasia Hotel, 1% for the first three years and 2.5% thereafter.

Lessee's Obligations

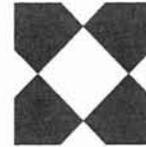
The Lessee must, at its own cost, keep the Premises and FF&E at all times in good and substantial condition and repair and in working order including repairing, repainting and replacement of FF&E required for the Business but excluding any works which are in the nature of capital improvements.



5 Summary of Property Details

The following table summarises key property details for each of the Properties:

Property	Land Area (sm)	Gross Floor Area (sm)	Interest Valued (with effect from Listing Date)	Master Plan 2008
Albert Court Village Hotel	4,272.9	11,425.53	Leasehold 75 years	<u>Lot 813N (Parcel A)</u> "Hotel" with a gross plot ratio of 3.5 <u>Lot 797T (Parcel B)</u> "Commercial" with a gross plot ratio of 1.5
Changi Village Hotel	7,023.8	22,826.08	Leasehold 65 years	"Hotel" with a gross plot ratio of 2.0
The Elizabeth Hotel	3,672.9	11,723.24	Leasehold 75 years	"Hotel" with a gross plot ratio of 3.5
Landmark Village Hotel	-	21,676.00 (Strata Floor Area) and 85.00 (Accessory Lot Area)	Leasehold 66 years	"Hotel" with a gross plot ratio of 4.2
Oasia Hotel	-	22,457.00 including void of 3,097.00 (Strata Floor Area) and 30.00 (Accessory Lot Area)	Leasehold 92 years	"Hotel" with a gross plot ratio of 4.2
Orchard Parade Hotel	8,143.2	34,071.80	Leasehold 50 years	"Hotel" with a gross plot ratio of 4.2+
The Quincy Hotel	1,313.8	4,810.28	Leasehold 75 years	"Hotel" with a gross plot ratio of 2.8
Central Square Village Residences	6,238.2	17,857.54	Leasehold 80 years	"Commercial & Residential" with a gross plot ratio of 2.8
Hougang Village Residences	-	14,635.00 including void of 378.00 (Strata Floor Area)	Leasehold 81 years	"Commercial & Residential" with a gross plot ratio of 2.8
Regency House	2,550.5	10,722.69	Leasehold 81 years	"Commercial & Residential" with a gross plot ratio of 4.2+
Riverside Village Residences	-	10,592.00 including void of 253.00 (Strata Floor Area)	Leasehold 78 years	"Residential with Commercial at 1st storey only" with a gross plot ratio of 2.8



6 Valuation Rationale

In arriving at our opinion of values, we have considered relevant general and economic factors. We have utilised the Investment Method and Discounted Cash Flow Analysis in undertaking our assessment for each of the Properties.

We have followed The Property Tax (Valuation by Gross Receipts for Hotel Premises) Order 2007 in our computation of property tax of the hotels. The annual value of the hotel guest rooms is based on 25% of the preceding year gross receipts with effect from 1 January 2011. The annual values of food & beverage outlets, function rooms and other lettable areas are based on estimated current market rents.

Investment Method

In the Investment Method, the estimated revenue of the hotel/serviced residence has been adjusted to reflect anticipated operating expenses (e.g. payroll and related expenses and other direct expenses) producing a gross operating profit.

The gross rent comprises two components, namely fixed rent and variable rent. Variable rent is the sum of a percentage of the hotel's/serviced residence's revenue for that fiscal year and a percentage of the hotel's/serviced residence's gross operating profit for that fiscal year less the fixed rent for that fiscal year. Property tax, property insurance and MCST contribution (where appropriate) are deducted to derive at the net income.

For the retail/office/serviced office units within the hotels/serviced residences, the estimated revenue has been adjusted to reflect anticipated operating expenses, an ongoing vacancy and bad debts allowance, property tax, etc. providing a net income.

The net income of each of the Properties is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment, based on analysis of yields reflected in the sales of comparable property types. Capital adjustments (where appropriate) such as letting up allowance, leasing commissions, capital expenditure, etc. are then made to derive the capital value of each of the Properties.

Revenue of the hotel comprises revenue from guest rooms, food and beverage outlets, service charge and other income.

Revenue of the serviced residence comprises rental income, hiring and maintenance fees, income from other operating departments and other income.

Revenue of retail/office/serviced office units within the hotels/serviced residences comprises rental from existing tenancies and potential future income from existing vacant units, if any.



6 Valuation Rationale

Discounted Cash Flow Analysis

A valuation using the Discounted Cash Flow (DCF) model is carried out over a period of about 10 years from 31 March 2012 (the material date) to 31 December 2012 for the Properties.

The Properties are hypothetically assumed to be sold after the end of the tenth year. The cash outflows (comprising property tax, property insurance, etc.) are deducted from the cash inflows of the relevant Properties to obtain the net cash flows. The stream of net cash flows is discounted at an estimated required rate of return applicable to that class of property to obtain the Net Present Value.

The Discounted Cash Flow method is used as the Properties are income-producing properties. This form of analysis reflects investors' decision-making process and values the properties in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class. This method is also more precise as it takes into account the timing of receipts and payments. In undertaking this analysis, we have also used a wide range of assumptions for the valuation of the Properties.

One key component of the DCF model is the estimation of two rates. One is the hurdle rate at which investors will discount the income stream over the assumed 10-year investment horizon. The second is the terminal yield for the asset, which is used to capitalize the income from year 11 onwards, to derive the terminal value of the asset after providing disposal cost and related expenses. The terminal value took into account the remaining tenure of the lease.

Based on the above, the following table outlines the salient valuation assumptions adopted in undertaking our assessment:

Property	Capitalisation Rate	Terminal Yield	Target Discount Rate (10 years)
Hotel Component			
Albert Court Village Hotel	6.00%	6.25%	8.00%
Changi Village Hotel	6.25%	6.50%	8.00%
The Elizabeth Hotel	5.60%	5.85%	8.00%
Landmark Village Hotel	6.10%	6.35%	8.00%
Oasia Hotel	5.40%	5.65%	8.00%
Orchard Parade Hotel	6.25%	6.50%	8.00%
The Quincy Hotel	5.60%	5.85%	8.00%
Serviced Residences Component			
Central Square Village Residences	4.00%	4.25%	6.50%
Hougang Village Residences	4.25%	4.50%	6.50%
Regency House	3.75%	4.00%	6.50%
Riverside Village Residences	4.00%	4.25%	6.50%



7 Summary of Values

We are of the opinion that the Open Market Values of the Properties, as at 31 March 2012, subject to the proposed hotel/serviced residence leases and existing leases and occupational arrangements for retail/office/serviced office units, are:

Property	Open Market Value As At 31 March 2012
Albert Court Village Hotel	S\$ 107,300,000
Changi Village Hotel	S\$ 228,000,000
The Elizabeth Hotel	S\$ 186,600,000
Landmark Village Hotel	S\$ 217,000,000
Oasia Hotel	S\$ 324,900,000
Orchard Parade Hotel	S\$ 409,000,000
The Quincy Hotel	S\$ 83,400,000
Central Square Village Residences	S\$ 187,600,000
Hougang Village Residences	S\$ 65,500,000
Regency House	S\$ 168,300,000
Riverside Village Residences	S\$ 113,100,000
Total	S\$2,090,700,000

8 DISCLAIMER

We have prepared this Valuation Summary letter for inclusion in the Prospectus and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Prospectus, other than in respect of the information provided within the aforementioned Reports and this Valuation Summary letter. We do not make any warranty or representation as to the accuracy of the information in any other part of the Prospectus other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary letter or in the Reports.

Knight Frank Pte Ltd has relied upon property data supplied by FEO Hospitality Asset Management Pte. Ltd, as Manager of Far East Hospitality Real Estate Investment Trust, which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by FEO Hospitality Asset Management Pte. Ltd, as Manager of Far East Hospitality Real Estate Investment Trust and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party/parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.



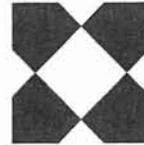
8 DISCLAIMER

We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully
Knight Frank Pte Ltd

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VALUATION CERTIFICATE

- Property** : No. 180 Albert Street
"Albert Court Village Hotel"
Singapore 189971
- Client** : DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
- Purpose** : Acquisition and Corporate Finance
- Legal Description** : Lot Nos. : 797T and 813N
Town Subdivision : 12
- Interest Valued** : Leasehold 75 years with effect from Listing Date.
- Basis Of Valuation** : Market value subject to the proposed hotel lease and existing tenancies and occupational arrangements of the retail units.
- Registered Lessee** : First Choice Properties Pte Ltd
- Master Plan 2008** : Lot 813N (Parcel A) - "Hotel" with a gross plot ratio of 3.5
Lot 797T (Parcel B) - "Commercial" with a gross plot ratio of 1.5
- Brief Description** : "Albert Court Village Hotel" is located at the southern junction of Selegie Road and Rochor Canal Road, just within the Central Business District traffic restricted zone and approximately 3.0 km from the City Centre.
- It comprises a part 3/6/7/8-storey conserved hotel accommodating a total of 210 guest rooms with 2 levels of basement car park (total 65 lots) and an adjoining 2-storey annex building separated by a pedestrian mall with alfresco dining area. The main building (on Parcel A) has the hotel reception, main lobby, retail units and facilities such as gym, outdoor jacuzzi and steam room on the 1st storey, a café and two meeting rooms on the 2nd storey and guest rooms on the 1st to 8th storeys. The 2-storey annex building (on Parcel B) comprises guest lobby, guest rooms, retail units on the 1st storey and more guest rooms on the 2nd storey.
- The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 3 October 1994 and 2 August 1996 respectively. Major addition and alteration works were carried out between 2002 to 2004 in 2 phases. The Certificates of Statutory Completion for the addition and alteration works were issued on 29 April 2003 and 27 January 2005 respectively.
- Hotel Lease** : We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to First Choice Properties Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term.
- The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 25% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$3,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
- Land Area** : 4,272.9 sm
- Gross Floor Area** : 11,425.53 sm
- Net Lettable Area of Retail Units** : 1,002.5 sm
- Valuation Approaches** : Investment and Discounted Cash Flow
- Date Of Valuation** : 31 March 2012
- Market Value** : S\$107,300,000/-
(Singapore Dollars One Hundred Seven Million And Three Hundred Thousand Only)
- Assumptions, Disclaimers, Limitations & Qualifications** : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
- Prepared By** : Knight Frank Pte Ltd

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KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167





VALUATION CERTIFICATE

Property	:	No. 1 Netheravon Road "Changi Village Hotel" Singapore 508502
Client	:	DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	:	Acquisition and Corporate Finance
Legal Description	:	Lot No. : 1215V Mukim : 31
Interest Valued	:	Leasehold 65 years with effect from Listing Date
Basis Of Valuation	:	Market value subject to the proposed hotel lease and existing tenancies and occupational arrangements of the retail units.
Registered Lessee	:	Far East Organization Centre Pte. Ltd.
Master Plan 2008	:	"Hotel" with a gross plot ratio of 2.0
Brief Description	:	Changi Village Hotel is located on the southern side of Netheravon Road, directly opposite Changi Golf Club and Club CSC @ Changi, and approximately 23.0 km from the City Centre. It is an 8-storey hotel accommodating a total of 380 guest rooms with 3 levels of basement car park (total 105 lots). The "triangular-shaped" building has guest rooms from the 2nd to 7th storeys. It has a total of 5 food and beverage outlets. Facilities provided include 2 swimming pools, 17 function rooms and meeting rooms, gym and spa. The hotel was originally completed in 1985. Major addition and alteration works were carried out in 2003. The Temporary Occupation Permit and Certificate of Statutory Completion for the addition and alteration works were obtained on 30 April 2004 and 23 December 2004 respectively. Refurbishment/renovation works were carried out from 2006 to 2011 at a total cost of about S\$1.49 million.
Hotel Lease	:	We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Far East Organization Centre Pte. Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 24% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$7,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
Land Area	:	7,023.8 sm
Gross Floor Area	:	22,826.08 sm
Net Lettable Area of Retail Units	:	778.0 sm
Valuation Approaches	:	Investment and Discounted Cash Flow
Date Of Valuation	:	31 March 2012
Market Value	:	S\$228,000,000/- (Singapore Dollars Two Hundred And Twenty-Eight Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	:	<i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By	:	Knight Frank Pte Ltd

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KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167





VALUATION CERTIFICATE

- Property** : No. 24 Mount Elizabeth
"The Elizabeth Hotel"
Singapore 228518
- Client** : DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
- Purpose** : Acquisition and Corporate Finance
- Legal Description** : Part of Lot No. : 1083L (Formerly Lot No. 552N)
Town Subdivision : 27
- Interest Valued** : Leasehold 75 years with effect from Listing Date
- Basis Of Valuation** : Market value subject to the proposed hotel lease and existing tenancies and occupational arrangements of the retail units.
- Registered Lessee** : Golden Development Private Limited
- Master Plan 2008** : "Hotel" with a gross plot ratio of 3.5
- Brief Description** : The Elizabeth Hotel is located on the north-eastern side of Mount Elizabeth, off Orchard Road, within the Central Business District traffic restricted zone and approximately 3.5 km from the City Centre. It is a 12-storey hotel with 3 basement levels accommodating a total of 256 guest rooms. The "V-shaped" building with a service core in the centre, has guest rooms from the 2nd to 12th storeys which are arranged within both "arms" of the building. Facilities provided include an F&B outlet and 4 retail units, function rooms and car park at Basements 2 and 3. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 3 May 1993 and 8 May 1995 respectively. Refurbishment/major renovation works were carried out from 2006 to 2011 at a total cost of about S\$5.7 million.
- Hotel Lease** : We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Golden Development Private Limited. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term.
- The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 34% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$5,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
- Land Area of Part of Lot No. 1083L Town Subdivision 27** : 3,672.9 sm
- Gross Floor Area** : 11,723.24 sm
- Net Lettable Area of Retail Units** : 595.4 sm
- Valuation Approaches** : Investment and Discounted Cash Flow
- Date Of Valuation** : 31 March 2012
- Market Value** : S\$186,600,000/-
(Singapore Dollars One Hundred Eighty-Six Million And Six Hundred Thousand Only)
- Assumptions, Disclaimers, Limitations & Qualifications** : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
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VALUATION CERTIFICATE

Property : No. 390 Victoria Street
"Landmark Village Hotel"
Singapore 188061

Client : DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)

Purpose : Acquisition and Corporate Finance

Legal Description : Strata Lot No. : U573M & Accessory Lot Nos. A1N, A2X, A3L & A4C
Town Subdivision : 13

Interest Valued : Leasehold 66 years with effect from Listing Date

Basis Of Valuation : Market value subject to the proposed hotel lease and existing tenancies and occupational arrangements of the retail units.

Registered Lessee : Golden Landmark Pte Ltd

Master Plan 2008 : "Hotel" with a gross plot ratio of 4.2

Brief Description : Landmark Village Hotel is bounded by Victoria Street, Arab Street, North Bridge Road and Ophir Road, within the Central Business District traffic restricted zone and approximately 2.0 km from the City Centre. It accommodates a total of 393 guest rooms located from the 7th to 19th storeys, above a 4-storey shopping podium known as Golden Landmark with car park located on the basement and 4th storey. Facilities provided include 9 retail units, 3 meeting rooms, outdoor swimming pool and gym. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 19 October 1988 and 24 June 1992 respectively. Refurbishment/major renovation works were carried out in 2006, 2007 and 2011 at a total cost of about S\$3.8 million.

Hotel Lease : We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Golden Landmark Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term.

The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 29% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The fixed rent is S\$7,000,000/- per annum. Lessor's expenses include property tax, insurance and MCST contribution. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.

Strata Floor Area : 21,676.0 sm

Accessory Lot Area : 85.0 sm

Net Lettable Area of Retail Units : 1,164.4 sm

Valuation Approaches : Investment and Discounted Cash Flow

Date Of Valuation : 31 March 2012

Market Value : S\$217,000,000/-
(Singapore Dollars Two Hundred And Seventeen Million Only)

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VALUATION CERTIFICATE

Property	: No. 8 Sinaran Drive "Oasia Hotel" Singapore 307470
Client	: DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	: Acquisition and Corporate Finance
Legal Description	: Strata Lot No. : U4834M and Accessory Lot No. A123C Town Subdivision : 29
Interest Valued	: Leasehold 92 years with effect from Listing Date
Basis Of Valuation	: Market value subject to the proposed hotel lease.
Registered Lessee	: Transurban Properties Pte. Ltd
Master Plan 2008	: "Hotel" with a gross plot ratio of 4.2
Brief Description	: Oasia Hotel is part of a hotel-cum-medical centre development known as "Oasia Hotel & Novena Specialist Centre", located on the western side of Sinaran Drive, off Moulmein/Thomson Roads and approximately 5.5 km from the City Centre. It is situated next to the Novena MRT station, Velocity @ Novena and Square 2 and opposite Tan Tock Seng Hospital. It comprises an 18-storey hotel tower (Oasia Hotel) above a 7-storey podium block (Novena Specialist Centre) with 3 basements. The podium block accommodates F&B outlets on the 1st and 2nd storeys, Civic & Community Institution (C&CI) space on the 3rd storey, medical suites on the 4th to 7th storeys, hotel meeting rooms at Basement 1 and car park at Basement 2 and 2nd/3rd storeys. Oasia Hotel comprises 428 guest rooms located on the 8th to 25th storeys. Facilities provided include a lap pool, landscaped roof garden and fitness centre on the 8th storey, another lap pool, a sky terrace and club lounge on the 22nd storey. Oasia Hotel is linked to the adjacent Novena MRT station/Square 2 via a link bridge at 2nd storey and an underground pedestrian walkway at Basement 3 (currently under construction). The Temporary Occupation Permit was issued on 2 June 2011.
Hotel Lease	: We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Transurban Properties Pte. Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 28% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$8,000,000/- per annum. For 2H 2012 and 2013, the total Gross Rent is subject to a minimum of S\$8.7 million and S\$18.2 million respectively. Lessor's expenses include property tax, insurance and MCST contribution. The Lessee must also provide and set aside an amount equivalent to 1% of Revenue for the first 3 years and 2.5% thereafter in the FF&E reserve.
Strata Floor Area	: 22,457.0 sm including void of 3,097.0 sm
Accessory Lot Area	: 30.0 sm
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 31 March 2012
Market Value	: S\$324,900,000/- (Singapore Dollars Three Hundred Twenty-Four Million And Nine Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
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VALUATION CERTIFICATE

Property	: No. 1 Tanglin Road "Orchard Parade Hotel" Singapore 247905
Client	: DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	: Acquisition and Corporate Finance
Legal Description	: Lot Nos. : 653V, 656A, 769W and 659X Town Subdivision : 24
Interest Valued	: Leasehold 50 years with effect from Listing Date
Basis Of Valuation	: Market value subject to the proposed hotel lease and existing tenancies and occupational arrangements of the retail and office units.
Registered Lessee	: Orchard Parade Holdings Limited
Master Plan 2008	: "Hotel" with a gross plot ratio of 4.2+
Brief Description	: Orchard Parade Hotel is located at the south-western junction of Tanglin Road, Orchard Road and Cuscaden Road and approximately 4.0 km from the City Centre. It comprises a 5-storey podium block with a basement built around an internal courtyard, a 17-storey tower block and an 8-storey multi-storey car park and hotel extension annex. It has a total of 388 guest rooms and 176 car park lots. Facilities provided include retail units, F&B outlets, offices, function rooms, club lounge, business centre, an "L" shaped swimming pool, sundeck, poolside bar and gym. Refurbishment/major renovation works were carried out from 2006 to 2011 at a total cost of about S\$5.8 million.
Hotel Lease	: We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Orchard Parade Holdings Limited. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 37% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The fixed rent is S\$10,000,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
Land Area	: 8,143.2 sm
Gross Floor Area	: 34,071.80 sm
Net Lettable Area	: Retail : 3,694.0 sm Office : 2,508.9 sm Total : 6,202.9 sm
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 31 March 2012
Market Value	: S\$409,000,000/- (Singapore Dollars Four Hundred And Nine Million Only)
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VALUATION CERTIFICATE

Property	: No. 22 Mount Elizabeth "The Quincy Hotel" Singapore 228517
Client	: DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	: Acquisition and Corporate Finance
Legal Description	: Part of Lot No. : 1083L (Formerly Lot Nos. 544V, 547A & 550A) Town Subdivision : 27
Interest Valued	: Leasehold 75 years with effect from Listing Date
Basis Of Valuation	: Market value subject to the proposed hotel lease.
Registered Lessee	: Golden Development Private Limited
Master Plan 2008	: "Hotel" with a gross plot ratio of 2.8
Brief Description	: The Quincy Hotel is located on the north-eastern side of Mount Elizabeth, off Orchard Road, within the Central Business District traffic restricted zone and approximately 3.5 km from the City Centre. It is a 14-storey boutique-style hotel with 108 guest rooms. The guest rooms are located from the 2nd to 14th storeys. Facilities provided include a lobby restaurant, gym, sauna and steam room with shower facilities and swimming pool. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 27 November 2008 and 15 July 2009 respectively.
Hotel Lease	: We understand that the hotel will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Golden Development Private Limited. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 23% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$2,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
Land Area of Part of Lot No. 1083L Town Subdivision 27	: 1,313.8 sm
Gross Floor Area	: 4,810.28 sm
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 31 March 2012
Market Value	: S\$83,400,000/- (Singapore Dollars Eighty-Three Million And Four Hundred Thousand Only)
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VALUATION CERTIFICATE

Property	:	No. 20 Havelock Road "Central Square Village Residences" Singapore 059765															
Client	:	DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)															
Purpose	:	Acquisition and Corporate Finance															
Legal Description	:	Lot No. : 320N Town Subdivision : 8															
Interest Valued	:	Leasehold 80 years with effect from Listing Date															
Basis Of Valuation	:	Market value subject to the proposed serviced residence lease and existing tenancies and occupational arrangements of the retail/serviced office/office units.															
Registered Lessee	:	OPH Riverside Pte Ltd															
Master Plan 2008	:	"Commercial & Residential" with a gross plot ratio of 2.8															
Brief Description	:	Central Square Village Residences is bounded by Havelock Road, Solomon Street, Cumming Street and Keng Cheow Street. It is located within the Central Business District traffic restricted zone and approximately 1.5 km from the City Centre. It comprises a part 3/part 7-storey block accommodating shops and restaurants on the 1st storey, serviced office units on the 2nd storey, office units on the 3rd storey and 128 serviced residence units (including 1 unit for house use) from the 4th to 7th storeys. A total of 205 car parking lots are provided. Facilities provided include swimming pool, jacuzzi, sauna, gym, barbecue area and laundry room. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 19 February 1998 and 2 August 1999 respectively.															
Serviced Residence Lease	:	We understand that the serviced residence will be leased by DBS Trustee Limited as trustee of Far East H-REIT to OPH Riverside Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 41% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$3,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.															
Land Area	:	6,238.2 sm															
Gross Floor Area	:	17,857.54 sm															
Net Lettable Area	:	<table border="0"> <tr> <td>Serviced Residence</td> <td>:</td> <td>8,717.7 sm</td> </tr> <tr> <td>Retail</td> <td>:</td> <td>2,212.9 sm</td> </tr> <tr> <td>Serviced Office</td> <td>:</td> <td>695.8 sm</td> </tr> <tr> <td>Office</td> <td>:</td> <td>1,473.8 sm</td> </tr> <tr> <td>Total</td> <td>:</td> <td><u>13,100.2 sm</u></td> </tr> </table>	Serviced Residence	:	8,717.7 sm	Retail	:	2,212.9 sm	Serviced Office	:	695.8 sm	Office	:	1,473.8 sm	Total	:	<u>13,100.2 sm</u>
Serviced Residence	:	8,717.7 sm															
Retail	:	2,212.9 sm															
Serviced Office	:	695.8 sm															
Office	:	1,473.8 sm															
Total	:	<u>13,100.2 sm</u>															
Valuation Approaches	:	Investment and Discounted Cash Flow															
Date Of Valuation	:	31 March 2012															
Market Value	:	S\$187,600,000/- (Singapore Dollars One Hundred Eighty-Seven Million And Six Hundred Thousand Only)															
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VALUATION CERTIFICATE

Property	: No. 1 Hougang Street 91 "Hougang Village Residences" Singapore 538692
Client	: DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	: Acquisition and Corporate Finance
Legal Description	: Strata Lot No. : U66063V Mukim : 22
Interest Valued	: Leasehold 81 years with effect from Listing Date
Basis Of Valuation	: Market value subject to the proposed serviced residence lease.
Registered Lessee	: Serene Land Pte Ltd
Master Plan 2008	: "Commercial & Residential" with a gross plot ratio of 2.8
Brief Description	: Hougang Village Residences is located at the north-western junction of Hougang Avenue 9 and Hougang Street 91, and approximately 12.0 km from the City Centre. The development is a part 3/part 13-storey building comprising a 3-storey podium block (with a basement level) of shops-cum-car park known as Hougang 1 and a 13-storey tower block of serviced residence known as Hougang Village Residences. Hougang Village Residences accommodates 78 serviced residence units located on the 5th to 13th storeys. Facilities provided for the residents are located on the 4th storey or roof level of the podium block. They include swimming/wading/jacuzzi pools, tennis court, sauna, gym, children's playground and barbecue area. The Temporary Occupation Permit for Hougang Village Residences was issued on 30 December 1999.
Serviced Residence Lease	: We understand that the serviced residence will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Serene Land Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 38% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$1,500,000/- per annum. Lessor's expenses include property tax, insurance and MCST contribution. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
Strata Floor Area	: 14,635.0 sm including void of 378.0 sm
Net Lettable Area	: 7,602.7 sm
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 31 March 2012
Market Value	: S\$65,500,000/- (Singapore Dollars Sixty-Five Million And Five Hundred Thousand Only)
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VALUATION CERTIFICATE

Property	: Nos. 121/123 Penang Road "Regency House" Singapore 238464/5
Client	: DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)
Purpose	: Acquisition and Corporate Finance
Legal Description	: Lot No. : 485A Town Subdivision : 20
Interest Valued	: Leasehold 81 years with effect from Listing Date
Basis Of Valuation	: Market value subject to the proposed serviced residence lease and existing tenancies and occupational arrangements of the retail/office units.
Registered Lessee	: Oxley Hill Properties Pte Ltd
Master Plan 2008	: "Commercial & Residential" with a gross plot ratio of 4.2+
Brief Description	: Regency House is located at the south-eastern junction of Oxley Road/Penang Road, just within the traffic restricted zone of the Central Business District, and approximately 3.0 km from the City Centre. It is a 10-storey commercial-cum-serviced residence development with 2 levels of basement car park (total 102 lots). It accommodates retail units on the 1st storey, offices on the 2nd to 8th storeys and 90 units of serviced residence (including 2 units for house use) on the 2nd to 10th storeys. Facilities provided include swimming pool with jacuzzi, pool deck and cascading water feature, barbeque pit, gym and business centre. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 24 October 2000 and 14 December 2001 respectively.
Serviced Residence Lease	: We understand that the serviced residence will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Oxley Hill Properties Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 40% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$2,500,000/- per annum. Lessor's expenses include property tax and insurance. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.
Land Area	: 2,550.5 sm
Gross Floor Area	: 10,722.69 sm
Net Lettable Area	: Serviced Residence : 5,703.1 sm Retail : 539.0 sm Office : 2,322.0 sm <hr/> Total : 8,564.1 sm
Valuation Approaches	: Investment and Discounted Cash Flow
Date Of Valuation	: 31 March 2012
Market Value	: S\$168,300,000/- (Singapore Dollars One Hundred Sixty-Eight Million And Three Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
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KF Property Network Pte Ltd (Licensee) 167 Jalan Bukit Merah #06-10 Connection One Tower 5 Singapore 150167



VALUATION CERTIFICATE

Property	:	No. 30 Robertson Quay "Riverside Village Residences" Singapore 238251									
Client	:	DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust (Far East H-REIT)									
Purpose	:	Acquisition and Corporate Finance									
Legal Description	:	Strata Lot Nos. : U836V, U837P, U838T and Accessory Lot No. A103A Town Subdivision : 9									
Interest Valued	:	Leasehold 78 years with effect from Listing Date									
Basis Of Valuation	:	Market value subject to the proposed serviced residence lease and existing tenancies and occupational arrangements of the retail units.									
Registered Lessee	:	Riverland Pte Ltd									
Master Plan 2008	:	"Residential with Commercial at 1st storey only" with a gross plot ratio of 2.8									
Brief Description	:	Riverside Village Residences is bounded by Robertson Quay along the Singapore River by its southern boundary and Merbau Road along its eastern boundary, with vehicular access from Merbau Road. It is located just outside the Central Business District traffic restricted zone and approximately 2.5 km from the City Centre. It comprises a part 4-storey (Tower 2)/part 10-storey (Tower 1) block with a basement car park (87 car park lots) accommodating 14 retail units on the 1st storey and 72 serviced residence units (including 1 unit for house use) on the upper storeys. Facilities provided include swimming/wading pools, gym, children's playground, barbecue pits and business centre/meeting room. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 12 July 1996 and 10 November 1998 respectively.									
Serviced Residence Lease	:	We understand that the serviced residence will be leased by DBS Trustee Limited as trustee of Far East H-REIT to Riverland Pte Ltd. The initial lease term is 20 years from the date of completion of the Sale and Purchase with an option term of 20 years commencing on the expiry of the initial term. The Lessee shall give the Lessor written notice during the Option Exercise Period commencing on the day falling 12 months from the Commencement Date and ending 6 months (or such other period as may be mutually agreed in writing by the Lessor and Lessee) before the end of the Term. The gross rent comprises two components, namely Fixed Rent and Variable Rent. Variable Rent is the sum of 33% of the Revenue for that Fiscal Year and 40% of the Gross Operating Profit for that Fiscal Year, less the Fixed Rent for that Fiscal Year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero. The Fixed Rent is S\$2,500,000/- per annum. Lessor's expenses include property tax, insurance and MCST contribution. The Lessee must also provide and set aside an amount equivalent to 2.5% of Revenue for that Fiscal Year in the FF&E reserve.									
Strata Floor Area	:	<table border="0"> <tr> <td>Serviced Residence</td> <td>:</td> <td>9,425.0 sm including void of 253.0 sm</td> </tr> <tr> <td>Retail</td> <td>:</td> <td>1,167.0 sm</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black;">10,592.0 sm</td> </tr> </table>	Serviced Residence	:	9,425.0 sm including void of 253.0 sm	Retail	:	1,167.0 sm			10,592.0 sm
Serviced Residence	:	9,425.0 sm including void of 253.0 sm									
Retail	:	1,167.0 sm									
		10,592.0 sm									
Net Lettable Area	:	<table border="0"> <tr> <td>Serviced Residence</td> <td>:</td> <td>6,129.5 sm</td> </tr> <tr> <td>Retail</td> <td>:</td> <td>1,178.7 sm</td> </tr> <tr> <td>Total</td> <td>:</td> <td style="border-top: 1px solid black;">7,308.2 sm</td> </tr> </table>	Serviced Residence	:	6,129.5 sm	Retail	:	1,178.7 sm	Total	:	7,308.2 sm
Serviced Residence	:	6,129.5 sm									
Retail	:	1,178.7 sm									
Total	:	7,308.2 sm									
Valuation Approaches	:	Investment and Discounted Cash Flow									
Date Of Valuation	:	31 March 2012									
Market Value	:	S\$113,100,000/- (Singapore Dollars One Hundred Thirteen Million And One Hundred Thousand Only)									
Assumptions, Disclaimers, Limitations & Qualifications	:	<i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>									
Prepared By	:	Knight Frank Pte Ltd									

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LIMITING CONDITIONS

This property Valuation and Report is subject to the following limiting conditions:-

- (1) The Valuer's responsibility in connection with this report is limited to the client to whom the report is addressed. The valuer disclaims all responsibility and will accept no liability to any other party.
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- (3) The opinion expressed in this Valuation Report is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.
- (4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.
- (5) The Valuer does not warrant to the client to whom the report is addressed and any other person the title or the rights of any person with regard to the property.
- (6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this report that information has been supplied to the valuer by another party, this information is believed to be reliable and the valuer shall not be held responsible or liable if this should prove not to be so.
- (7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- (8) The Valuer is not obliged to give testimony or to appear in Court with regard to this report, with reference to the property unless specific arrangement has been made therefor.

INDEPENDENT TOURISM AND HOTEL MARKET OVERVIEW REPORT T



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Co. Reg. No.: 200814055H

To:

FEO Hospitality Asset Management Pte. Ltd.

14 Scotts Road

#06-01

Far East Plaza

Singapore 228213

18 July 2012

Dear Sirs,

INTRODUCTION

Our report have been prepared in response to instructions, dated 22 March 2012, received from Far East Organization Hospitality Asset Management Pte. Ltd. (the "Client"). These requested that CBRE Hotels prepare a Singapore Tourism and Hotel market overview for the purpose of inclusion in a prospectus for the Client's proposed listing of its hotel assets by way of a stapled group structure comprising a Real Estate Investment Trust and a Business Trust in Singapore. We have made independent enquiries and have prepared the market overviews on the basis of our in-house databases, and our knowledge of these markets.

SCOPE OF SERVICES

Our scope of work for each property included, but was not limited to, providing the following:

- Economic Overview
Regional context and background, government measures, the key drivers of economy and contribution to GDP, economic overview, outlook for growth and inflation.
- Tourism and Hospitality Market Overview
Overview of each tourism market, visitor arrival details and trends, factors driving

the tourism industry, key players and competition and key growth areas.

- Hotel and Serviced Residences Market Overview

Review of each lodging market, highlighting various segments and market trends, historical and 3 year projections for average room rate, RevPAR etc., future supply, historical hotel transactions and key competitors and the hotel landscape including ownership.

- Overview of Subject Properties

Benchmarking analysis of ADR, occupancy and RevPAR vs. existing market rates, a review & SWOT of the hotel/residences and an analysis of business mix.

MAJOR ASSUMPTIONS

Our market assessments are based upon the current market, as well as likely future conditions as perceived by the market. We stress that the estimation of future market conditions is a very problematic exercise which, at best, should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projections and market outlook involves assumptions regarding a considerable number of variables, which are acutely sensitive to changing conditions.

Some assumptions inevitably will not materialise and unanticipated events and circumstances may occur. To rely upon this report therefore, readers must satisfy themselves as to the reasoning behind these future estimates.

INFORMATION UTILISED

Our market research is based on information developed from research of the market, knowledge of the industry and certain information provided by the Client, which is integral to the outcome of our estimations. We have also obtained data and information for this assignment from a wide range of sources. Whilst due care has been undertaken in the application of this information, its accuracy cannot be verified by CBRE Hotels. Should it be revealed that any of this information is inaccurate or misleading such that its use would affect our study, then CBRE Hotels reserves the right to amend its opinions and report. The sources and bases of the estimates and assumptions are stated in the body of the document. We have no responsibility to update this summary letter for events and circumstances occurring after the date of issuance.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This market overview is prepared for Far East Organization Hospitality Asset Management Pte. Ltd. for the client's proposed listing of its hotel assets by way of a stapled group structure comprising a Real Estate Investment Trust and Business Trust in Singapore and is not to be copied or redistributed to any other person or corporation without the prior written consent of CBRE Hotels.

The information contained in the report has been prepared in good faith and with due care by CBRE Hotels. Data contained in the report are based on figures provided to CBRE Hotels. Certain monetary amounts set out in this report have been subject to rounding adjustments.

Accordingly, figures shown as totals in tables and charts may not be an arithmetic aggregation of the figures that precede them. The outlooks contained in the report therefore represent best estimates only and may be based on assumptions which, while reasonable, may not be correct. Such outlooks represent only one possible result, depending on the assumptions adopted.

For and on behalf of

CBRE Pte. Ltd.

A handwritten signature in blue ink, appearing to read 'R. McIntosh', with a long horizontal flourish extending to the right.

Mr. Robert McIntosh BSc, FRICS, FAPI

Executive Director, Asia Pacific

CBRE Hotels

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1 Executive Summary

Singapore is one of the world's most developed countries with a high Gross Domestic Product (GDP) per capita. Following the Global Financial Crisis (GFC), Singapore has maintained strong economic growth and is now expected to move on to a more stable growth path, with real GDP expanding by 4.9% in 2011. As the Singapore economy remains largely unchanged structurally and continues to be open to the global market, concerns about fiscal sustainability in the Eurozone and restrained growth prospects in the US continue to cloud the near-term horizon. However, Singapore's economy rebounded strongly in the first quarter of 2012, as the GDP grew by 9.9%, beating analysts' expectation and making it among the best performing economies in Asia. The Singapore economy is expected to record 1-3% growth in 2012.

Singapore is the fourth largest economy within the Association of Southeast Asian Nations (ASEAN) with a balanced mix of economic drivers. With strong manufacturing, financial services, shipping and logistics sectors, Singapore is well positioned as an ASEAN hub and as a strategic base for companies to expand Asia. Singapore is also a major gateway for the tourism industry in the Asia Pacific region.

The Singapore hotel and serviced residence market has a wide variety of sources of demand including business, leisure, Meetings, Incentives, Conferences, and Exhibitions (MICE) and medical tourism. This is partly due to the strong marketing efforts made by the Singapore Tourism Board (STB). As a result, Singapore recorded an increase of visitor arrivals of more than 70% from 2000 to 2011. 2011 was a record year for the tourism and hospitality sector in Singapore, with 13.2 million visitor arrivals, the highest number of tourists received by the city-state in a year according to statistics the STB. This amounted to a 13.1% increase year-on-year.

The market faces some uncertainty in 2012, reflecting the outlook for the global economy. The occupancy levels certainly support rises in room rates but the lower confidence levels amongst hoteliers will tend to temper these increases. However, the hotel industry is not likely to experience a repeat of 2009, which saw RevPAR decrease by 27.9% from 2008, as Singapore has reshaped its tourism industry to be less impacted by the global environment.

The hotel and serviced residence market in Singapore is characterised by the following features:

- Demand growth and supply constraints have led to record occupancies, over 86% and 91% in the hotel and Serviced Residence (SR) markets respectively, and RevPAR (Revenue Per Available Room) has returned to pre GFC levels.
- While the Integrated Resorts (IR) have provided significant new supply, they have generated, and are likely to continue to generate, significant additional demand for both the tourism industry and the economy more broadly. Room and unit supply is expected to increase at a Compound Annual Growth Rate (CAGR) of 4.6% and 5.1% respectively from the end of 2011 to 2014, lower than the growth rate expected for visitor arrivals.

- Internationally branded hotels dominate the market, concentrated in the upper-tier and mid-tier sectors, whereas the SR market is dominated by very few owners/operators concentrated in the same sectors.

Currently, the investment market for hotel property is strong as compared to serviced residences. Singapore is a developed and mature market with rule of law and political stability and carries less country risk than most other Asian markets.

The market is characterised by:

- Singapore's hospitality real estate market being tightly held and illiquid, with very few investment opportunities each year (10 hotel sales in 2011).
- Prevailing yields range between 5% and 7% with Internal Rate of Return (IRR) between 7% and 9%.
- Values have appreciated and yields have tightened, although yields remain higher than the low in 2007. The lack of investment stock is a real issue and prices are expected to rise.

The hotel portfolio (Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel, The Quincy Hotel) and SR portfolio (Central Square Village Residences, Hougang Village Residences, Regency House, Riverside Village Residences) are a mix of Midtier and Upscale properties according to the STB tier definitions. Features of the Singapore hospitality market are as follows:

- Occupancy has recovered strongly to an average of 86.5% for 2011 for hotels and 91.8% for serviced residences. On the back of a healthy economy and a projected increase in visitor arrivals, we anticipate islandwide occupancy levels to be between 84.0% and 86.0% in 2012 for hotels and between 89.0% and 92.0% for SRs.
- Average Daily Rate (ADR) islandwide increased 12.9% y-o-y in 2011 for hotels and 9.5% for serviced residences. We expect ADR to increase between 6.0% and 10.0% during 2012 for both hotels and serviced residences.
- The projected ranges for average occupancy rate and ADR for both hotels and SRs for 2012 are still indicative of a very strong year for the hospitality market.

The properties are located primarily in prime areas of Singapore such as the cultural and civic district, along the Orchard shopping belt, close to the financial centres, entertainment areas and Changi International Airport. The hotel portfolio and the SR portfolio recorded strong performances over the last 3 years with an ADR and occupancy rate of S\$199 and 84.9%¹ respectively in 2011 for the hotels and S\$232 and 92.2% respectively for the SRs.

¹ Excluding Oasia Hotel which commenced operations only in April 2011 and became fully operational in October 2011.

2 Introduction

2.1 Instructions

We refer to written instructions received from Far East Organization Hospitality (“FEO”) to prepare an independent market overview report for the following properties:

Hotel Properties:

- Albert Court Village Hotel, 180 Albert Street, Singapore 189971
- Changi Village Hotel, 1 Netheravon Road, Singapore 508502
- The Elizabeth Hotel, 24 Mount Elizabeth, Singapore 228518
- Landmark Village Hotel, 390 Victoria Street, Singapore 188061
- Oasia Hotel, 8 Sinaran Drive, Singapore 307470
- Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905
- The Quincy Hotel, 22 Mount Elizabeth, Singapore 228517

Serviced Residence Properties:

- Central Square Village Residences, 20 Havelock Road, Singapore 059765
- Hougang Village Residences, 1 Hougang Street 91, Singapore 538692
- Regency House, 121/123 Penang House, Singapore 238465
- Riverside Village Residences, 30 Robertson Quay, Singapore 238251

This report is provided to satisfy the scope of analysis as appended to this report.

3 Economic Overview

The purpose of the economic overview is to review available economic and demographic data to provide the background conditions within which the subject hotels and serviced residences operate.

3.1 The International Environment

Economic growth in Asia Pacific continued to moderate in Q4 2011, primarily due to softening global import demand and the short-term decline of industrial production under the impact of severe flooding in Thailand and the lingering effect of the March earthquake and tsunami in Japan. Real GDP growth for the region registered 4.1% during the period. Excluding China, the growth rate was just 1.6%. In China, authorities cut the bank reserve ratio for the first time in three years in an attempt to help buoy the slowing economy, whilst a halt in housing price growth helped alleviate concerns over a potential hard landing. However the outlook for the region is clearly more positive than elsewhere, as Asia will grow above the global average for the year, albeit at a slower pace than 2011.

The fragile recovery in the United States together with the on-going Eurozone debt crisis remained a major concern during the period. Global demand for goods manufactured in Asia continued to soften, especially for electronic goods. Although purchasing manufactured index readings in several Asian economies, including China and Japan, rose during the month of December 2011, the improvement was not universal. Risks of a relapse remain high and any generalised return to a reading of over 50, which shows the sector is expanding, is some distance away. Manufacturers' sentiment remains weak going forward.

The regional labour market began to show signs of stress during the period, with companies in the financial sector retrenching staff in Singapore, Hong Kong and Sydney, whilst employment growth within the manufacturing sector in Southeast Asia began to moderate over the last quarter of 2011, particularly in China, India, Indonesia, Thailand and the Philippines. Retail sales in many Asian markets remained healthy, however, as consumers continued to spend, albeit while staying mindful of the uncertain economic outlook. The generally healthy retail sales growth in Asia during the period suggests that domestic demand will continue to support regional economic growth going forward.

Although indications point to a further slowdown in Asia in the months ahead, domestic demand remains firm and should partially offset any external shocks from the West. In Japan the economy is expected to return to growth after contracting during 2011 under the impact of the March quake and tsunami. The outlook also looks brighter for Thailand, Australia, and New Zealand, which should all receive a boost from post-disaster reconstruction and inventory rebuilding. The on-going restoration of the supply chain in Southeast Asia should provide additional lift to regional growth. Inflation and gathering downside risks for the global economy means Asian policymakers are expected to become more focused on preserving growth in 2012.

3.2 The Financial Environment

Conditions in Singapore's financial markets have continued to improve, in line with the comparatively robust performance of the domestic economy and the Asia Pacific region as a whole.



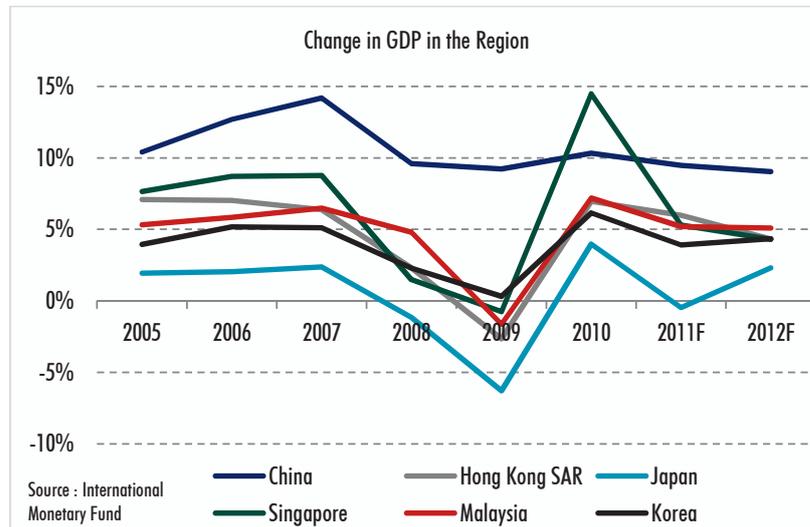
Central bankers are cautious about the pace of the global recovery, suggesting official interest rates in most developed nations will not start the long climb back towards 'normal' until late 2012. In contrast, developing economies are growing faster, and inflation rates are rising, pointing to potential further increases in official interest rates there.

The overall lending environment in Asia Pacific witnessed little improvement in the fourth quarter of 2011 as banks continued to adopt stringent lending rules towards property acquisition in a number of regional markets. A Loan-To-Value (LTV) ratio of 50% remains the norm for institutional real estate lending across the region and this lack of access to financing continues to inhibit capital flows into the property sector. Developers in China and India remain on the lookout for opportunities to secure financing from alternative sources, even at a high cost of debt, with private equity funds increasingly acting as loan providers instead of equity investors in these markets.

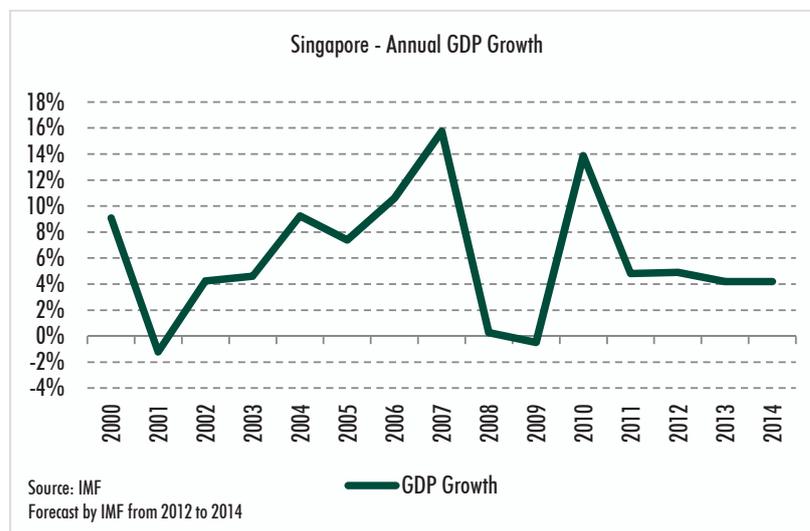
In Singapore banks remain keen to lend and margins are shrinking due to strong interbank competition, but the 50% LTV requirement remains in place.

3.3 Singapore overview

In 2011, Singapore enjoyed a higher per capita GDP than the Republic of Korea, Japan, Taiwan, and Hong Kong, and with very little unemployment (approximately 2.0% in December 2011, according to the Singapore Department of Statistics).



Between the years 2005-2007, Singapore experienced an annual growth rate of between 7.1% and 8.9%. This growth rate fell to 1.7% and -1.0% in 2008 and 2009 respectively, and then rebounded to 14.8% in 2010 (GDP in real terms). In 2011, The Ministry of Trade and Industry (MTI) has announced that the Singapore economy grew by 4.9%.



The financial services industry is also expected to expand in 2012, especially in the areas of investment banking and wealth management; as more investors are likely to move their wealth and investments to Asia. As a result, Singapore has been tipped to overtake Switzerland as the world's top wealth management centre by 2013, according to a survey by PricewaterhouseCoopers published in June 2011.

Top Wealth Management Centre



Year	2007	2008	2009	2010	2011
GDP					
GDP at 2005 market prices (million SGD)	247,169	251,374	248,911	285,658	299,624
GDP real growth (%)	8.9	1.7	(1.0)	14.8	4.9
Employment					
Overall Unemployment Rate (%)	2.1	2.2	3.0	2.2	2.0
Resident Unemployment Rate (%)	3.0	3.2	4.3	3.1	2.9
Employment ('000)	2,731	2,952	2,990	3,106	3,229
Monthly employment earnings growth rate (%)	6.2	5.4	(2.6)	5.6	6.0

Source: Ministry of Trade and Industry and Department of Statistics, Singapore

Employment continued to demonstrate positive growth in 2011. Total employment growth strengthened in the fourth quarter of 2011 (37,600) from the preceding quarter (31,900) and the fourth quarter of 2010 (33,900). For the whole year, total employment increased by 122,600 (or 3.9%) in 2011, slightly higher than the gains of 115,900 (or 3.9%) in 2010. A large contributor of this growth came from the services sector with strong contributions also from the construction and manufacturing sectors.

Aligned with the strong job gains, for the whole of 2011, the unemployment rate averaged 2.0% overall, 2.9% for residents and 3.0% for Singapore citizens. These rates were the lowest recorded in 14 years.

Labour productivity declined over the year by 0.4% in the fourth quarter, after increasing by 2.0% in the previous quarter. For the whole of 2011, overall labour productivity increased by 1.0%, after rising sharply by 11% in 2010. The moderation in productivity gains resulted from the slower GDP growth amid continuing strong employment creation.

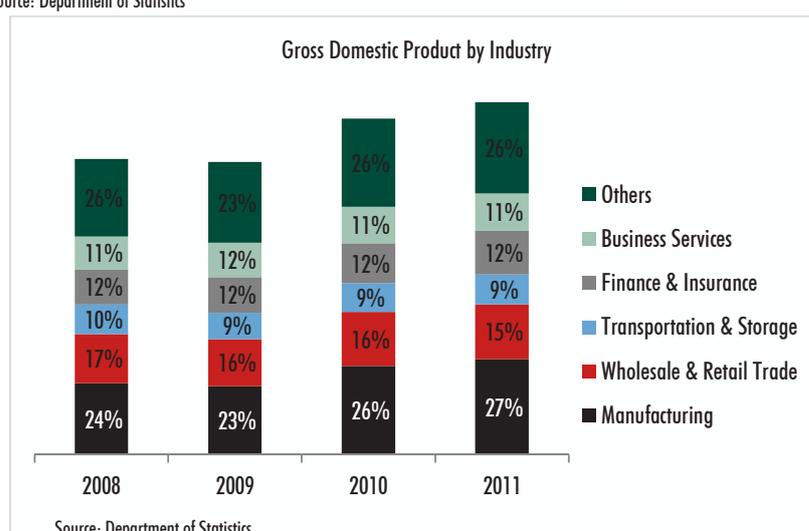
3.4 Economic Drivers

The Singapore economy is supported by positive growth in all major sectors. The key performance indicators for 2011 are summarised as follows:

- Manufacturing output grew by 4.9% year-on-year in 2011, following a considerable rise of 14.8% in 2010. Growth in 2011 was driven by strong performance in pharmaceuticals and biomedical manufacturing which registered growth of 32.9% and 31.5% respectively.
- The financial services sector continued to grow in 2011 registering 9.1% following a 12.4% expansion in 2010 and this was largely due to the increase in foreign exchange trading activities and domestic bank lending.
- The transport and storage sector grew by 4.7% in 2011, moderating from 7.9% growth registered in 2010. Both container throughputs and sea transport grew 5.3% while air transport grew 10.9% which was underpinned by strong visitor arrivals.
- The wholesale and retail trade sector contracted 1.1% in 2011, as a result of slowing global trade flows. Growth in non-oil domestic exports (NODX) slowed to 2.2% in 2011 from 22.8% in 2010 while non-oil re-exports (NORX) decreased by 0.6% in 2011 following a growth of 17.7% in the previous year.
- The business services sector achieved 2.7% year-on-year growth in 2011, following growth of 6.2% in 2010.
- Singapore became in 2011 the world's second largest casino market after Macau, surpassing Las Vegas, Australia and South Korea. 2011 earnings were US\$6.4 billion in 2011 overtaking Las Vegas, which earned US\$6.1 billion.

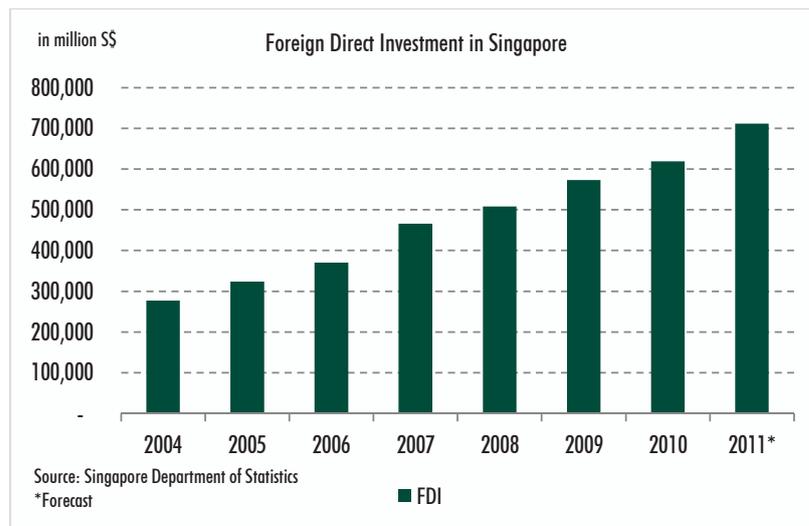
GDP at 2005 Market Prices in Million Dollars	2008	2009	2010	2011	2008-2011 CAGR
Manufacturing	60,739	58,218	75,493	81,236	11.0%
Wholesale & Retail Trade	41,807	39,860	45,896	46,414	3.9%
Transportation & Storage	25,082	22,588	24,367	25,509	0.9%
Finance & Insurance	29,581	30,224	33,960	37,038	7.9%
Business Services	28,383	29,216	31,036	31,875	4.0%
Others	65,783	68,806	74,907	77,553	5.7%
Total	251,374	248,911	285,658	299,624	6.2%

Source: Department of Statistics



3.5 Foreign Direct Investment

Singapore is a relatively wealthy country with a high standard of living. Equipped with world-class airport infrastructure, excellent connectivity, a skilled workforce, strong technology base, with rule of law and political stability, Singapore is positioned as an ASEAN hub and as a strategic base for companies to expand into the Asian markets. This positioning has helped the country to achieve stable and sustainable growth in Foreign Direct Investment (FDI) over the past decade. S\$618.6 million of FDI was recorded for 2010 and growth of FDI over the last 8 years is outlined in the graph below.



3.6 Exchange Rate Developments

There has been an increase in liquidity in the region as investors seek higher yields amidst stronger growth prospects in Asia. The region is also attractive given the expectations of a continued low interest rate environment in the US and fears of a sovereign debt default in the Eurozone countries. Against this environment, the Singapore Dollar ended the year 2011 stronger against the Euro by 1.7% and the US Dollar by 1.1%. In 2011, growth ranging from 0.2% to 4.1% was also recorded against the Indonesian Rupiah, the Korean Won, the New Taiwan Dollar, the Thai Baht, the Malaysian Ringgit, the Hong Kong Dollar and the Pound Sterling. However, the Singapore Dollar was weaker in comparison with the Chinese Renminbi and the Japanese Yen. According to DBS Research, the Singapore Dollar is forecasted to appreciate at US\$1.26 by the end of 2012.

3.7 Prices and Wages

Asia has been hit by slowing demand from the West and several of the region's central banks have eased policy to support growth as inflation slows despite high oil prices. According to the Monetary Authority of Singapore (MAS), following the pointed turnaround in the domestic economy and the attendant rise in resource utilisation, cost and price stress have emerged. Headline Consumer Price Index (CPI) inflation on a y-o-y basis increased notably in 2011, averaging 5.5%. Over the next few months, CPI inflation is likely to stay elevated on account

of stronger domestic and external price pressures, before moderating for the rest of the year. In addition, given tight labour market conditions in Singapore, rising wage pressures could translate to higher CPI inflation for domestic service related items. Accommodation costs are also expected to continue to increase on the back of rising residential real estate rentals. MAS expects Singapore's headline CPI inflation to be 2.5% to 3.5% for the whole of 2012.

Outlook

The short-term outlook will continue to be affected by sluggish export demand, Asia's relatively high credit exposure to the Eurozone and the potential for economic growth in China to weaken further. However, domestic demand remains positive and this, combined with the region's healthy banking system and falling rate of inflation, should cushion the Asia Pacific from a dramatic downturn. Growth will continue to ease moderately and consensus figures estimate regional real GDP growth will decline from 6.7% y-o-y in 2011 to 6.4% y-o-y in 2012, excluding the low base recovery of Japan.

As the Singapore economy remains largely unchanged structurally and continues to be open to the global market, concerns about fiscal sustainability in the Eurozone and restrained growth prospects in the US continue to cloud the near-term horizon. Growth in Asia is expected to moderate this year as well. Thus, Singapore's economic activity will also be affected. The outlook for 2012 is uncertain in the current global economic environment and the Singapore economy is expected to record 1 to 3% growth in 2012.

4 Tourism & Hospitality Overview

This section reviews the Singaporean tourism industry, examining recent performance of the sector.

4.1 Destination Marketing

The 'Uniquely Singapore' brand was launched in March 2004 and had been used to raise the profile of Singapore as a business and leisure destination. 'Uniquely Singapore' was used to highlight Singapore as a city that represents a unique, sophisticated mix of traditions and modernity, which is rich in colour and contrast, a harmonious blend of culture, cuisine, arts and architecture.

A new brand, 'YourSingapore', was introduced last year. The Singapore Tourism Board (STB) describes this as characterising "the unique truth of Singapore – that its concentration of offerings is so easily accessible and user-friendly, empowering travellers to easily personalise their own Singapore experience according to what they like, how and when they like it".

To raise the profile of the destination through the Singapore branding and associated advertising campaign, STB operates 22 regional offices worldwide including in India, Indonesia, Japan, Malaysia, Republic of Korea, Thailand, the Philippines, Vietnam, United Arab Emirates, Greater China, Australia, New Zealand, Germany, United Kingdom and the United States.

4.2 Travel and Tourism Competitiveness

According to the World Economic Forum's Travel & Tourism Competitiveness Report 2011, Singapore was the highest-ranked country in Asia in developing the travel and tourism industry, and 10th out of 139 countries measured for the attractiveness of their environments.

Singapore was placed first for its policy environment, reflecting the high-level of support and indicating that its rules and regulations are highly conducive to the development of its travel and tourism industry. Such policies include those that facilitate foreign ownership and Foreign Direct Investment, well-protected property rights, few visa restrictions and transparency of policy making. Singapore also came in first in human resources, scoring high in the quality of its education system, extent of staff training, ease of hiring foreign labour, as well as its hiring and firing practices.

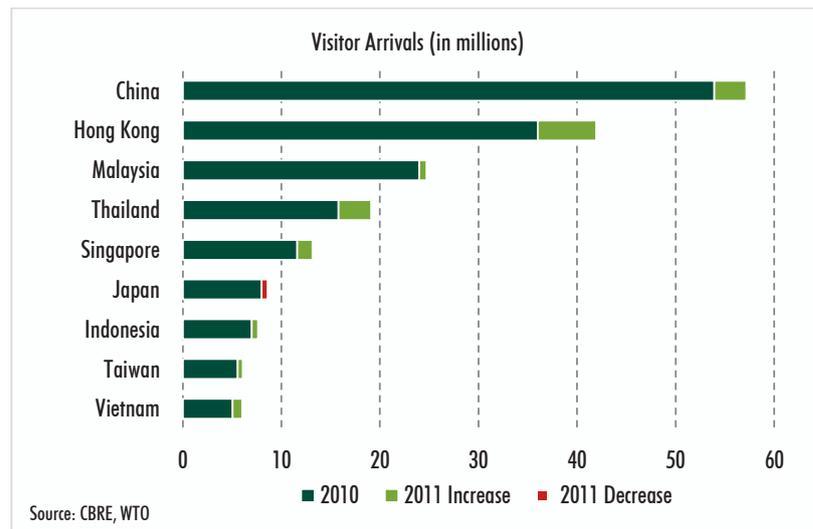
According to the report, an excellent educational system, top-notch training facilities, healthy workforce, and flexible labour market are key factors contributing to Singapore's strong performance in this area.

4.3 Visitor Arrivals and Tourism Receipts

Tourist arrivals and hotel demand in Asia Pacific continued to grow from strength to strength last year, with much of the growth driven by intraregional travel. According to preliminary results published by Pacific Asia Travel Association (PATA), 2011 saw an increase of 6% over 2010 arrivals, to nearly 216 million international visitors. This increase is greater than the

recorded global level of 4%. South Asia recorded the strongest growth (12%), followed by South East Asia (11%) and East Asia (4%).

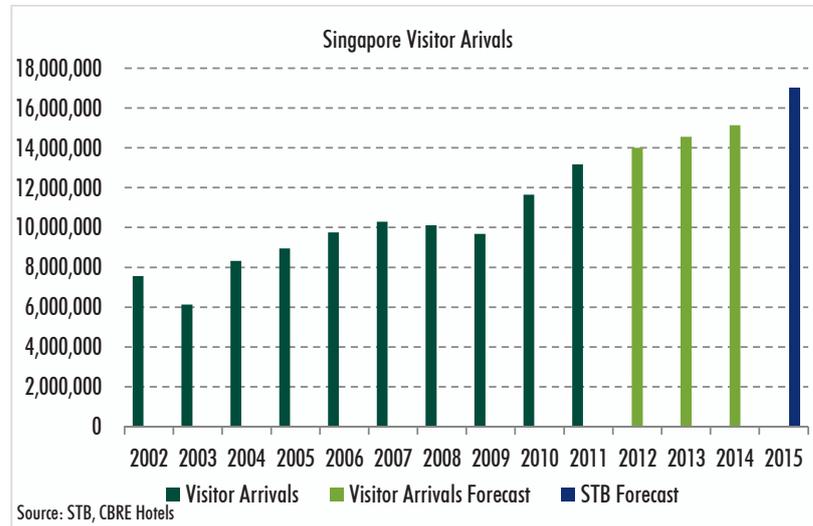
In South East Asia, Thailand registered the highest growth in international visitor arrivals, 20.9%, despite being hit by massive floods in October and November. Vietnam and Singapore also recorded double-digit growth rates of 19.1% and 13.4% respectively within South East Asia.



Between 2004 and 2011, Singapore experienced a 58.4% increase in tourist arrivals and a 126.5% growth in tourism receipts. In 2007, tourist arrivals reached 10.3 million, breaching the 10.0 million mark. Amid the global economic downturn, tourist arrival figures dropped slightly to 10.1 million and 9.6 million in 2008 and 2009 respectively.

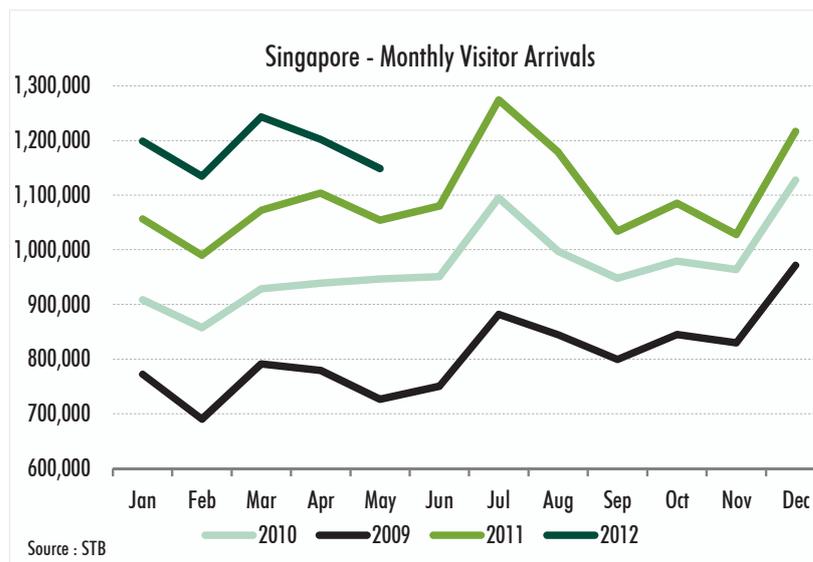
2011 was a record year for the tourism and hospitality sector. 13.2 million visitors arrived in Singapore, the highest number of tourists received by the city-state in a year according to statistics from STB. This amounted to a 13.1% increase year-on-year. Visitor days are estimated to have been 49.5 million, an 11.3% increase on the previous year. Tourism Receipts (TR) reached S\$22.3 billion in 2011, in line with the year's forecast range of S\$22.0 to S\$24.0 billion. This is an increase of 17.8% over the previous year, driven by major tourist draws such as the IRs, the Formula One race and MICE events. Major new attractions such as Gardens by the Bay, West Zone (Equarius Water Park and Marine Life Park), will support this growth in visitor arrivals going forward.

According to STB, "Singapore Annual Visitor Arrivals" refers to all the visitors who go through immigration clearance regardless of their length of stay and it excludes all Malaysian citizens arriving by land, returning Singapore citizens residing abroad, non-resident air and sea crew (except for sea crew flying in to join a ship), and air transit and transfer passengers.



According to STB, Singapore is expecting to attract between 13.5 and 14.5 million visitors in 2012, implying a range of 2.5% and 10.1% increase from 2011. STB also expects tourism receipts to reach between S\$23 and S\$24 billion (US\$18.2 - US\$19.0 billion) in 2012, a rise of up to between 3.6% and 8.1% from last year's S\$22.3 billion.

Certainly, there have been recent signs of strong improvement in the last two years as indicated by the monthly changes compared to the same period the year before.

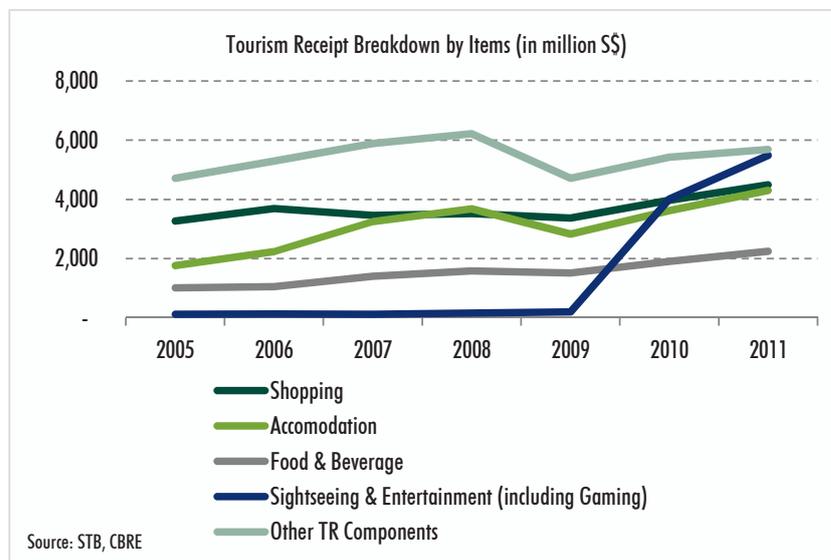


Based on typical patterns, excluding external factors, the June through August period is peak season for the tourism sector. This period includes the Great Singapore Sale and coincides

with the winter season in Australia and the summer holidays in Europe and the United States. Another peak period is from late November to December. Lull periods are generally January to February (Chinese New Year), April to May and September to mid-November.

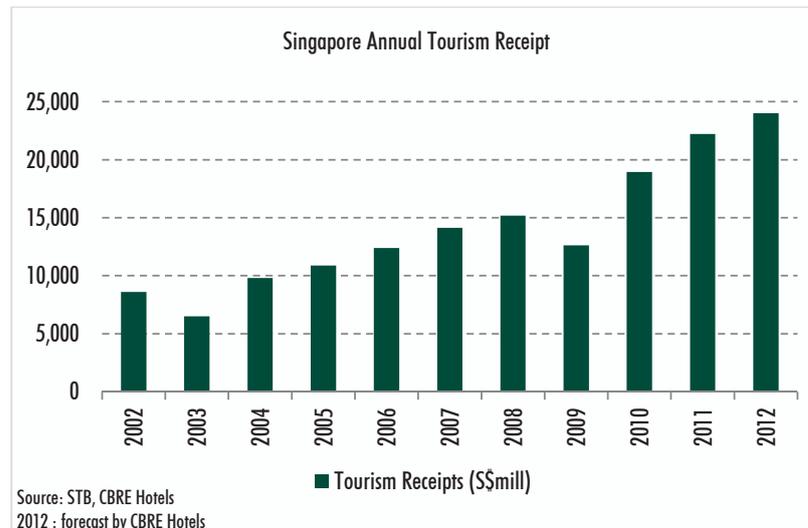
In addition, the influence of the global financial recovery and other short term occurrences, such as political uncertainty in Thailand and Tohoku-Kanto earthquake shaking northern Japan on March 11, encourage visitors to choose alternative destinations such as Singapore.

STB has previously stated a tourist visitor arrival goal of 17 million and a tripling of TR to S\$30 billion by 2015. At the time (2005), the goal was a doubling of the then visitor counts. The focus now is on increasing the length of stay as well as the amount per visitor spend.

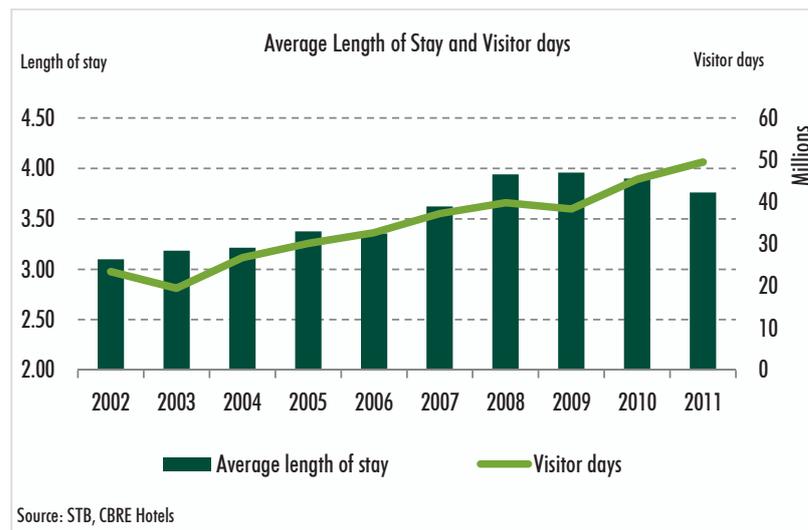


With regards to Tourism Receipts, the gazetted hotel rooms revenue increased by 26.1% to S\$3,178 million in 2011, as compared to the previous year (to be noted that the two Integrated Resorts were only partially opened in the first quarter of 2010). The sightseeing and entertainment components which include gaming, saw receipts grow by 36.6% over 2010 and provided the biggest receipts among other components.

Excluding Sightseeing & Entertainment expenditure, Indonesia (\$2,853 million), P R China (\$2,110 million), India (\$1,103 million), Australia (\$1,095 million) and Malaysia (\$893 million) were Singapore's top five tourism receipt generating markets for 2011. All components of tourism receipts had double-digit growth in 2011. Shopping, Sightseeing & Entertainment and Accommodation made up 44.1% of tourism receipts. The high growth of 22.0% in tourism receipts is attributed to higher per capita spending and strong international visitor arrivals.

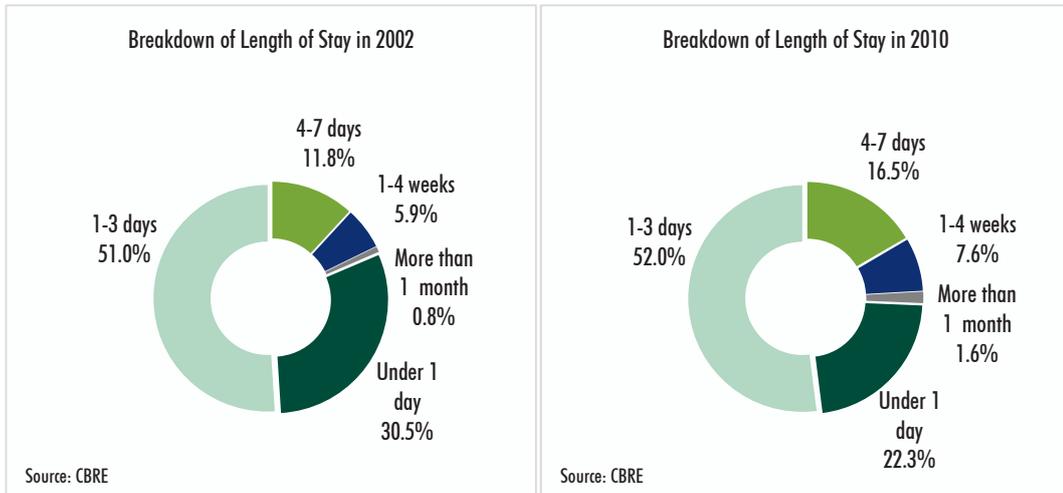


Since 2002, and particularly from 2006, the average length of stay has been increasing. This is largely the result of an effort by the Singapore Government to attract more visitors and extend their stay by diversifying the city-state's tourist offerings. However, since 2009 the average length of stay has decreased slightly.



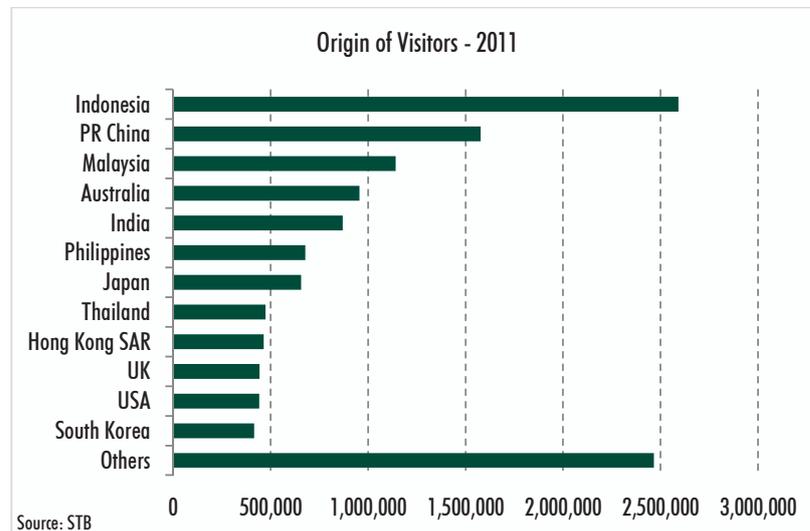
According to STB, 22.3% of the visitor arrived in Singapore in 2010 stayed less than a day in the city, and more particularly 52.0% stayed under the 3.9 days average length of stay

recorded in 2010. This breakdown outlines the fact that Singapore still has a significant potential to encourage visitors to extend their stay in the country.

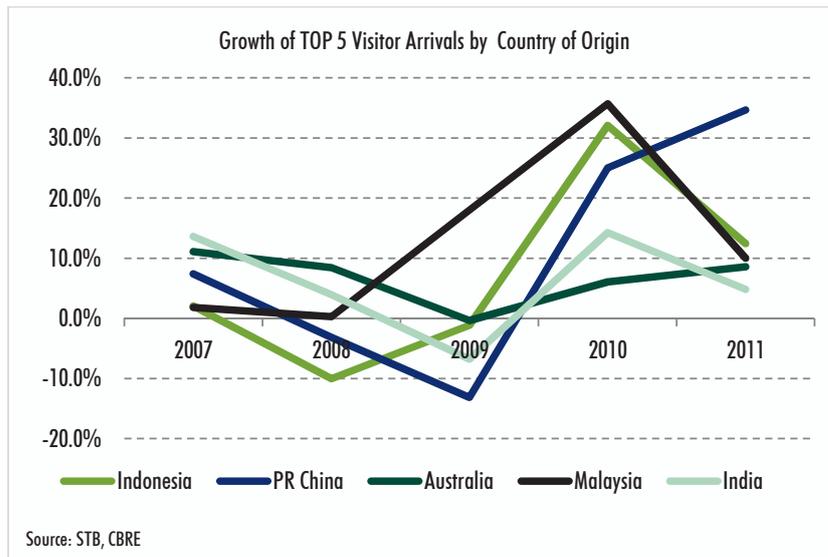


4.4 International Market

In 2011, Indonesia (2,591,701), P R China (1,577,420), Malaysia (1,140,677), Australia (956,007) and India (868,963) were Singapore's top five visitor-generating markets. These markets accounted for over 54.2% of total visitor arrivals.



Among the top 15 markets, P R China (+35%), Japan (+24%), Philippines (+24%), Hong Kong SAR (+20%), Indonesia (+12%) and Malaysia (+10%) registered growth in 2011 over 2010. Double digit growth in Malaysia and Indonesia visitor arrivals can be partially attributed to aggressive airline marketing promotions given strong growth in arrivals on low-cost carriers.



In 2011, more than 75.0% of the visitor arrivals were from the Asia Pacific region, indicating that Singapore remains an attraction for travellers in the region where economic growth remains positive, with limited exposure to the US and Europe tourist markets. The demand expectations for MICE and conferences in the island for this year are positive, largely driven by the two IRs.

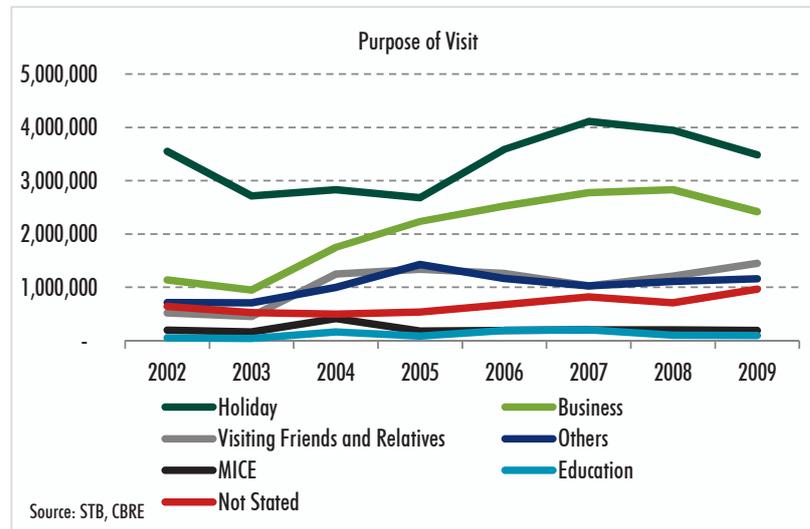
4.5 Purpose of Visit

The latest data available from STB are from 2009. The major reasons for international visitors to travel to Singapore for 2009 were:

Purpose of Visit	Visitors (%)
Holiday	35.6%
Business	24.8%
Visiting Friends & Relatives	14.9%
Others	11.9%
Not Stated	9.9%
MICE	2.0%
Education	1.0%

A crucial trend is the continual effort of the Singapore Government to diversify its offering in terms of cultural and business events, attractions, medical facilities, gaming facilities, shopping, exhibitions and conventions which led the country to record increased visitor arrivals. Over the last four years, the F1 event have attracted 160,000 international visitors and contributed more than S\$560 million in tourism receipts.

In 2012, Singapore's tourism industry will receive S\$905 million more in funds over the next five years to spur its growth, of which about one-third will be set aside to develop lifestyle events and the MICE sector through the Tourism Events Development Scheme. In 2011, STB estimated that a third of foreign visitors were attending a business event.



4.6 Major Events and Attractions

The success of inaugural milestone events such as Singapore Airshow (2008), Singapore International Water Week, the Summer Youth Olympic Games in 2010 and the Formula 1 Singapore Grand Prix in the last four years truly marked a turning point for Singapore as a tourist destination. Annual signature events, such as the Great Singapore Sale, Christmas in the Tropics and ZoukOut, as well as over 6,000 business events, including Biomedical Asia and ITB Asia, also added to the year's success in showcasing the Singapore brand as one that continues to attract a strong showing of both international and regional visitors.

2012 continues to have a number of major events such as the Formula 1 Singapore Grand Prix, the Singapore Biennale and the Singapore Food Festival.

In 2011, Singapore welcomed different events apart from those mentioned before like the Food & Beverage Fair (nearly 275,000 participants), the Men's Fashion Week, the Fashion season @ Orchard 2011, the World Gourmet Summit, the Asia Fashion Exchange involving many retail shops and malls.

Major Events in Singapore in 2012		
Attraction	Location	Date
Restaurant Week	Singapore	1Q12
Fashion Steps Out @ Orchard	Orchard	1Q12
ArtStage Singapore	MBS	1Q12
Singapore Biennale	Singapore Art Museum	1Q12
HSBC Women's Championship	Tanah Merah	1Q12
OCBC Cycle	Singapore	1Q12
Savour	Singapore Flyer	2Q12
World Gourmet Summit	RWS	2Q12
Asia Fashion Exchange	Raffles City	2Q12
Great Singapore Sale	Singapore	2Q12
Music Matters	Clarke Quay	2Q12
Digital Matters	Clarke Quay	2Q12
Singapore Food Festival	MBS	3Q12
RevUp on Orchard	Orchard	3Q12
Singapore Grand Prix	Singapore	3Q12
Wine & Restaurant Experience	Singapore	4Q12
Asian Masters	Singapore	4Q12
ZoukOut Dance Music Festival	Sentosa	4Q12
Affordable Art Fair	Singapore Flyer	4Q12
Standard Chartered Marathon	Singapore	4Q12
Mnet Asian Music Awards	Singapore Stadium	4Q12

Source: CBRE

Recently completed and upcoming attractions are definitely factors that support the strong increase in visitor arrivals. These include:

- The two IRs with casinos, hotels, entertainments (Universal Studios in Sentosa), retails (The Shoppes at Marina Bay) and restaurants, which were fully operational from 2010;
- Orchard Road retail improvements in 2010;
- Marina Bay Cruise Centre (to be operational by second quarter of 2012);
- The River Safari (to open in second half of 2012);

- Opening of Gardens by the Bay (Bay South to open in 2012), National Art Gallery, The Singapore Sports Hub at Kallang in 2014, Mandai Fourth Gate and the Jurong Lake District.
- The first Legoland theme park in Asia will open in September 2012 and will be located in Nusajaya, Johor, Malaysia, a 45-minute drive from Orchard Road.

Upcoming Attractions in Singapore in 2012-2014			
Attraction	Location	Estimated Completion	Amount Invested
River Safari	Singapore Zoo	2012	S\$180m
Gardens by the Bay	Bay Central	2012	S\$795m
Marina Bay Cruise Centre	Marina South	2012	S\$500m
Marine Life Park	RWS	2012	S\$6.59b*
Equarius Water Park	RWS	2013	S\$6.59b*
Kallang Sport Hub	Kallang	2014	S\$1.87b
Jurong Lake District	Jurong	2014	N/K
National Art Gallery	Old Parliament Kallang	2014	S\$532m

Source: CBRE

* Resorts World at Sentosa Pte. Ltd. invested in the integrated resort S\$6.59 billion

4.7 Evolution of expatriates, non-residents and Multi-National Corporations

Singapore ranks as the 3rd top relocation destination globally in 2010 according to Cartus Corporation, behind United States and United Kingdom. China and Hong Kong are at the 4th and 8th position respectively.

Due to the increasing numbers of companies who expand their business overseas, Serviced Residences (SR) are therefore an adequate alternative to hotels, especially for those who require accommodation for a few months. Over the last 4 years Singapore is the World's Easiest Place to Do Business according to the World Bank Report "Doing Business 2011" and ranked 6th in the Top 20 Business Environments just behind Hong Kong and United States according to The Economist Intelligence Unit, in its Business Environment Ranking (2006-2010).

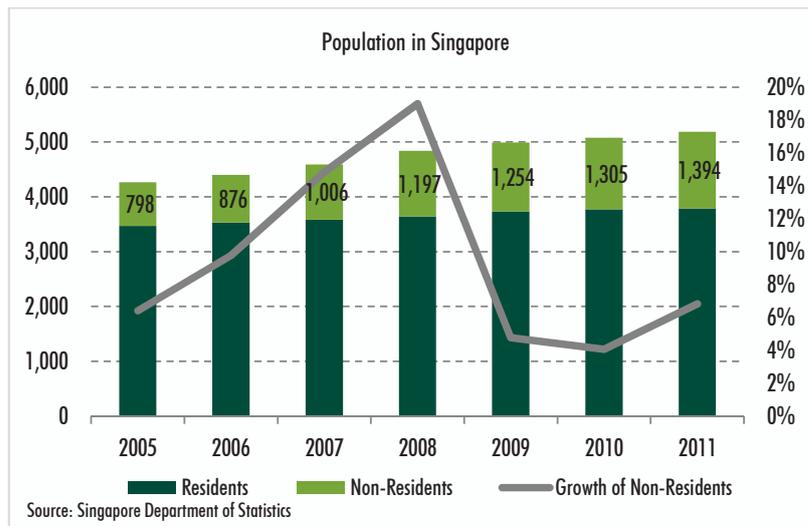
According to a study by CBRE in 2011, Business Footprints: Global Office Locations 2011, it revealed that Singapore is being viewed as a key business hub as future global economic growth is expected to be fuelled by emerging markets, particularly in Asia. Singapore is the top choice for companies in the industrial goods and services sector and is also one of the top five locations for companies in the media, and banking and financial services industries.

Office Presence of Companies by City in 2011			
Rank	City	Number of Companies	% of Companies Present in City
1	Hong Kong	191	68.2%
2	Singapore	189	67.5%
3	Tokyo	179	63.9%
4	London	177	63.2%
5	Shanghai	172	61.4%
6	Moscow	170	60.7%
7	Beijing	169	60.4%
8	Madrid	167	49.6%
9	Dubai	157	56.1%
10	Paris	156	55.7%

Source: CBRE

The study analysed the presence of 280 major international companies across 101 countries and 232 cities.

Singapore continues to attract international companies and international talents. In 2011, more than 14,000 international Multi-National Corporations (MNC), from approximately 7,000 in 2002, have a presence in the city, and 60% of them have established headquarters. Singapore's total population was 5.2 million as at end June 2011. There were 3.8 million Singapore residents, comprising 3.3 million Singapore citizens and 0.5 million Permanent Residents (PRs), and 1.4 million non-residents, representing 27% of the total population.

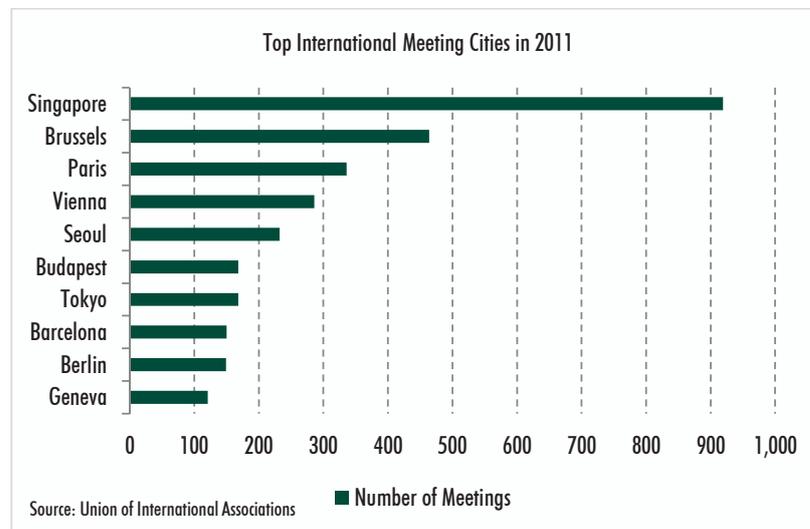


Singapore has a relatively small domestic market, and thus has to open its economy to external markets in order for the economy to thrive. However, the inherent vulnerability in depending on external markets compelled the government to enact economic policies that would safeguard the country from perturbations in the global market. There is a strong correlation between corporate housing demand, growth in Non-residents and Singapore economy, and consequently in Serviced Residences (SR) demand.

Long-term stay SR demand is primarily generated by expatriates working for MNCs and embassies as well as business travellers. Steadily increasing visitor arrivals and a lack of significant new supply in the Singapore SR accommodation market has led to a period of good occupancy levels over the last few years. Singapore's business demand is well placed to face global economic uncertainty with a wide and varied offering base for corporate, leisure, special interest, and MICE. Consumer and business confidence has returned strongly, and is likely to continue in to the foreseeable future, economic conditions permitting.

4.8 MICE in Singapore

According to International Congress and Convention Association (ICCA), MICE is the acronym for Meeting, general term indicating the coming together of a number of people in one place, to confer or carry out a particular activity, Incentive, meeting event as part of a programme which is offered to its participants to reward a previous performance, Conference, participatory meeting designed for discussion, fact-finding, problem solving and consultation and Exhibition, events at which products and services are displayed.



Singapore is a premier convention destination in the world and has received multiple awards in recent years including: Asia's Top Convention City for the 10th time (ICCA Global Rankings 2011), Top International Meeting City for the fourth consecutive year, Asia's Top Country and City for Meetings for 28 consecutive years (Union of International Associations 2011). The city has maintained its rank as one of the top five global convention cities alongside other convention favourites like Vienna, Barcelona, Paris and Berlin.



In 2010, Singapore attracted 3.1 million business travellers, 27% of all visitors to Singapore, spending about S\$5.4 billion. This position was enhanced by the opening of the two Integrated Resorts which reinforced Singapore as a leading MICE destination in Asia in term of venue supply. Currently there are six existing convention and exhibitions venues in the market, Marina Bay Sands (MBS), Suntec, Resorts World Sentosa (RWS), Raffles City Convention Centre, Changi Exhibition Centre and Singapore Expo, and Singapore offers first class infrastructure, excellent transportation access and a central location in Southeast Asia, compared to other Asian convention cities.

Selected major MICE events in Singapore 2012		
Events	Location	Date
Singapore Airshow	Expo	1Q12
Asia Pacific Maritime	MBS	1Q12
Singapore Fashion Festival	Orchard	1Q12
15th World Conference on Tobacco or Health	Suntec	1Q12
Tax Free World Association Asia Pacific	Suntec	2Q12
World Book Fair	Suntec	2Q12
Singapore Maritime Week	Suntec	2Q12
Real Estate Investment World Asia	MBS	2Q12
CommunicAsia2012	MBS	2Q12
Food and Hotel Asia 2012	Expo	2Q12
19th Int'l Neuro-Ophthalmology Society	Raffles City	3Q12
World Cities Summit 2012	MBS	3Q12
Singapore International Water Week	MBS	3Q12
16th World Congress on COGI	Raffles City	3Q12
ASEAN Federation of Cardiology Congress	Raffles City	3Q12
Singapore International Energy Week	MBS	4Q12
SCM Logistics World	MBS	4Q12
ISCPP Singapore Security Conference	Expo	4Q12
OSEA2012	MBS	4Q12
Franchising & Licensing Asia 2012	MBS	4Q12
ART Singapore	Suntec	4Q12

Source: CBRE

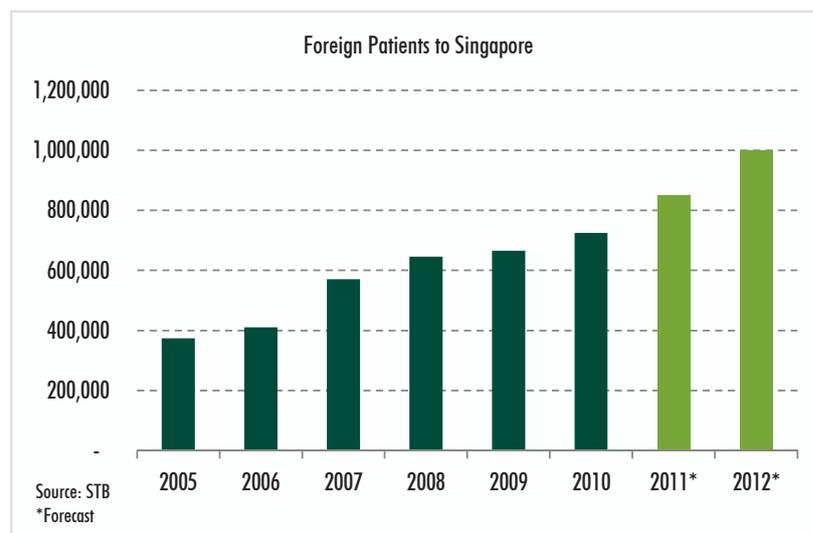
The latest Singapore's Overseas Visitors Survey reveals that business visitors in 2010 made up about 27.0% of the 11.6 million visitor arrivals to Singapore, representing an increase of 21.4% over 2009. The MICE business in Singapore is rising year on year, thanks to the new developments. Hotels in Singapore with high room capacity have benefited from this increase in business traveller arrivals. Singapore hosted 136 rotating events in 2010, representing more than 14% growth over the events that qualified in 2009 and event attendance grew at an average of 15% to 20%.

It is estimated that close to 6,000 business events are held in Singapore each year. The country's MICE industry continued on this high note in 2011. Within the first half of 2011 alone, the city hosted 12 new world congresses; in comparison, 14 secured within the whole of 2010. Meetings secured include the 52nd ACI World Congress in 2013, the World Federation of Engineering Organisations Congress 2013, the 36th World Diamond Congress in 2014 and the International Congress of the World Confederation for Physical Therapy 2015.

4.9 Medical Tourism

Singapore is one of the leading medical tourism destinations in the Asian medical tourism market which is popular among foreign patients. In 2005, about 374,000 foreign patients travelled to Singapore to find healthcare. Most of these tourists come from countries such as Indonesia as well as from South Asia, and the Middle East. Even patients from US and UK have sought healthcare in Singapore as it is relatively affordable for quality healthcare services.

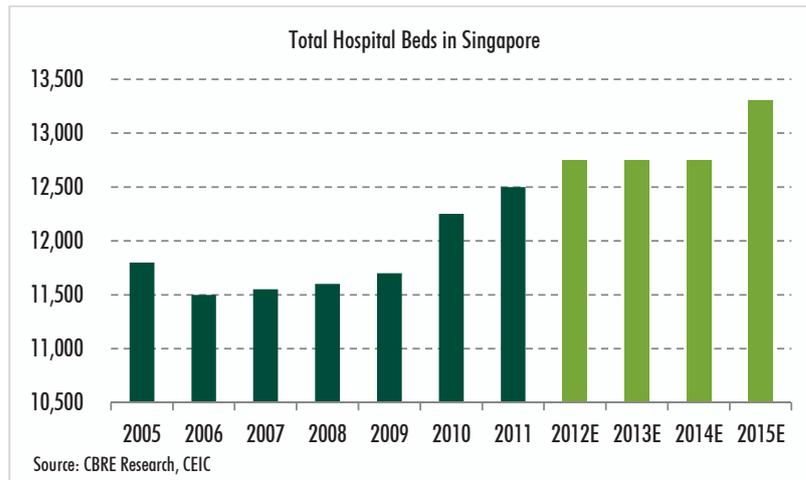
According to STB, the number of foreign patients in 2007 (571,000) has increased by 39% from the previous year, 2006 (410,000) as a result of higher patient admissions and patient days in all hospitals in 2007.



Latest available medical tourism statistics from STB show that visitors who come to Singapore for medical treatment or related reasons grew 30.0% to 725,264 in 2010 compared to

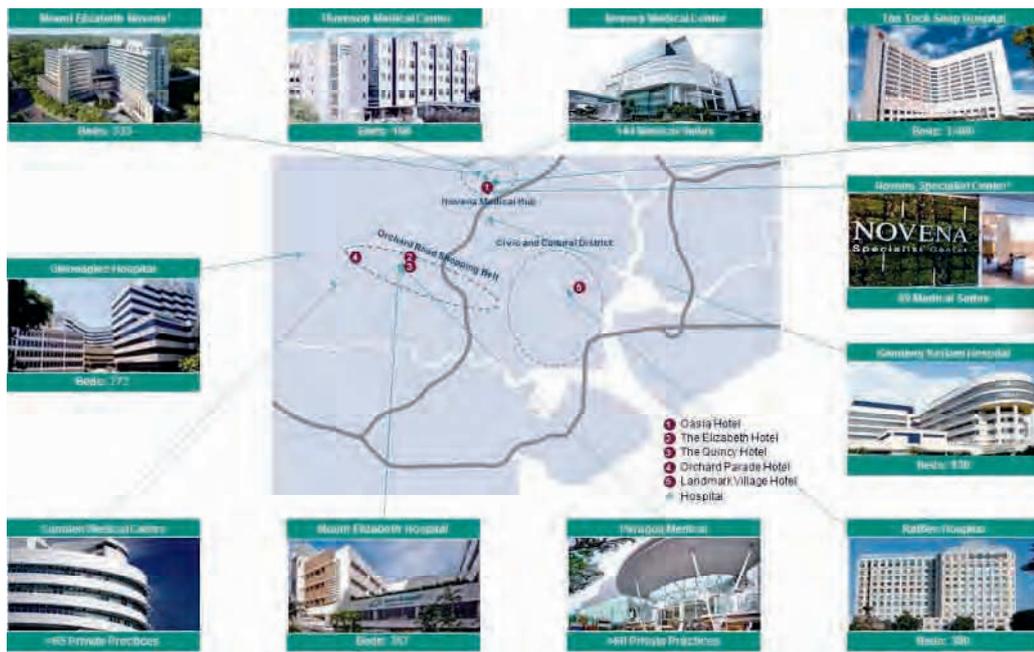
2007. This increase reflects Singapore’s wish to be a major hub for the medical tourism in the region, competing with Malaysia, Thailand, South Korea and India.

By 2012, the country aims to attract 1 million medical tourists, representing a 17.4% CAGR. Singapore also offers a wide spectrum of internationally accredited healthcare services covering every major field of medicine. In order to implement an appropriate supply of high quality medical facilities, the Singapore government will build two public hospitals, Ng Teng Fong Hospital by 2014 and the Sengkang Hospital by 2020, with approximately a total of 14,000 beds.



Novena is the area designated as a medical tourism hub and has the highest concentration of hospital beds in Singapore, and Oasia Hotel is located in the heart of this world class medical destination. Foreign patients in Singapore generated about US\$1.4 billion in revenue in 2009 or about US\$2,111 per head, higher than in Malaysia, South Korea, Thailand or India during the same period.





1- This picture is an artist's impression of the property and may differ from the actual view of the property

2- Novena Specialist Center is part of the Oasia Hotel building

STB recorded a rise of 19.0% in tourism receipts on medical expenses in 2010, a total of S\$940 million. The competition is tight between those countries mentioned. Singapore is continually investing in resources and skills, to differentiate itself from the low-cost medical destinations, in order to position itself as a leading medical hub in Asia.

Typically, in Asia, the Japanese head west to Korea for cosmetic surgery while the Indonesians travel to Malaysia and Singapore. Many countries in Asia have earmarked private healthcare as a good source of economic growth and are now placing increasing emphasis on attracting medical travellers. For example, Japan announced last December 2010 that it was easing visa requirements for patients seeking care at Japanese hospitals in an effort to promote medical tourism. In Singapore, private hospitals such as Mount Alvernia, Mount Elizabeth Hospital, Raffles Hospital, Parkway East Hospital, Gleneagles Hospital, Thomson Medical Centre hospitals are the most popular among foreign patients, as they accounted for between 25% and 50% of total patient visits in 2011, according to annual reports.

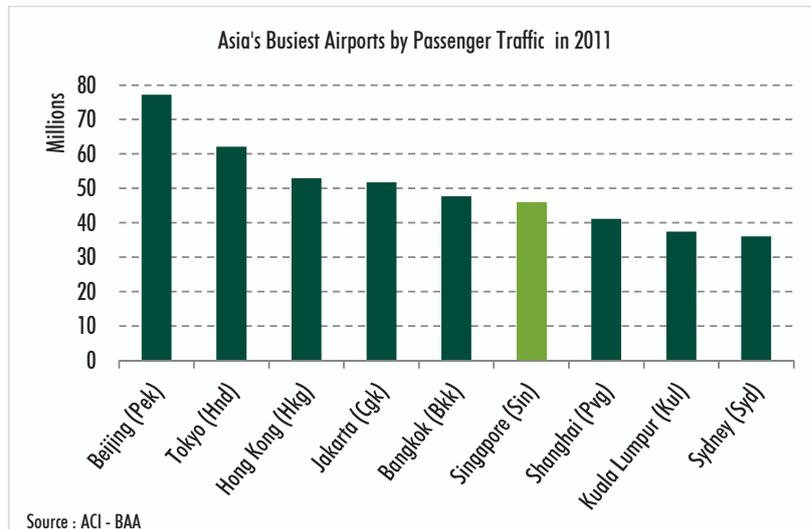
Key Hospitals in Singapore		
Hospitals	Location	No. licensed beds
Public		
Alexandra Hospital	West Coast	400
Changi General Hospital	Changi	776
KK Women's & Children Hospital	Novena	830
National University Hospital	West Coast	928
Singapore General Hospital	Outram	1,516
Tan Tock Seng Hospital	Novena	1,400
Private		
Raffles Hospital	Bugis	380
Gleneagles Hospital	Orchard	272
Mount Elizabeth Hospital	Orchard	357
Parkway East Hospital	East Coast	113
Thomson Medical Centre	Novena	190
Mount Alvernia Hospital	Novena	303
Novena Medical Centre	Novena	144
Mount Elizabeth Novena Hospital	Novena	333

Source: Company annual reports

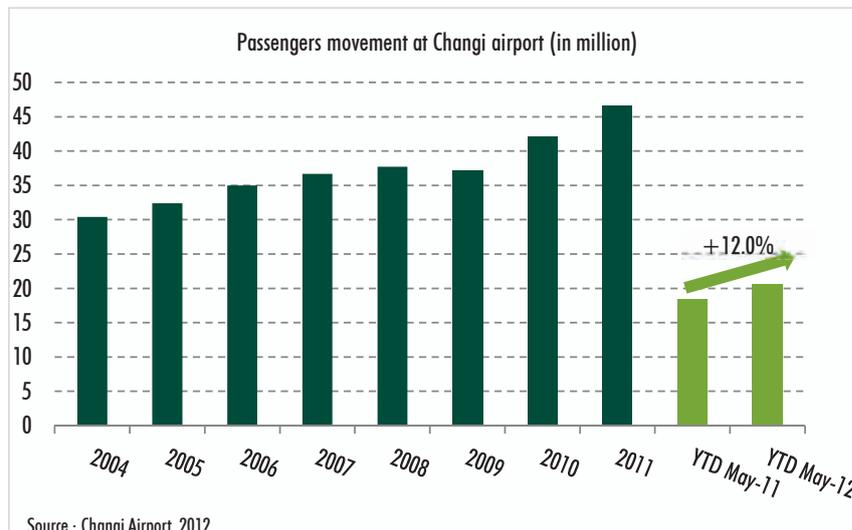
Singapore is ranked 3 out of 55 on Health Infrastructure rankings in International Institute for Management Development's World Competitiveness Yearbook in 2010 and has received numerous accolades including the "Best Medical/Wellness Tourism Destination" by Travel Weekly Asia Industry Awards 2007. Singapore has also made world headlines for successfully performing complex and complicated separation surgery of conjoined twins in 2001 and tooth-in-eye-surgery in 2004.

4.10 Airport Passenger Movements

The sixth busiest international airport in Asia, Changi International Airport (“Changi Airport”) is a major air hub in Asia. Over 100 airlines, connecting to over 200 cities in 60 countries, operate in Singapore.



In 2011, approximately 46.5 million passengers (a 10.7% increase over 2010) passed through Singapore’s Changi Airport and a monthly record of 4.53 million passengers has been registered in December 2011. A flight takes off or lands at Changi Airport roughly once every 100 seconds. Cities within a 5-hour flight radius include Kuala Lumpur, Jakarta, Hong Kong, Taipei, Guangzhou, Shanghai, Perth, Chennai, Bangalore, Manila and Bangkok.



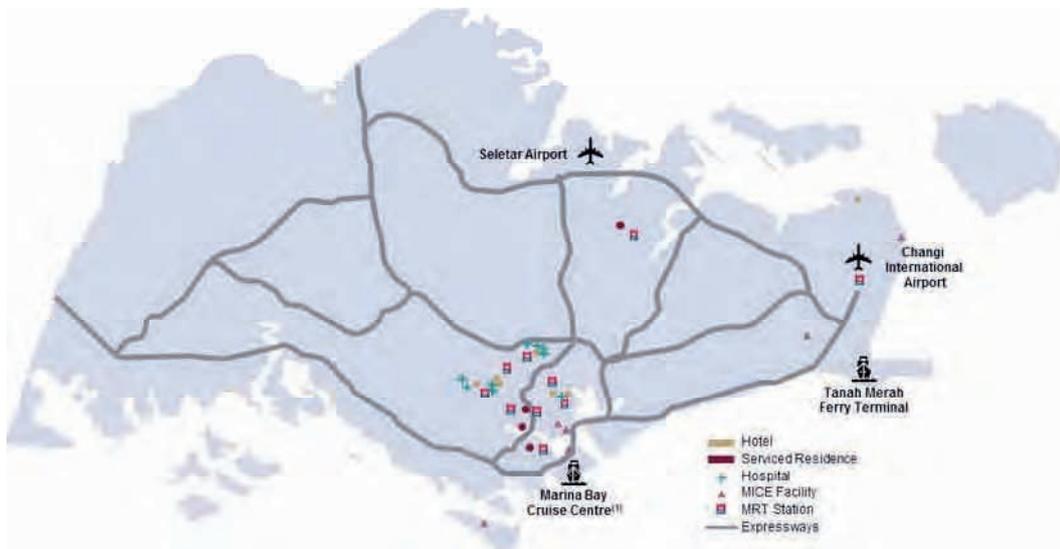
Although Low Cost Carriers (LCC) in Asia were affected by the economic downturn, they have been growing at a faster pace than mainline carriers and now represent some 34% of total domestic available seats in Southeast Asia. Between 2005 and 2011, the market share of LCCs at Changi Airport rose from 5.6% of total passenger traffic to 25.6%. According to

analysts, Malaysia’s Air Asia will take delivery of over 200 planes over the next five years, a 15% increase per year. More passengers can be expected to pass through Changi Airport in the coming year as SIA’s mid to long-haul budget carrier, Scoot, will start flying in mid-2012. SIA revealed that Scoot will start by operating flights to cities in China and Australia but will increase gradually to include Europe, Middle East and Africa.

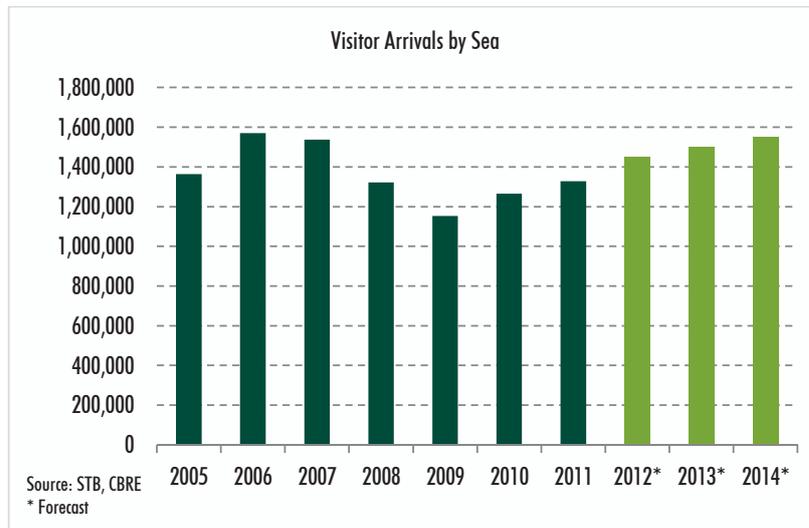
Markets Operated by LCCs in Asia		
Year	Number of Markets	Growth
2001	132	28%
2002	166	26%
2003	211	27%
2004	290	37%
2005	414	43%
2006	567	37%
2007	653	15%
2008	712	9%
2009	740	4%

Source: Official Airline Guide (OAG)

In 2012, Singapore's Changi Airport Group (CAG) has announced that operations at the low-cost terminal of Changi Airport will end on 25 September 2012, and the site will be cleared to make way for the construction of a larger terminal building. The new building, to be known as Terminal 4, will have a capacity of 16 million passengers per year. Construction of Terminal 4 will begin in 2013 and the new terminal is expected to be ready by 2017.



4.11 Cruise Passenger Movements



Singapore will open its new Marina Bay Cruise Centre in the second quarter of 2012 to meet the anticipated growth and increasing demand of cruising in the region. From 2002 to 2011, the CAGR for cruise passenger throughput was 3.6%. In 2011, Singapore received 394 ship calls and including non-cruise arrivals by sea, the number of visitors arriving in Singapore by sea in 2011 was 1.3 million. In 2012, major cruise lines are currently either increasing their presence in Southeast Asia or deploying new vessels on maiden calls to Singapore. Notable maiden calls for 2012 include Costa Cruises' Costa Deliziosa, which is one of the company's newest ships, and Royal Caribbean International's Voyager of the Seas, the largest ship ever to call in Asia. These new deployments attest to an increasing recognition of the Asia cruise industry potential, and herald the growing commitment of international cruise lines to tap the burgeoning Asian market with Singapore as the homeport of choice. STB is targeting cruise passengers of 1.6 million by 2015.

Major Maiden Calls to Singapore in 2012	
Silver Spirit	Silversea Cruises' newest and latest ship, decked up with more restaurants than her older sister ships
Orion II	Orion Expedition Cruises' newest ship re-launched in 2009 - a luxury ship plying exotic and remote destinations – has made Singapore her base
Zaandam	Holland-America line launched this ship for the younger market, thereby selecting the Olsen twins as the ship's Godmothers
Seabourn Legend	The youngest of Seabourn's smaller yacht-like series of ships
Seabourn Quest	The newest of Seabourn's larger ship-like series, touted to have the highest passenger space ratio in the cruise industry
AIDA Diva	AIDA Cruises deployed a larger ship with greater capacity to Asia in 2011

Source: STB

5 Hotel Market Overview

Definitions

According to STB, under the revised tiering or scaling system, hotels are categorised into Luxury, Upscale, Midtier and Economy.

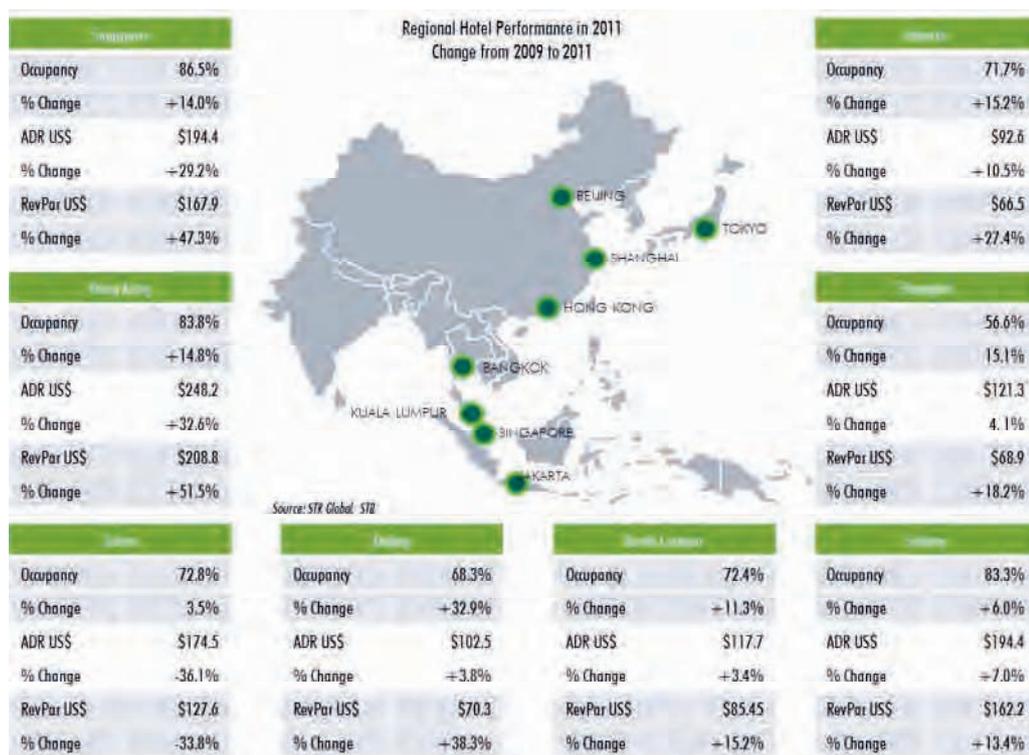
- Luxury - includes hotels in the luxury segment and are predominantly in prime locations and/or in historical buildings.
- Upscale - a degree of luxury as well as quality in the furnishings, decor and equipment in every area of the hotel. Bedrooms will offer more space and are usually well designed. It provides services such as concierge and porter services, 24 hour room service, laundry and dry cleaning. Restaurants will provide high quality cuisine.
- Midtier - significantly greater quality and range of facilities such as bars, restaurants, meeting rooms and in-room dining. All bedrooms will be spacious with fully en-suite bathrooms and offer a good standard of comfort and amenities.
- Economy - comfortable, no-frills and well-equipped accommodation with standard facilities, internet connection and an en suite bath/shower room. Rooms are simple, with basic furnishings and sizes ranging from 12 to 18 sq. metres. It offers restaurants serving breakfast, lunch and dinner.

According to URA, Singapore is divided into the following Planning Regions:

Central Region		Outside Central Region
Central Area	Fringe Area	
<ul style="list-style-type: none"> • Orchard • Downtown Core: <ul style="list-style-type: none"> - Bugis - City Hall - Marina Centre CBD (Part): Phillip, Raffles Place, Cecil, Maxwell, Tanjong Pagar, Anson • Rest of Central Area: <ul style="list-style-type: none"> - Outram - Museum - Newton - River Valley - Singapore River - Marina South - Marina East - Straits View - Rochor 	<ul style="list-style-type: none"> • Bukit Merah • Bukit Timah • Queenstown • Kallang • Bishan • Marine Parade • Geylang • Toa Payoh • Tanglin • Novena • Southern Islands 	<p>West Region, North Region and East Region</p>

In our analysis of historic demand for the identified competitive market, we have relied on various sources of information, including the most relevant and latest available information from STB.

Singapore's hospitality market is one of the fastest growing in Asia Pacific, with RevPAR increasing at a growth of 274% from 2003 to 2011. Going forward, Singapore's hospitality market is expected to continue to enjoy strong growth prospects.

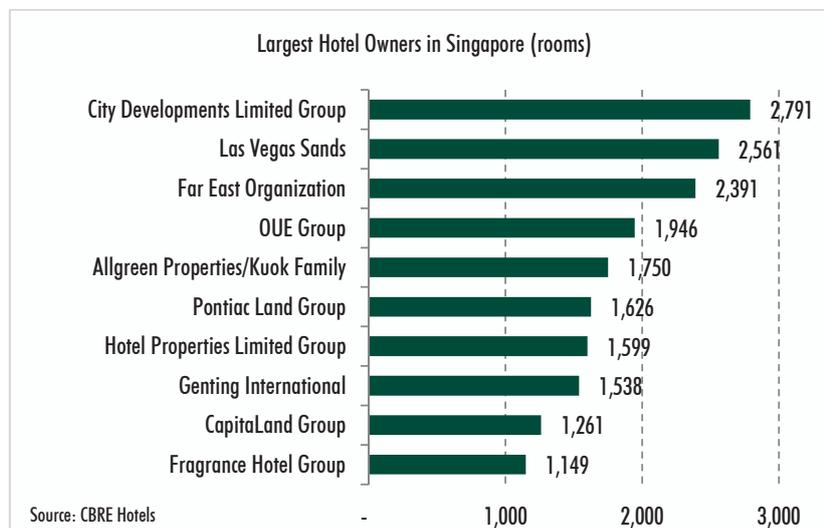


5.1 Key Hospitality Players & Competitors

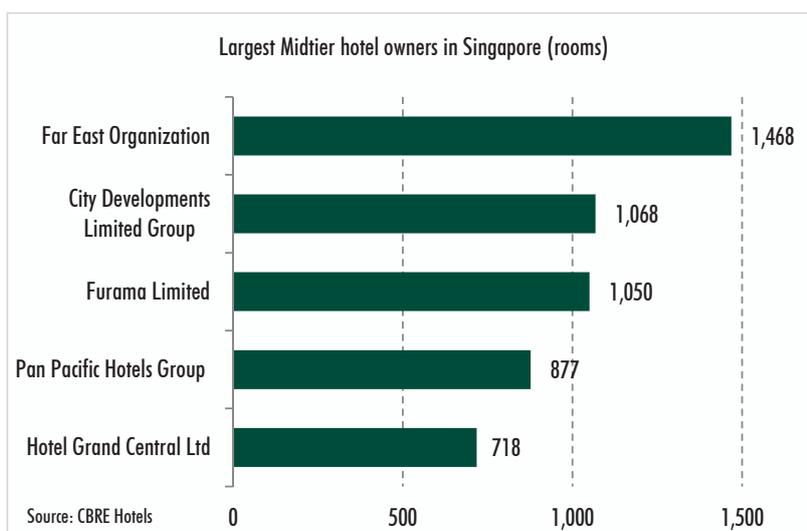
To gain an idea of the “key hospitality players” within the Singapore, we have identified the major operators and owners:



In 2011, Fairmont Raffles Hotels International was the largest hotel operator with 2,609 rooms, followed by Las Vegas Sands with 2,561 rooms with MBS and The Far East Organization group of companies (FEO) with 2,391 rooms.



In 2011, the total number of gazetted hotels is 149 and the total number of rooms is 41,449. The chart below outline the largest hotel Midtier owner, as the bulk of the Hotel Portfolio is positioned in the Midtier segment.



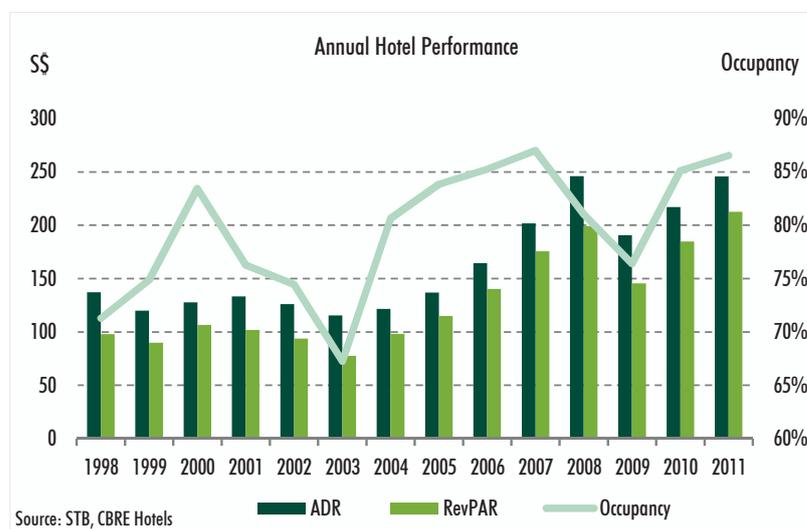
In 2011, the total number of Midtier gazetted hotels is 47 and the total number of rooms is 12,033 and The Far East Organization group of companies (FEO) is the largest owner and operator of Midtier hotels with 1,468 rooms.



In 2011, FEO is the largest Midtier operator with 1,468 rooms, followed by Intercontinental Hotel Group (IHG) with 1,150 rooms and Furama Hotels International with 1,050 rooms.

5.2 Hotel Performance

The following chart outlines the historical performance of the Singapore hotel market to 2011:



Hotels in Singapore have witnessed strong performance over the past few years, reaching unprecedented highs in 2008:

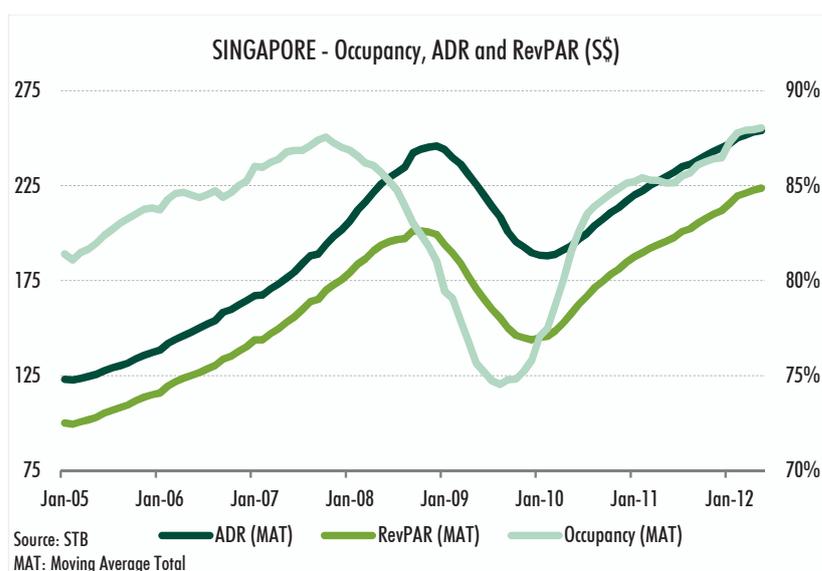
- Average Daily Rates (ADR) reached an all-time high of S\$246 in 2008, representing a compound annual growth rate of over 11% since 2005
- Occupancy levels remained high at an average 81.0% in 2008, despite declining by 6.9% points from 2007.
- Revenue Per Available Room (RevPAR) also reached a record high of S\$199, an increase of 13.5% over 2007

Hotels in Singapore faced challenging conditions during 2009:

- ADR decreased to S\$190 in 2009, a drop of over 22.9% compared to 2008.
- Occupancy levels remained at an average 75.8% in 2009, declining by 6.4% points from 2008.
- RevPAR decreased to S\$144, a reduction of 27.9% from 2008.

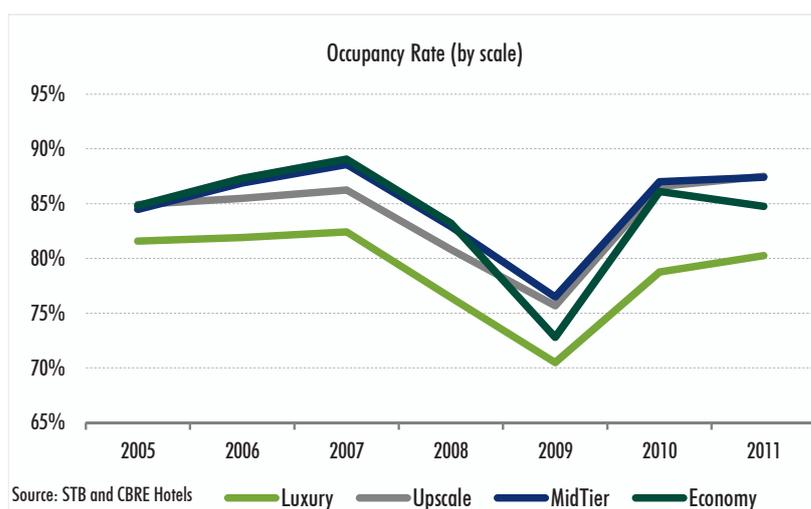
The hotel market in Singapore recovered strongly in 2011 and reached performance recorded in 2008. The performance figures are detailed below:

- ADR recovered to S\$245, an increase of 12.9% compared to 2010.
- Occupancy levels for the full year were at 86.5%, up 1.6% points.
- RevPAR was S\$212, a rise of 14.6% compared to 2010.



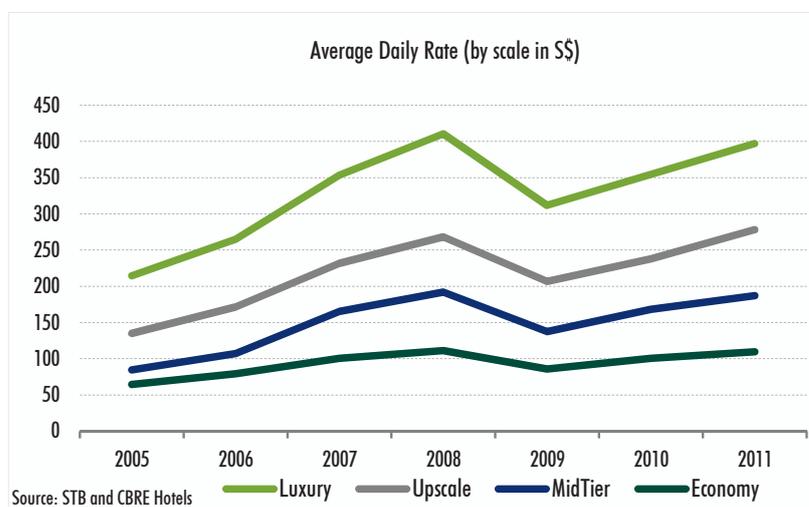
5.3 Market Scales

The STB produces details of the occupancy, ADR and RevPAR performance of hotels by tier or scale.

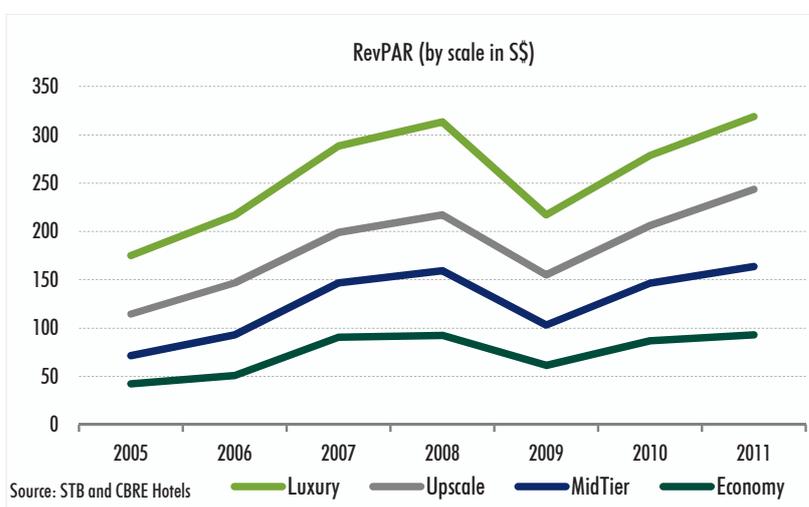


The largest improvement in occupancy for 2011 was for Luxury hotels which grew by 150 bps y-o-y to 80.3%. However, the occupancy for Upscale hotels was the highest at 87.5% (up 110 bps y-o-y) with Midtier hotels following closely at 87.4% (up by 40 bps y-o-y). Economy hotel

tier was the only tier to show an annual decline in Occupancy in 2011. As such, it will not be farfetched to say that the growing popularity of low-cost carriers did not translate to more guests for budget hotels. The occupancy for Economy hotels fell by 130 bps y-o-y to 84.8%.



Room rates fell the most in percentage terms in the Midtier sector (a fall of 28.4%) but most in dollar terms in the Luxury segment (S\$99 from S\$411 to S\$312) in 2009. The ADR for all four tiers of hotel increased in 2011 compared to 2010. The ADR increased the most (16.9% y-o-y) for Upscale hotels while Economy hotels grew by the least (9.0% y-o-y). In 2011, the ADR for Luxury hotel was \$397 (up 12.1% y-o-y) and the ADR for Midtier hotels was \$187 (up 11.3% y-o-y).



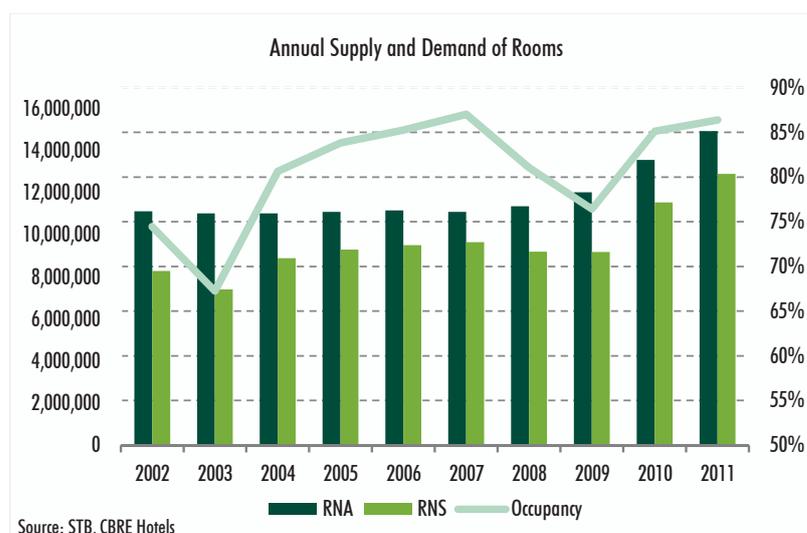
Since mid-2009, RevPAR has increased by S\$102, or 47.0%, for Luxury hotels and by S\$61, or 58.8%, for mid-scale hotels.

The recovery in occupancy in 2011 was strongest in luxury-scale hotels which rose 1.8% points to 80.2%. The ADR of upscale hotels rose 16.9%, or S\$40, and that of luxury hotels 12.1% or S\$43.

It should be noted that the above data indicates the demand elasticity of luxury-scale hotels and the volatility of luxury-scale hotel revenue compared to other scales. In comparison, mid-scale and economy-scale hotels enjoy lower demand volatility, especially amongst the large number of consumers who cannot avoid essential travel or those consumers who continue to enjoy leisure travel but are more cost conscious.

5.4 Singapore Accommodation Supply and Demand

The supply of room nights available in Singapore has remained relatively stable over the 10 years to 2009, with limited additions to supply. The chart below outlines the increase in Room Night Available (RNA) and the Room Night Sold (RNS).

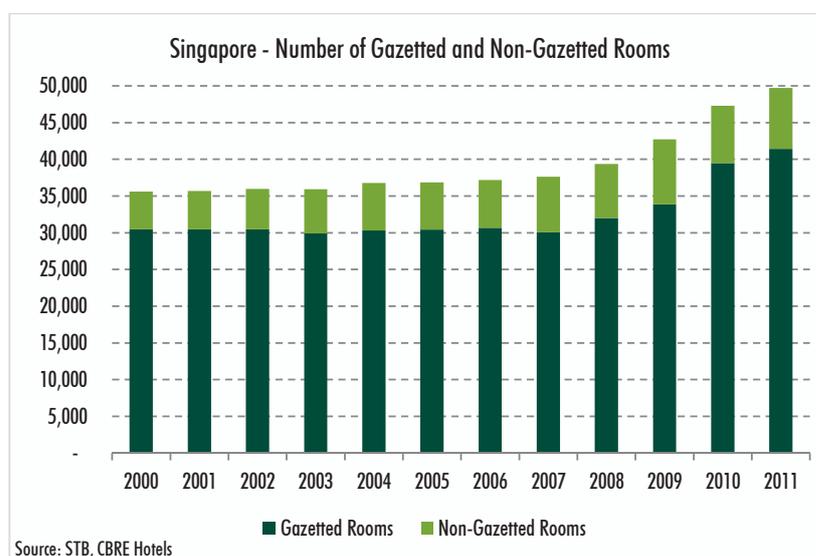


The largest contributors in 2010 in terms of room supply were the two Integrated Resorts which offer a combined 3,978 rooms to the market. These equate to over 1.45 million additional room nights of the increased supply.

In 2011, the number of gazetted hotels increased by 10 to 149 and the net number of rooms increased by 1,944 to 41,449, according to CBRE Hotels, resulting in a 4.9% increase in room count (after taking into account the closure of Lion City Hotel and Copthorne Orchid Hotel in 2011, representing 607 rooms).

New supply of hotel rooms in 2011 came mainly from V Hotel (888 rooms) and Oasia Hotel (428 rooms). While the IRs provided significant new supply, they have and are likely to continue to generate significant additional demand for both the tourism industry, and the economy in general.

In total, inclusive of non-gazetted hotels, there were 309 hotels with 49,719 rooms in 2011, representing a 5.1% year-on-year increase.



The following table summarises additions to supply in 2011:

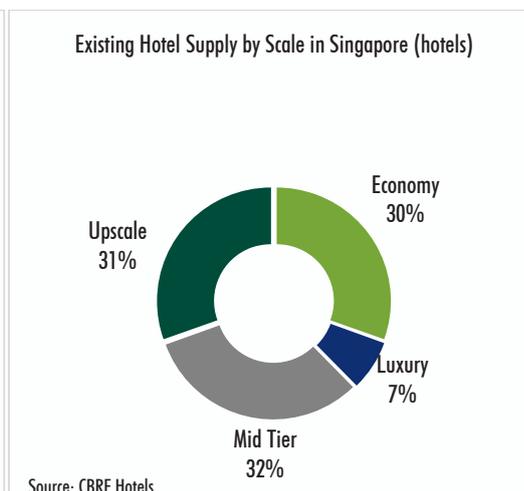
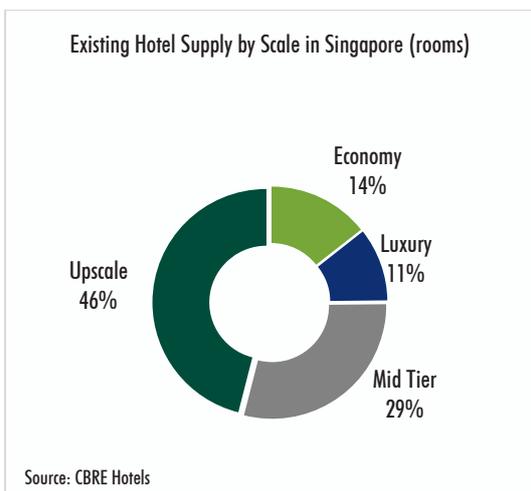
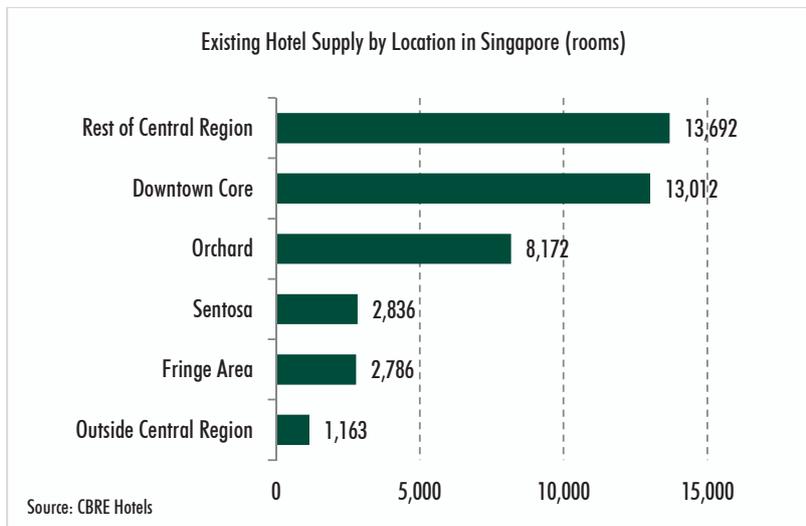
Hotel Name	No of Rooms	Category	Location
V Hotel	888	Economy	Rest Of Central region
Oasia Hotel	428	Upscale	Rest Of Central region
Orchid Hotel	272	Upscale	Downtown Core
Ibis Novena	241	Economy	Rest Of Central region
Parc Sovereign Hotel	170	Midtier	Rest Of Central region
Porcelain Hotel	136	Upscale	Rest Of Central region
Movenpick Hotel	129	Upscale	Sentosa
Santa Grand Hotel Lai Chun Yuen	80	Economy	Rest Of Central region
Santa Grand East Coast Road	72	Economy	Fringe Area
Park Avenue Hotel @ The Rochester	70	Midtier	Fringe Area
Innotel Singapore	70	Midtier	Orchard
Shangri-La Rasa Sentosa Resort	-5	Upscale	Sentosa
Lion City Hotel*	-167	Economy	Fringe Area
Copthorne Orchid Hotel Singapore**	-440	Midtier	Rest Of Central region
Grand Total	1,944		

* Hotel closed in September 2011

** Hotel has ceased all operation with effect from 1st April 2011

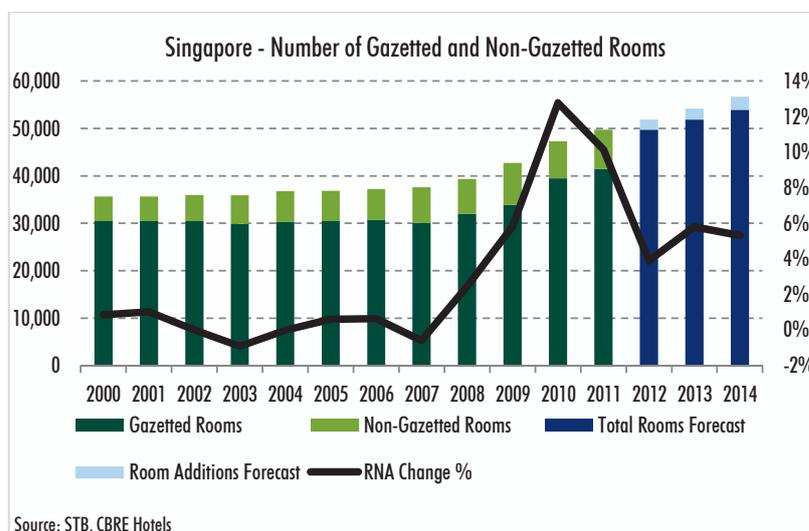
The new supply above equates to over 601 thousand additional room nights available.

The following charts outline the existing supply by scale and by location in 2011:



5.4.1 Future Hotel Supply

An estimated 30 new hotels with approximately 7,229 hotel rooms are expected to enter the market by the end of 2014. This brings the potential new supply to an additional 2.6 million gazetted room nights per year by 2014, representing a 4.6% CAGR on the 2011 figures including non-gazetted hotel rooms.



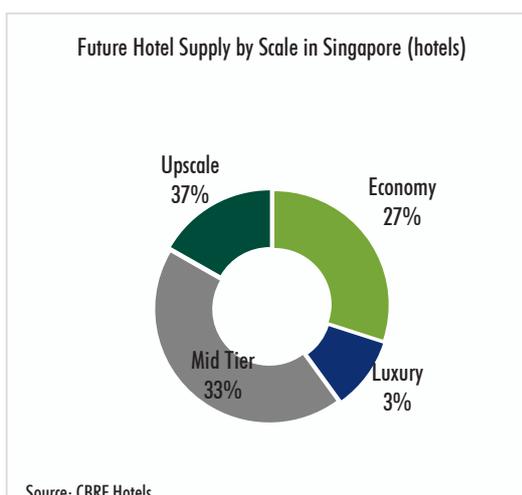
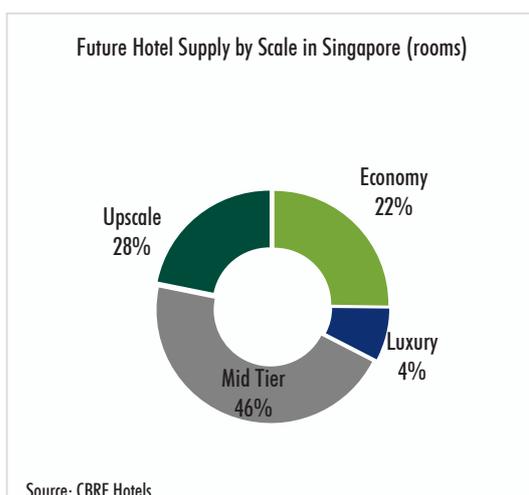
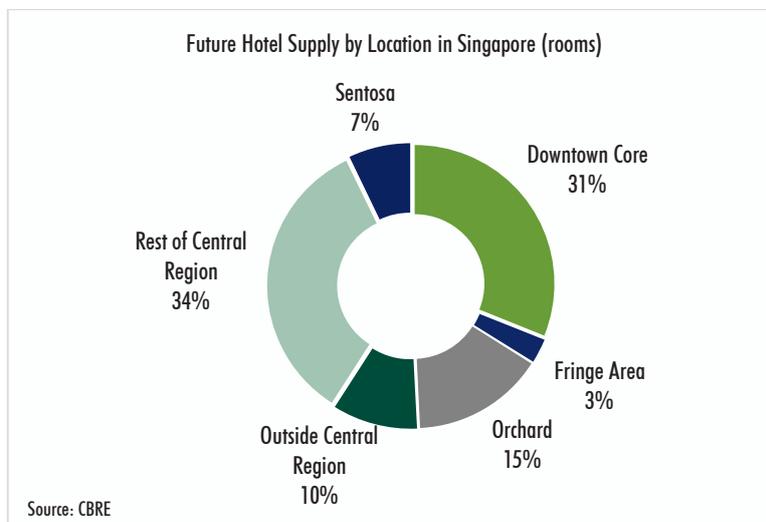
- A total of 2,170 hotel rooms are expected to be completed in 2012. The most widely anticipated hotel openings in 2012 were the remaining two hotels in Resorts World Sentosa that opened in Q1 2012. Equarius Hotel and Beach Villas are the most luxurious of the six hotels in the integrated resorts and cater to the affluent traveller. Local celebrity chef Sam Leong will have a restaurant, named Forest, in Equarius Hotel. Also expected to open in 2012 are two treetop lofts located above the canopy of a nearby natural forest and 11 two-storey ocean suites in the Marine Life Park.
- The upcoming hotels in Sentosa will help boost the number of visitors to the island. Some 19.0 million (up 7.3% y-o-y) people visited Sentosa in 2011 and Sentosa Development Corporation aims to break the 20.0 million mark in 2012.
- It is likely that some projects will experience delays in construction. However, the majority of projects due to open by the end of 2014 are expected to proceed as planned.

New hotel supply expected to open from 2012 to 2014:

Hotel Name	No of Rooms	Category	Location
Days Inn Singapore	405	Economy	Rest of Central Region
Parkroyal @ CBD	363	Midtier	Downtown Core
Bay Hotel	333	Upscale	Rest of Central Region
W Singapore Sentosa Cove	250	Upscale	Sentosa
Equarius Hotel	172	Upscale	Sentosa
UE Park Avenue Changi	170	Midtier	Outside Central Region
Aqueen Paya Lebar Hotel	100	Economy	Fringe Area
Aqueen Jalan Besar Hotel	86	Economy	Rest of Central Region
Movenpick Hotel (additional rooms)	61	Upscale	Sentosa
Beach Villas	22	Upscale	Sentosa
Capri by Fraser @ Changi City	313	Midtier	Outside Central Region
Dorsett Regency Singapore	285	Midtier	Rest of Central Region
Hotel Grand Central*	-390	Midtier	Orchard
Sub Total - 2012	2,170		
Traders Hotel (ex Phoenix Hotel)	502	Upscale	Orchard
Ramada Singapore	396	Midtier	Rest of Central Region
Carlton Project	387	Midtier	Rest of Central Region
Connexion at Farrer Park	230	Upscale	Rest of Central Region
Holiday Inn Express Orchard	220	Economy	Orchard
Fairy Hill Point Hotel	186	Midtier	Outside Central Region
Aqueen Tyrwhitt Hotel	160	Economy	Rest of Central Region
Sofitel Singapore (Ogilvy Centre)	134	Upscale	Downtown Core
Aqueen Geylang Hotel	100	Economy	Fringe Area
Sub Total - 2013	2,315		
Hotel Grand Central Project 1	488	Midtier	Orchard
Holiday Inn Express Havelock	460	Economy	Downtown Core
Amoy Hotel	37	Upscale	Downtown Core
Hotel to be named	310	Midtier	Rest of Central Region
Hotel to be named	339	Upscale	Rest of Central Region
Westin SG Marina Bay	305	Upscale	Downtown Core
Hotel Grand Central Project 2	264	Midtier	Orchard
Laguna Golf Green Hotel	191	Midtier	Outside Central Region
Patina Hotel (Capitol)	182	Luxury	Downtown Core
Short Street Hotel	90	Economy	Rest of Central Region
Extension Raffles Hotel (1886)	78	Luxury	Downtown Core
Sub Total - 2014	2,744		
Grand Total	7,229		

* Hotel expected to close in 2012

The following chart outlines anticipated future supply over three years by scale and location:

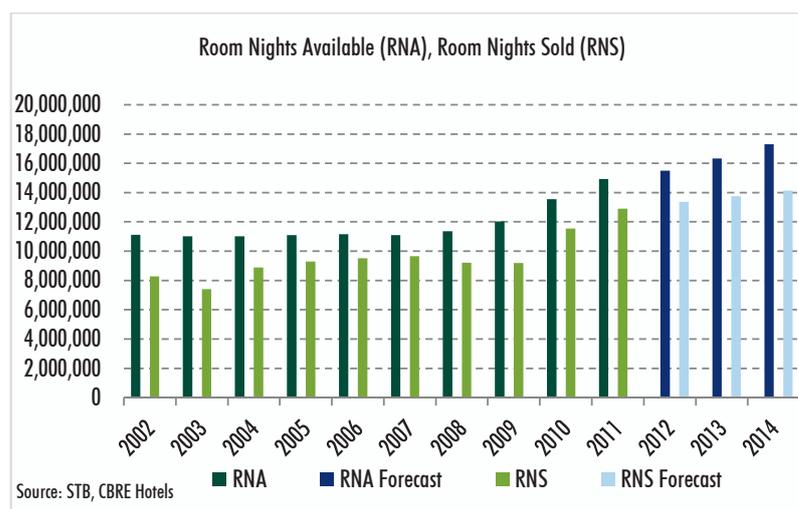


5.4.2 Future Hotel Demand and Performance

Singapore welcomed almost 13.2 million visitors in 2011; exceeding STB's target of 12.0 to 13.0 million visitors. STB expects further growth in visitor arrivals for 2012 but at a slower pace compared to 2011. A total of 1,572 hotel rooms are expected to be completed in 2012 but hoteliers remain positive about the hospitality sector. In a business expectation survey conducted by the Singapore Department of Statistics from December 2011 to mid-January 2012, a net weighted balance of 29.0% of the hoteliers surveyed expect more favourable business conditions for H1 2012.

The bi-annual Singapore Airshow took place in February 2012 which helped to boost arrival numbers. Some 40,000 trade visitors and another 145,000 public visitors attended the event. The remaining two hotels in Resorts World Sentosa opened in Q1 2012 which helped cater to the growing number of tourists at the integrated resort. While the Integrated Resorts provided significant new supply, they have and are likely to continue to generate significant additional demand for both the tourism industry, and the economy in general.

The combination of gaming facilities and the massive increase in conference and exhibition space will enable Singapore to host larger business and MICE meetings, further building on Singapore's reputation as a top international meeting city. Furthermore, leisure visitors will be drawn to new attractions and events hosted in the IRs, including Universal Studios, Marina Life Parks, the new ArtScience Museum, concerts and musicals featuring international stars of the entertainment sector. The following chart outlines our projections of future supply and demand:



Visitor arrival data is often used as proxy for room demand. We have found a strong relationship between visitor arrivals and average length of stay to also be important. Since 1999, the average length of stay has increased from 3.2 to 3.9 days. At the same time, the ratio of Visitor days to room nights sold (RNS) has dropped indicating that less visitors are staying in hotels.

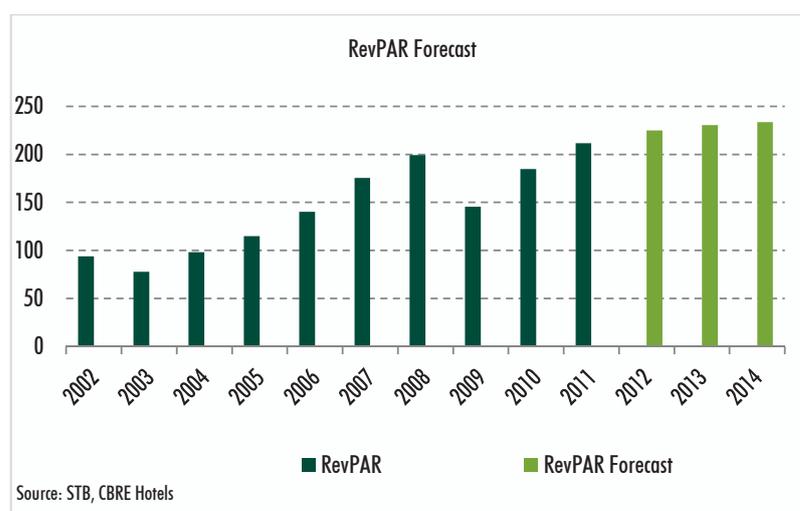
If we adopt the average length of stay figure for the last two years (3.83) and the same ratio of RNS to Visitor days, the STB projections indicate that occupancy in 2012 will slightly decrease to between 84.0% and 86.0%, as a result of the increase in room supply. Even adopting the lower end of the range and reducing the length of stay to 3.7, to reflect an increase in the numbers visiting to use the casino only for weekends, the occupancy figure for 2012 is still more than 83.0%. It will need a further increase in demand of 4.0% in 2012 for occupancy levels to be maintained. These growth rates are unprecedented, but then the addition of the Integrated Resorts is also a new phenomenon. Our research into hotel performance in Macao indicates that the construction of new casinos and hotels has been a major driver of demand and within six to nine months of the completion of each additional venue occupancy rates returned to the levels previously achieved.

We are of the opinion that the STB forecasts are likely to be achieved as are the occupancy rates discussed above.

There are risks attached to these figures as events such as terrorism, disease, weather, earthquake, economic changes etc., which are unpredictable and can have a sudden and substantial impact on performance. This is particularly the case for Singapore market which is

dominated by international rather than domestic demand. Forecasting future performance in the face of such risks is inherently challenging and performance in the coming years is uncertain. Despite these challenges, the following projections have been based on the analysis of hotel market performance to date, and have factored in a number of variables to forecast future hotel performance.

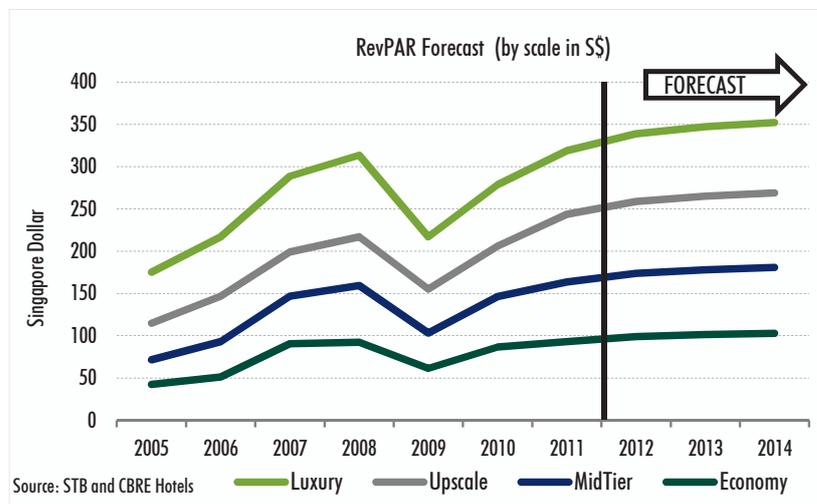
Subject to the above, the outlook over the next three years for demand is strong; the issue is its timing and nature. At present however the sentiment is positive. We have considered a range of scenarios and outcomes. To illustrate the demand levels required due to the increased supply we have adopted 14.0 million visitors and kept the length of stay at 3.65 days for 2012.



Assuming that the fundamental ratios between arrivals, length of stay and visitor arrivals remain similar to those in 2011, and assuming the IR's provide in themselves a destination attraction and continue to boost visitor arrivals, occupancy rates of between 83.0% and 86.0% are, in our opinion, achievable. Our assumption of 14.0 million visitors also supports an occupancy level of 85.5%

- At this level room rates will rise. Our analysis of historical performance suggests that an increase of 5.2% per annum is reasonable for the period between 2012 and 2014.
- As a result, RevPAR is forecast to rise by over to 3.3% and to reach around S\$234 in 2014.

Assuming the positive growth of RevPAR for the whole market, and the relative increase in the different scales, RevPAR for Luxury, Upscale, Midtier and Economy is forecasted to increase over the next three years.



Our experience in other markets indicates that recoveries tend to be much stronger than expected. When they occur, additional supply follows and tends to undermine performance. We believe therefore that the market will be fortunate if it were to maintain these results in the medium term.

In effect there is a risk that these figures will not be achieved, however the current sentiment appears to discount this.

5.5 Hotel Investment Market Overview

5.5.1 Hotel Sales

A review of the hotel market in Singapore suggests that it responds to economic forces in much the same manner as the market in general. However, unlike other forms of property investment, hotel property is generally assessed as a special purpose facility whereby anticipated business profit tends to determine value levels.

Singapore has been the most active hotel investment market after China in 2011 with ten transactions representing US\$1.2 billion, accounting for 22% of total investment volumes in Asia. Although investment sales in Asia were impacted slightly due to the events in Japan in the first quarter, investment levels have risen sharply elsewhere, particularly in China and Singapore. Market fundamentals in the region remain positive and investors are still bullish on the major Asian cities.

Property	Contract Date	Sale Price	Rooms	Star Rating	Price per room	Projected Initial Yield	Internal Rate of Return
Paramount Hotel	Oct-11	S\$150.00M	229	4	S\$655,000	N/K	N/K
The Saff Hotel	Sep-11	S\$42.10M	79	4	S\$532,911	N/K	N/K
New Cape Inn	Aug-11	S\$34.00M	61	3	S\$557,377	N/K	N/K
Raffles Hotel	Jun-11	S\$339.12M	103	5	S\$3,292,471	5.2%	0.0%
Ibis Novena	May-11	S\$118.00M	241	3	S\$489,627	5.5%	10.5%
New Changi Hotel	May-11	S\$53.60M	61	3	S\$878,689	N/K	N/K
Crowne Plaza Changi Airport	Apr-11	S\$250.00M	320	4	S\$781,250	5.8%	8.5%
Studio M	Mar-11	S\$154.00M	360	4	S\$427,778	6.3%	7.9%
Lion City Hotel	Jan-11	S\$135.00M	166	3	S\$813,253	N/K	N/K
Park Regis	Aug-10	S\$131.30M	203	4	S\$646,798	4.2%	7.5%
Ibis on Bencoolen	Jul-10	S\$210.00M	538	3	S\$390,335	7.3%	10.8%
Swissotel Merchant Court	Mar-10	S\$265.35M	476	5	S\$557,457	7.2%	7.9%
Hotel Nostalgia	Jun-09	S\$22.00M	50	N/K	S\$440,000	N/K	N/K

Note: Projected Initial yield is the net income (EBITDA) generated by the property or by the portfolio as a whole expressed as a percentage of its value and Internal Rate of Return is a rate of return used in capital budgeting to measure and compare the profitability of investments.

The 50-room Hotel Nostalgia, located along Tiong Bahru Road was sold by Lion Properties Group to an Indonesian buyer for S\$22 million (S\$440,000 per room) in July 2009. The boutique hotel comprises two renovated shophouses and an annex.

In August 2009, TA Enterprises bought the 476-room Swissôtel Merchant Court for S\$260 million (S\$546,218 per room) from LaSalle Asia Opportunity II SARL. TA Enterprise bought the hotel and its business but retained Swissôtel to manage the hotel. The property sits on a site with remaining lease of about 84 years. The price included some income support. The initial projected yield was 6.6% and the discount rate slightly over 10.5% (using a longer term growth rate in income of around 4.0%). This was then resold to an associated company for S\$265 million as in the table above.

The sale of the Studio M was of a 4 star, highly efficient hotel with limited food and beverage facilities. This property was sold to an associated company.

The Crowne Plaza Changi Airport was sold at a price of S\$293 million. This included the potential opportunity to develop a new hotel on an adjoining site. Our apportionment of the price is S\$250 million to the hotel giving an initial yield of 5.8%.

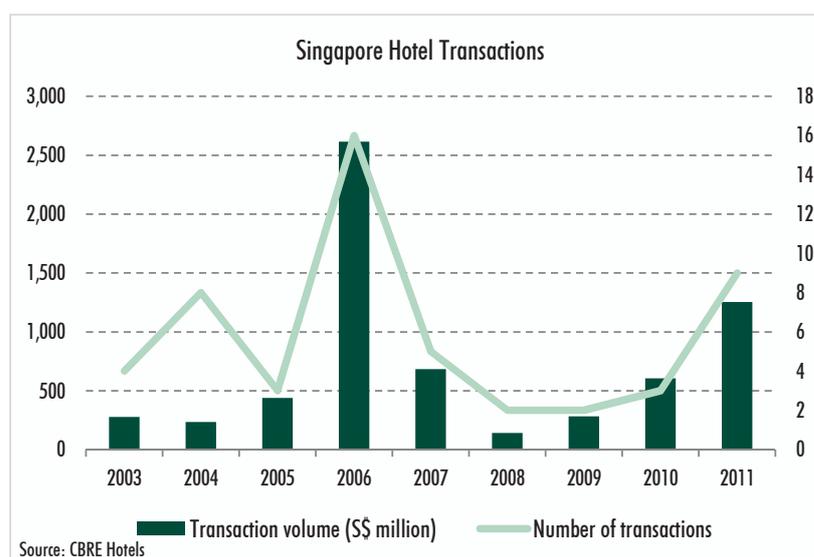
Cockpit International group has sold the 241-room Ibis Novena located at Irrawaddy Road for \$118 million or \$489,627 per room. The freehold hotel opened in April this year. M&L Hospitality, same buyer, last year paid \$390,334 per room for Ibis Singapore on Bencoolen in a \$210 million deal.

The Saff Hotel, New Cape Inn and New Changi Hotel are not in our analysis since those are small properties. We consider this to be out of line with the market

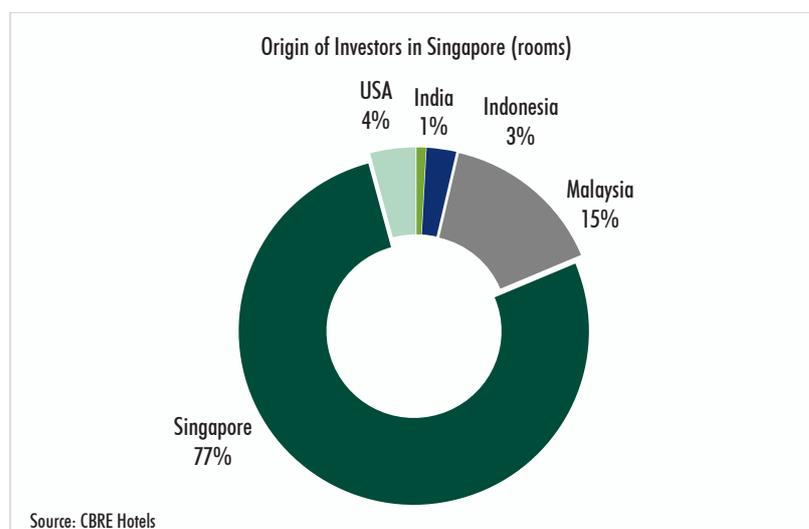
5.5.2 Hotel Sales Volume

As compiled by CBRE, the following table existing hotel sales that have occurred since 2003:

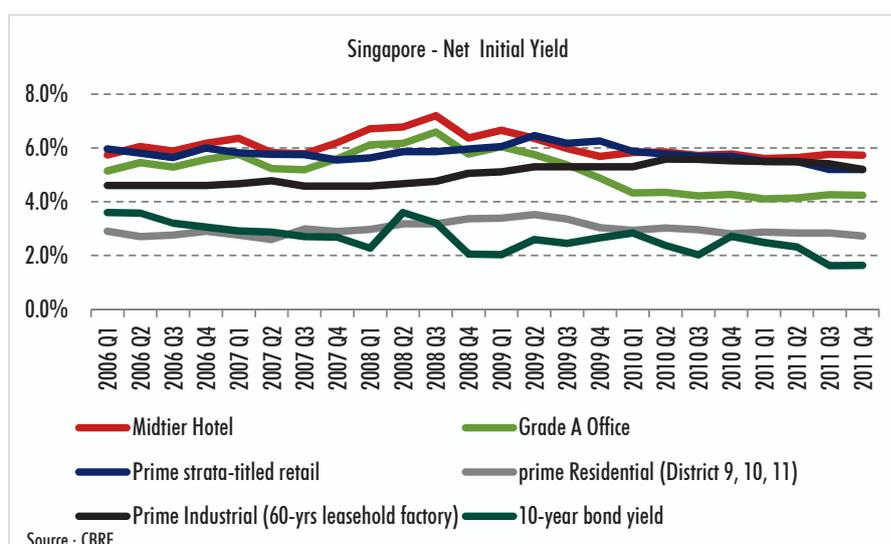
Year	Transaction volume (S\$ million)	Number of transactions	Average price per room (S\$)
2003	276.9	4	246,403
2004	235.3	8	123,864
2005	439.7	3	775,146
2006	2,614.7	16	499,459
2007	684.5	5	494,498
2008	142.0	2	912,444
2009	282.0	2	493,109
2010	606.6	3	525,334
2011	1,253.0	9	926,801



The following chart outlines the origin of hotel investors during the last 7 years:



5.5.3 Yield Profile



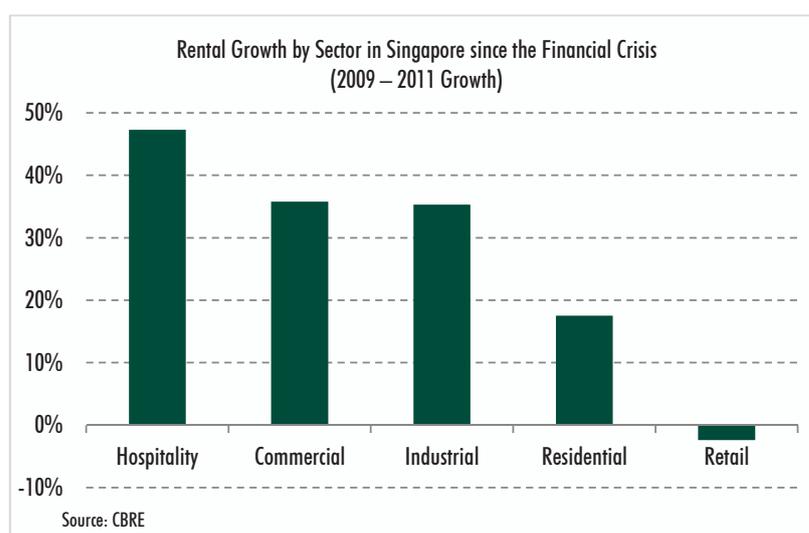
The last ten years have seen initial yields for hotel properties (net income (EBITDA) generated by the property or by the portfolio as a whole expressed as a percentage of its value) in Singapore of 5.5% to 7.5%. During the 2008 - 2009 period, due to the tight credit market, declining profit levels, and the high cost of funds, yields for commercial investments rose. However since incomes for hotels fell purchasers reflected the potential for some growth in income by accepting lower initial yields than would otherwise have be the case.

Internal rates of return, likewise, decreased during that period, although there is limited clear evidence. Hotels are more volatile and risky than other commercial real estate investments and accordingly, the discount rates are generally around 2.0% to 3.0% higher.

In our opinion the investment market for hotels has largely recovered in Singapore, from having bottomed in 2009. There is a considerable weight of money in the Asian region seeking quality investments and a relative shortage of available assets. This has forced up pricing expectations. The positive outlook tends to help maintain the gap between seller and buyer expectations and the lack of transactions in the region makes it difficult to determine values and yields. However our discussions with investors indicate that there is a good depth of demand from investors for good quality hotels in Singapore at present.

5.5.4 Real Estate Class Performance

The chart below outlines the fact that Hospitality Sector has been an outperformer across the other real estate classes in Singapore – most direct exposure to Singapore’s growth as a premier tourist destination and a global financial centre.



The Hospitality sector is based on Hotels’ RevPAR, Industrial is based on CBRE Islandwide Factory Rental Index, Commercial is based on CBRE Grade A Office Rental Index and Retail is based on CBRE Prime Strata-Titled Retail Index.

6 Serviced Residence Market Overview

Definitions

Serviced Residences (SR) means a building or portion of a building being used or intended, adapted or designed, and furnished and equipped to be used for the purpose of human habitation for lodging purpose for a minimum of 7 days, for which laundry and cleaning services are provided, with or without ancillary amenities. It excludes hotels, boarding houses, guest houses, workers' dormitory and students' hostels.

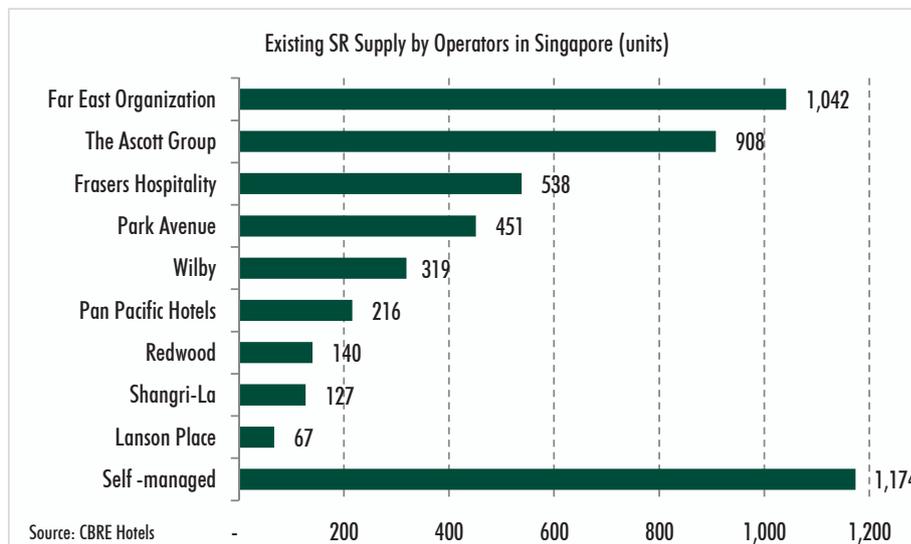
There are no official categories for SRs in Singapore, however we have categorised the Luxury, Upscale, Midtier and Economy tiers using the same criteria as hotels as defined before.

In our analysis of historic demand for the identified competitive market, we have relied on various sources of information, including the most relevant and latest available information from STB.

Singapore is currently experiencing an evolution of its hospitality industry environment due to a significant increase in visitor arrivals and must always adapt to on-going globalization. The number of business travellers and MNCs is constantly increasing in the country, thereby creating a real housing need. Consequently SRs have become more and more popular for this type of customers looking for flexibility, comfort, and cost efficiency.

6.1 Key Hospitality Players & Competitors

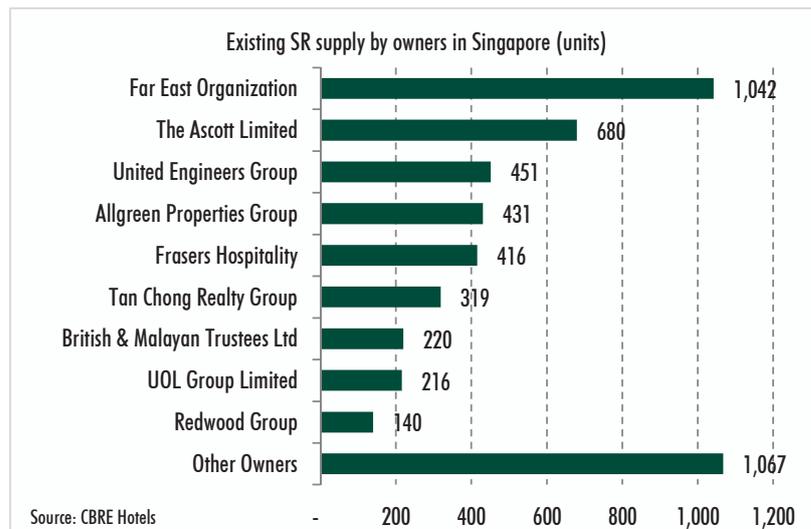
To gain an idea of the "key hospitality players" within the Singapore, we have identified the major owners and operators:



In 2011, the total number of SRs was 46 and the number of units was 4,982. Far East Organization is the largest Serviced Residence's owner/operator in Singapore with a 21% market share running 10 SRs. The Ascott Group, including Ascott Residence Trust and The

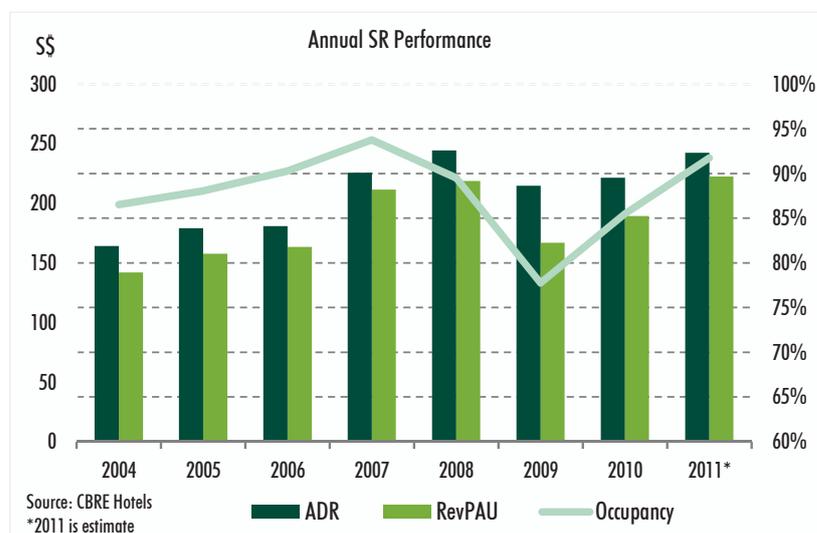
Ascott Limited, comes in second with a 18% market share. Frasers Hospitality is the third largest Serviced Residence operator in Singapore with 11% market share. It operates 48 developments globally with more than half are located in major Asian cities including 4 properties in Singapore.

United Engineers, with Park Avenue as a brand, developed in the last 3 years three residences and currently account for 9% of market share. Allgreen Properties, which is a property development arm of Malaysian tycoon Robert Kuok, accounts for 9% of the total market share by ownership.



6.2 Serviced Residences Performance

The following chart outlines the historical performance of the Singapore SR market to 2010:



SRs in Singapore have witnessed strong performance over the past few years, reaching unprecedented highs in 2008:

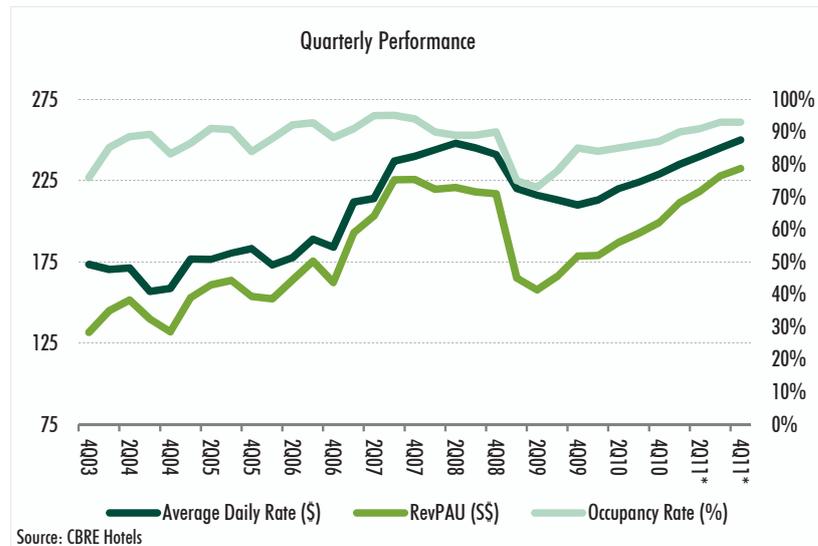
- Occupancy levels remained high at an average 89.5% in 2008, despite declining by 4.6% points from 2007.
- Average Daily Rates (ADR) reached an all-time high of S\$245 in 2008, representing a compound annual growth rate of over 11.3% since 2005
- Revenue Per Available Unit (RevPAU) also reached a record high of S\$219, an increase of 13.4% over 2007

But SRs faced challenging conditions during 2009:

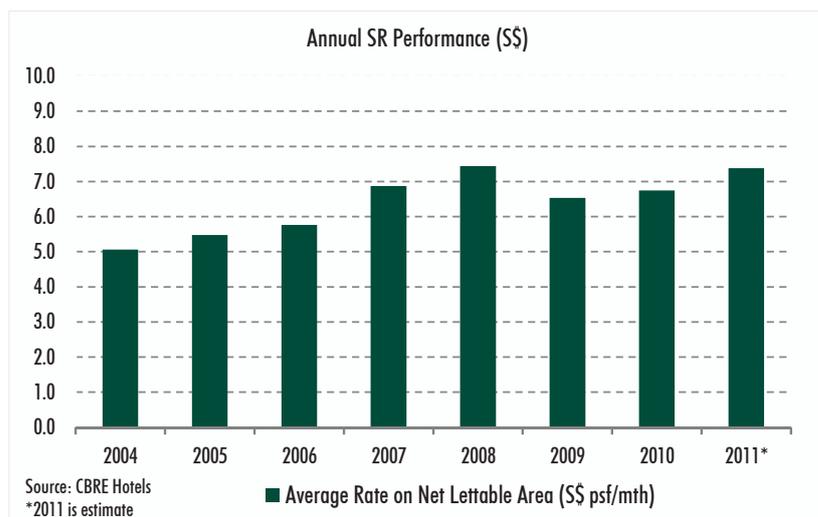
- Occupancy levels remained at an average 77.8% in 2009, declining by 11.7% points from 2008.
- ADR decreased to S\$215 in 2009, a drop of over 12.2% compared to 2008.
- RevPAU decreased to S\$167, a reduction of 23.7% from 2008.

The SR market in Singapore recovered strongly in 2011. The performance figures are detailed below:

- Occupancy levels for the full year were at 91.8%, up 6.3% points.
- ADR recovered to S\$243, an increase of 9.5% compared to 2010.
- RevPAU was S\$222, a rise of 17.5% compared to 2010.



Over the past few years, demand for SRs has been relatively unchanged. However, a substantial decrease in demand was recorded in 2009 as the GFC caused companies to tighten housing allowances, resulting in a 12% points decrease of occupancy from 2008. But thanks to its strong manufacturing, financial services, shipping and logistics sectors, Singapore is positioned as an ASEAN hub and as a strategic base for companies to expand into the Asian markets and beyond the country. It is also a major gateway for the tourism industry. The consequence of this has been an increasing rental market for SRs, with occupancy rising at 92% in 2011. Western Europeans and Americans generally account for around 60% of total guests, while Japanese, Korean and other Asian nationalities account for roughly 30% according to CBRE Research.



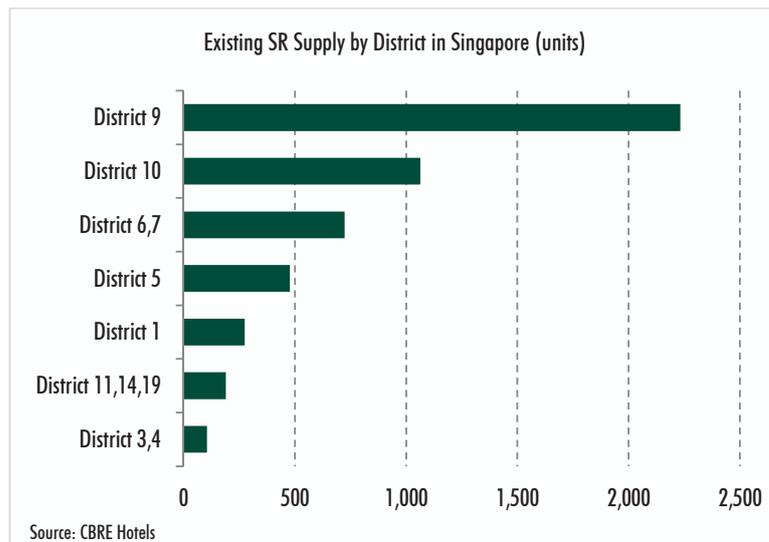
6.3 Singapore Accommodation Supply and Demand

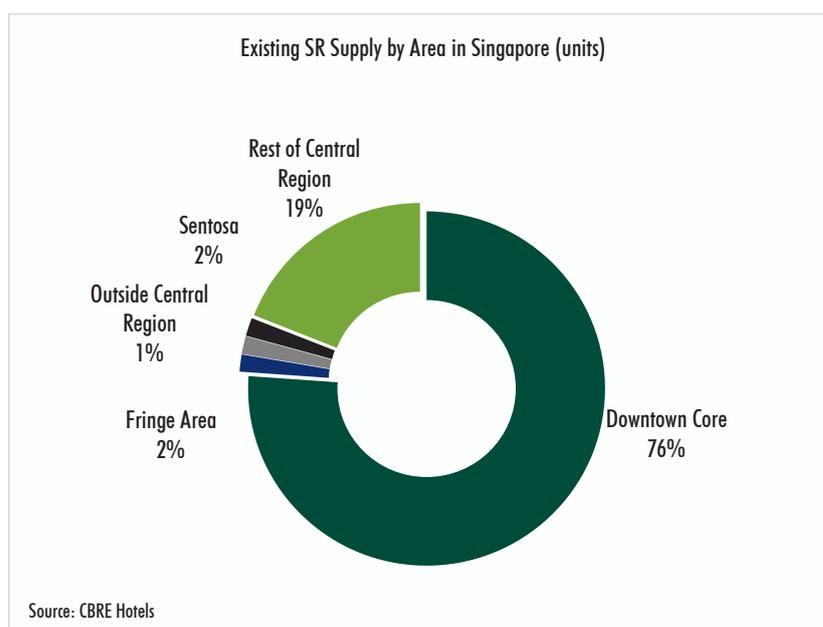
The supply of unit nights available in Singapore has remained relatively stable over the last few years to 2010, with limited additions to supply. Most of the developments have been completed in the 1990s. The table below outlines the largest SRs in Singapore:

Development Name	District	Location	Units	Date of Opening	Operator	Owner
Great World Serviced Apartments	District 9	Downtown Core	304	1997	Self -managed	Allgreen Properties
Park Avenue Rochester	District 5	Rest of Central Region	270	2011	Park Avenue	United Engineers
Fraser Suites River Valley	District 10	Downtown Core	255	1997	Fraser's Hospitality	Fraser's Hospitality
Orchard Parksuites	District 9	Downtown Core	225	1995	Far East Organization	Far East Organization
Treetops Executive Residences Singapore	District 10	Downtown Core	220	1999	Self -managed	British & Malayan Trustees Ltd
Orchard Scotts	District 9	Downtown Core	207	2009	Far East Organization	Far East Organization
Somerset Liang Court Singapore	District 6	Downtown Core	197	1983	The Ascott Group	The Ascott Group
Wilby Bukit Timah	District 10	Rest of Central Region	181	1996	Wilby	Tan Chong Realty Pte Ltd
Fraser Place Robertson Quay	District 9	Downtown Core	161	1998	Fraser's Hospitality	Fraser's Hospitality

19 developments out of the total 46 properties in Singapore comprise more than 100 serviced residence units, the rest of the properties are between 100 and 16 units.

Currently, Singapore districts 9, 10, 11 with Orchard, Holland Village, Bukit Timah and River Valley and 15/16 with East Coast, Marine Parade and Siglap are the most popular expatriate housing areas and are located centrally close to international schools and embassies. The chart below outlines that 66% of the properties are located in district 9 and 10, and the rest of the major developments are located in the CBD or just at the city fringe like district 5.





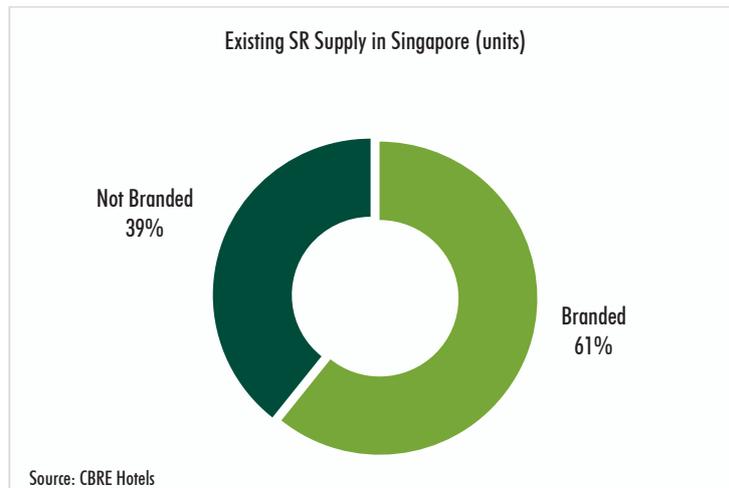
According to historical statistics and our research, the number of SR during 2011 increased by 3 to 46 properties and the number of units increased by 433 to 4,982 units (a 9.5% increase).

The following table summarises additions to supply in 2011:

Development Name	District	Location	Units	Date of Opening	Operator	Owner
Park Avenue Rochester	District 5	Rest of Central Region	270	2011	Park Avenue	United Engineers
8 on Claymore Serviced Residences	District 9	Downtown Core	85	2011	Self-managed	Preferred HotelGroup
Forest Wangz	District 11	Fringe Area	16	2011	Self-managed	Glastech Investment Pte Ltd
Wilby Bukit Central	District 7	Rest of Central Region	(138) 62	2011	Wilby	Tan Chong Realty Pte Ltd
Total			433			

New supply of SR units in 2011 came mainly from Park Avenue Rochester (270 units), and 8 on Claymore Serviced Residences (85 units). Wilby Bukit Central was under renovation and added 62 units to its total unit inventory (138 units) in 2011.

The market can be divided into two main types of players. One is the non-branded residences in which the management structure is similar to the high end units for lease except for the fact that they are serviced. A number of Singaporean brands have been established such as Village and Ascott and also foreign brands have also set up in Singapore such as Shangri-La and Lanson Place. Branded residences on average command higher rental prices than non-branded ones.

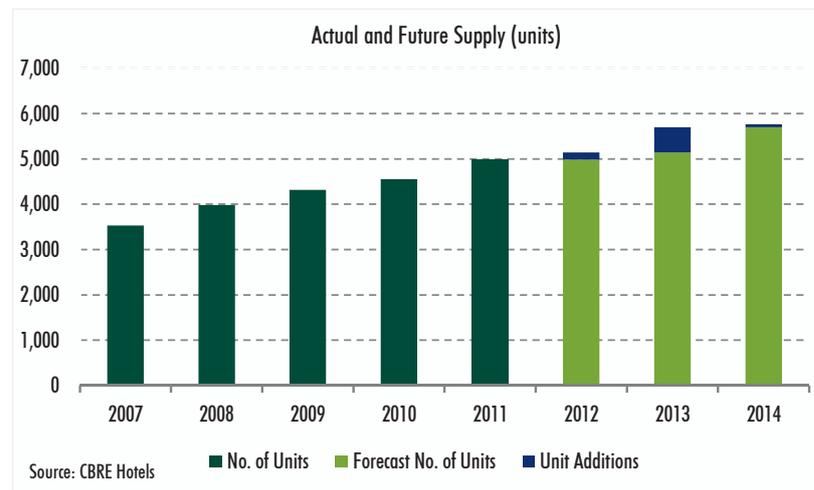


Long-term stay SR demand is primarily generated by expatriates working for Multi National Corporations (MNC) and embassies, while business travellers account for a significant percentage of short-term demand. The demand captured by the SR market is typically oriented to non-residents, expatriates and long term stay for business purpose.

Over the past few years, the SR industry re-shaped, as the relocation industry is placing more short term assignments; business travel has picked up and is seeing more trips of a week or longer driven by the development of the transportation infrastructures.

6.3.1 Future SR Supply

Serviced Residences supply in Singapore is expected to increase over the next three years. The following chart outlines anticipated future supply over three years:



- An estimated 7 SRs with approximately 783 SR units are expected to enter the market by the end of 2014.
- This brings the potential new supply to over 5,765 units by 2014, representing a 5.1% CAGR on 2011 figures.

The total supply of SRs is relatively low compared to the hotel lodging market and there are limited proposed additions. SRs are developed on residential land for which there is strong competition and sites are not allocated for specific SR use, unlike those for hotels. Given the restricted additional supply, the increasing demand from business travellers and non-residents and the fact that Singapore is a hub for business and tourism in Southeast Asia, the SR lodging market is forecasted to record a strong performance over the next few years.

Stock expansion has been steady over the last four years, with growth averaging 8.4% per annum since 2008. Going forward, stock expansion is forecast to remain sustained. This increase is partly in response to the growth in residential values, driven by increasing investor appetite from mainland investors. However, during Q4 2011, Singapore introduced the Additional Buyer's Stamp Duty (ABSD) for residential investment and foreign investors only, in an attempt to curb excessive inflows into the real estate sector. The measure is expected to gradually affect prices and sales volume in the luxury and prime segments of the market. Consequently, it is expected that more non-residents and expatriates in Singapore will stay in alternative housing such as SRs.

This, combined with a lack of development sites, has made it increasingly difficult for serviced residence operators to compete for sites with those pursuing standard residential or commercial development.

New SR supply expected to open from 2012 to 2014:

Development Name	District	Location	Units	Date of Opening	Operator	Owner
Dorsett Residences	District 1	New Bridge Road	68	2014	Dorsett Regency	Tang Hotel Investments Pte Ltd
Modena Frasers Suites	District 17	Changi	313	2013	Frasers Hospitality	Ascendas Pte Ltd
Heritage Residences	District 15	Telok Kurau	34	2013	Not branded	Warees Land
Pan Pacific Serviced Apartments	District 7	Beach Road	180	2013	Pan Pacific	UOL Group
Farrer Park Serviced Apartments	District 8	Race Course Road	30	2013	Not branded	Mustafa
CherryLoft	District 11	Rangoon Road	28	2012	Not branded	Olivine Capital
Park Avenue Changi	District 17	Changi	130	2012	Park Avenue	United Engineers
Total			783			

Beyond 2012, we suspect that areas to the east of the island such as Changi will emerge as new locations for serviced residence operations as the extension of the MRT Circle line, opened in 2012, opens up the northern western areas towards Bukit Timah.

6.3.2 Future SR Demand and Performance

Globally but more precisely in Singapore, business and MICE visitor numbers, driven by country's performance and SR demand, has always had a close correlation. There is a clear correlation in the increases of GDP (+14.8%) and visitor arrivals (+20.2%) from 2010 to 2009, resulting in the increase (+6% points) of occupancy in the SR market. STB forecasts to attract between 13.5 and 14.5 million visitors in 2012, a 10% increase from 2011 and tourism receipts to reach S\$23-24 billion (US\$18.2-19.0 billion) in 2012, a rise of up to 8% of approximately from last year's S\$22.2 billion.

Those forecasts suggest that there will be a marked increase in overseas business visitors over the next two years. However the market does face some uncertainty in 2012, reflecting the outlook for the global economy. The occupancy levels certainly support rises in unit rates but the lower confidence levels amongst operators will tend to temper these increases. However, the hospitality industry is not likely to experience the same situation in 2009 with a RevPAR decrease of 24%, as Singapore has reshaped its tourism industry to be less impacted by the global environment.

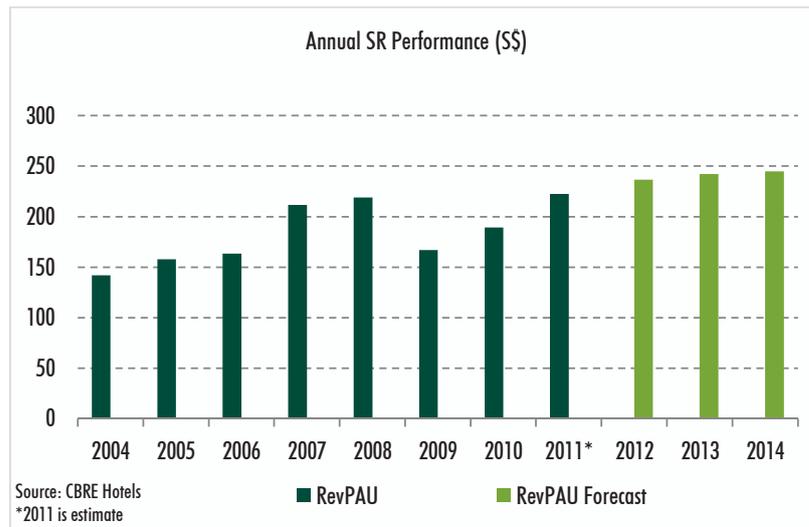
As previously explained, more than 75% of the visitor arrivals were from the Asia Pacific region in 2011, indicating that Singapore remains an attraction for travellers in the region where economic growth remains positive with a limited exposure to the US/Europe tourist markets. With an increasing number of business and IPO launches on the Singapore Exchange by Asian overseas institutions, they are likely to increase their headcount on the island. This will translate into an increase in the numbers of business visits originating from Asia, potentially affecting the composition of the serviced residence guests, which have traditionally been dominated by those from the US and Europe.



The chart above outlines the number of SR units per 1,000 business visitors in the major business and MICE global destinations, which indicates that Singapore is competing with the major business cities globally. London clearly is the market leader in term of business visitors, followed by New York. Hong Kong recorded in 2011 an occupancy rate of nearly 95%, and comprises 5.3 units per compared to Singapore with 1.8 units and a difference of only

800,000 business visitors. Hong Kong's SR demand is well diversified and can absorb the increasing demand of visitors from China. Singapore's SR market is certainly more oriented on business demand.

The outlook over the next three years for demand is strong; the issue is its timing and nature. At present however the sentiment is positive. We have considered a range of scenarios and outcomes. To illustrate the demand levels required due to the increased supply we have adopted 14.0 million visitors for 2012.



The following is our rationale for projecting 2012-2014 performance:

Assuming that the fundamental ratios between arrivals, length of stay and business visitor arrivals remain similar to those in 2011, and assuming the IR's provide in themselves a MICE destination attraction and continue to boost visitor arrivals, occupancy rates of between 86.0% and 89.0% are, in our opinion, achievable.

At this level ADR will rise. Our analysis of historical performance suggests that an increase of 5.2% per annum is reasonable over the next 3 years.

As a result, RevPAU is forecast to rise by over to 3.4% per annum to reach an average of between S\$240 and S\$250 in 2014.

Our experience in other markets indicates that recoveries tend to be much stronger than expected. When they occur, additional supply follows and tends to undermine performance. We believe therefore that the market will be fortunate if it were to maintain these results in the medium term. In effect there is a risk that these figures will not be achieved, however the current sentiment appears to discount this.

6.4 Serviced Residences Investment Market Overview

The investment market in Singapore for Serviced Residences has not been very active with only few transactions, because operators and developers have tended to acquire properties for conversion rather than purchasing existing stock.

Institutional investment in the market remains very limited as the focus of private equity for the last few years was on the hotel investment market. It may be two to three years before we see significant institutional investment in the sector, as investors remain largely risk-averse and continue to focus on the most secure and liquid assets in the prime locations. The table below shows the latest transactions in Singapore:

Property	Contract Date	Price in SGD	Units	Price per Unit	Projected Initial Yield
Somerset Grand Cairnhill Singapore	May-12	\$ 359,000,000.00	146	\$ 2,458,904	N/K
Ascott Raffles Place	May-12	\$ 220,000,000.00	146	\$ 1,506,849	N/K
Citadines Mount Sophia Singapore	Nov-08	\$ 79,300,000.00	154	\$ 514,935	N/K
Somerset Orchard	Sep-08	\$ 100,000,000.00	88	\$ 1,136,364	N/K

Outlook

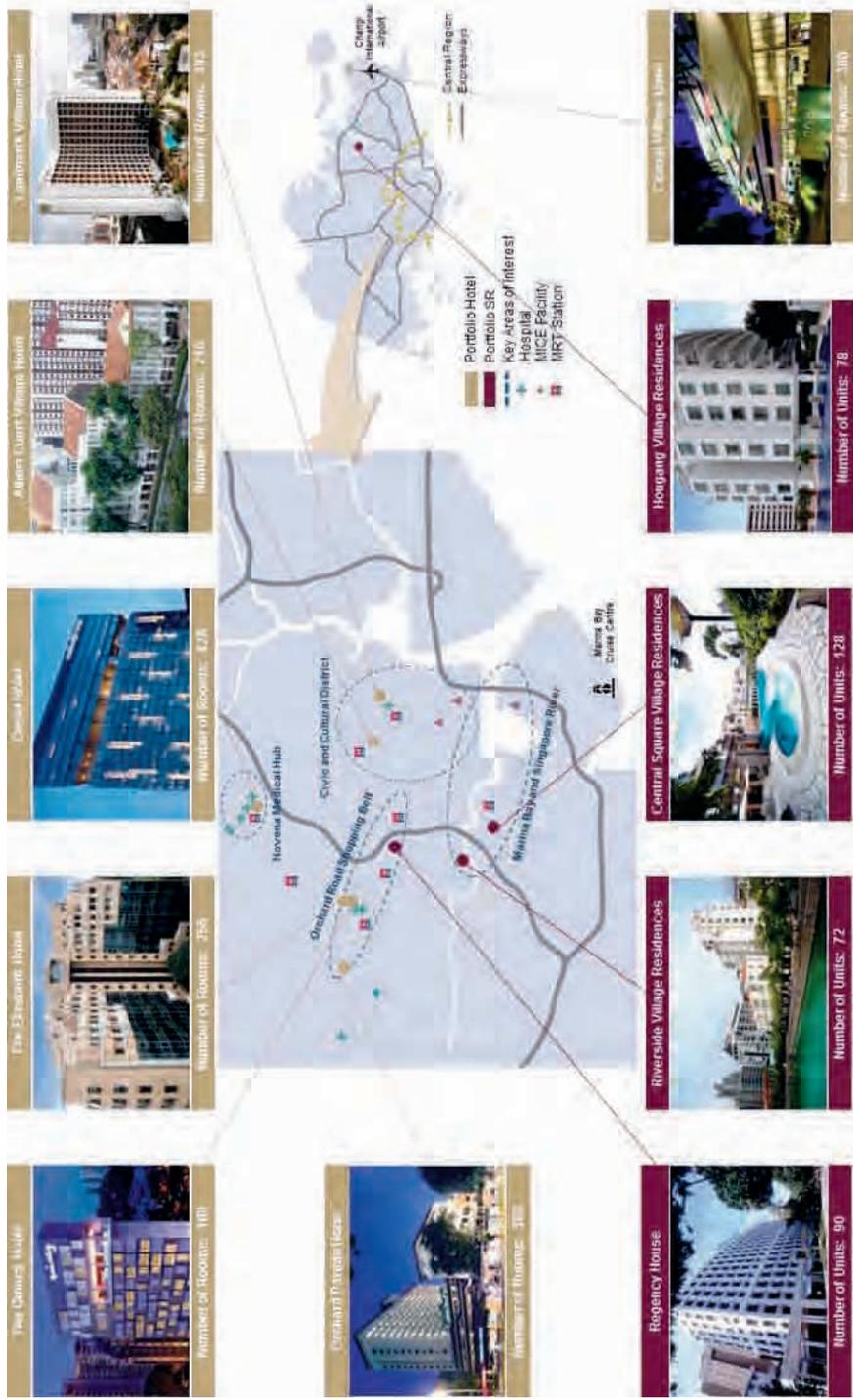
Strong economic growth reported in Singapore has helped the SR sector report some of its strongest occupancy and ADR growth levels over the last two years. This performance is set to continue if business visitor numbers continue to improve. The strong fundamentals of Singapore in term of diversity of its offering should help to draw further SR guests.

Serviced Residences industry will gain a significant share of the global lodging market over the next few years and that this success will be driven by the following factors:

- Greater consumer awareness.
- A more detailed knowledge of residences' facilities, pricing and benefits of the extended stay market.
- A slowdown in the expansion of serviced residences' supply, caused by reduced investment in future developments driving rates upwards.
- Greater international mobility demanded by quickening global integration and a shift in the balance of world economic power towards the BRIC nations.

7 Overview of the Properties

7.1 Properties Location



7.2 Hotel Overview

7.2.1 Albert Court Village Hotel



Tenure:	Leasehold of 75 years commencing from 31 March 2012
Completion Date	3 October 1994
Approximate GFA	11,426 sq m
Rooms breakdown:	The Hotel has 210 guest bedrooms comprising 55 Superior/Deluxe rooms, 76 Executive rooms, 27 Executive Premier rooms, 5 Executive Family rooms 45 Club rooms and 2 Club suites.
Facilities:	Facilities and amenities available to the guests include a gymnasium, jacuzzi and steam room. The Albert Café & Restaurant, Shish Mahal Restaurant, the new Kookaburra Restaurant and the Lobby Lounge also provide guests with the opportunity to sample both international cuisine and local favourites. Services offered at Albert Court Village Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	Approximately 3.5 km from the city centre at Raffles Place and about 20 minutes away from Changi International Airport. The Orchard Road shopping belt is also within close proximity.
Surrounds:	Albert Court Village Hotel is situated approximately 5 minutes away from Little India MRT Station by foot, close to the popular Sim Lim Square (IT Mall) and is an approximately 10 minute walk away from numerous shopping malls such as Parco Bugis Junction, Mustafa Centre and the Orchard Road belt. It is also conveniently located within an approximately 10 minute drive from the Central Business District and Suntec Singapore International Convention & Exhibition Centre. Hotels nearby include Ibis Bencoolen, Hotel Grand Chancellor, Hotel Rendezvous, Hotel Parkroyal Kitchener and Hotel Intercontinental amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of

transportation. The property is within walking distance of Little India MRT Station and Bras Basah MRT Station.

Competitive Set

The Albert Court Village Hotel is positioned as a Midtier hotel, operating in the Midtier market. The hotels deemed directly competitive are as follows:

- The Ibis Bencoolen features 538 rooms and is a 3-star economy-scale hotel which opened in 2009. It is situated approximately 3.0 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- The Parkroyal Kitchener is a 534-room, 4-star Midtier hotel which opened in early 1983, approximately 4.5 km from the Central Business District.
- Hotel Grand Chancellor has 328 rooms and is situated in the heart of the Little India district. It is about 4.5 km from the city centre at Raffles Place.
- Rendezvous Hotel comprises 298 rooms and is located in the heart of the civic and cultural district; it is a 3 minute walk to the Orchard Road shopping belt, and within walking distance to the Bras Basah and Dhoby Ghaut MRT stations.
- Parc Sovereign Hotel comprises 170 rooms, and is located on Albert Street and with a 5 minute walk to the Bugis MRT station. It is a 10-minute drive from Suntec Convention Center and a 25-minute drive from Changi International Airport.

SWOT Analysis

Strengths

- The hotel is in a central location.
- The hotel is located within the Cultural Civic District. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Shuttle bus service to City Hall MRT Station.
- Limited new competitive supply in the foreseeable future.
- Leverage on "Village" branding.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- Limited meeting room space in comparison to other Midtier hotels.
- Dependence on a single F&B provider.

Opportunities

- Increase marketing which targets existing and growing corporate presence in the local region.
- Upcoming developments at the Ophir-Rochor and Bugis areas.
- Improvement of the hotel in its market positioning and operations are expected.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.2 Changi Village Hotel



Tenure:	Leasehold of 65 years commencing from 31 March 2012
Completion Date	30 January 1990
Approximate GFA	22,826 sq m
Rooms breakdown:	The Hotel has 380 guest bedrooms comprising 102 Superior and 201 Deluxe rooms, 61 Executive Club rooms, 10 Junior suites, 5 Executive suites and a Royal suite.
Facilities:	Facilities and amenities available to the guests include, an outdoor swimming pool, The Retreat Spa & Thalasso Centre, a ballroom, banquet facilities, the Saltwater Café with its popular International buffet spreads, Vau Wine Bar, The Wine Company, La Cantina in Venezia and Choubei Japanese Restaurant. Services offered at Changi Village Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	Approximately 26.5 km from the city centre at Raffles Place (30 minutes) and is about 10 minutes away from Changi International Airport. The Changi Golf Course is within close proximity.
Surrounds:	Within close proximity to Singapore Changi International Airport and the premier exhibition venue at the Singapore Expo, Changi Village Hotel is an approximately 5 minute walk away from the Changi Village Food Centre and Changi Ferry Terminal. It is also an approximately 15 minute drive away from Loyang Industrial Estate.
Access:	The Pan Island Expressway is within close proximity and facilitates access to various parts of the island. The property does not benefit from the MRT system, however free hourly two-way airport shuttles are provided.

Competitive Set

The Changi Village Hotel is positioned as a Midtier hotel, operating in the Midtier market. The hotels deemed directly competitive are as follows:

- The Crowne Plaza Changi Airport features 320 rooms and is a 4-star hotel. It is situated in the Changi Airport complex at Terminal 3 and is about 30 minutes from the city centre at Raffles Place.
- The Grand Mercure Roxy Hotel is a 558-room, 4-star Midtier hotel, and is situated on East Coast, close to Parkway Parade. It is located approximately 12 minutes from the Central Business District.
- The East Village Hotel has 229 rooms and is located in front of East Coast Park. It is about 12 minutes from the city centre at Raffles Place.

SWOT Analysis

Strengths

- Only hotel in Loyang/ Changi area.
- Proximity to Singapore Expo, Changi Airport and offices in Loyang, Changi North & South, Tampines, Pasir Ris, Changi Business Park, Ubi, Kaki Bukit, Bedok, and Chai Chee.
- The hotel has wide appeal, catering to the business and leisure tourists seeking a comfortable accommodation.
- Leverage on "Village" branding.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- The property is located outside the central business and cultural district.
- Limited access to public transportation.

Opportunities

- The hotel is well positioned to take advantage of the likely increase in air passenger arrivals in the coming years.
- Continued development of Changi Business Park and the Singapore University of Technology and Design.
- Continued growth of BTMICE market - conferences and exhibitions in Changi Business Park and Expo areas.

Threats/Risks

- Increasing competition from new market entrants such as new hotels/serviced apartments in Changi Business Park.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.3 The Elizabeth Hotel



Tenure:	Leasehold of 75 years commencing from 31 March 2012
Date of Completion	3 May 1993
Approximate GFA	11,723 sq m
Rooms breakdown:	The Hotel has 256 guest bedrooms comprising 64 Superior and 80 Deluxe rooms, 100 Executive rooms, 7 Executive Premier rooms and 5 Suites.
Facilities:	Facilities and amenities available to the guests include an outdoor swimming pool, as well as two in-house restaurants, the Modestos Elizabeth and the Elizabeth Pub & Lounge. Services offered at The Elizabeth Hotel include concierge and security, room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	Approximately 3.5 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport. The Orchard Road shopping belt is within close proximity.
Surrounds:	The Elizabeth Hotel is an approximately 10 minute walk from Orchard MRT Station, Mt Elizabeth Hospital and Paragon Medical Centre and an approximately 10 minute drive away from the Central Business District and Suntec Singapore International Convention & Exhibition Centre. Other amenities are conveniently available in the Orchard Road shopping district nearby. Hotels nearby include York Hotel, The Quincy Hotel, Grand Hyatt Singapore, Goodwood Park Hotel and Royal Plaza amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Newton MRT Station and Orchard MRT Station.

Competitive Set

The Elizabeth Hotel is positioned as a Midtier hotel, operating in the Midtier market. The hotels deemed directly competitive are as follows:

- The York Hotel features 407 rooms and is a 4-star Upscale hotel. It is situated just next to the Elizabeth Hotel, and is about 4.5 km from the city centre at Raffles Place.
- Orchard Hotel Singapore comprises 653 rooms and is located 3 minute away from Orchard Road shopping belt, and within walking distance to Orchard MRT station.
- Hotel Royal is a 331-room, 4-star Midtier hotel in the Novena area and is located approximately 6.0 km from the Central Business District.
- Goodwood Park Hotel has 233 rooms and is situated on Scotts Road, at walking distance to Orchard Road. It is about 4.5 km from the city centre at Raffles Place.
- Concorde Hotel comprises 407 rooms and is located on Orchard Road, within the fringe of the civic and cultural district; within walking distance to Dhoby Ghaut MRT station.

SWOT Analysis

Strengths

- The hotel is in a central location.
- The hotel is located within Orchard shopping belt area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The hotel is within walking distance to Orchard MRT station.
- The hotel has wide appeal, catering to the business and leisure tourists seeking medical services in close proximity.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- It is possible that at some stage in the future they may be a move away from smaller sized rooms such as those offered here.
- The hotel has limited facilities.

Opportunities

- Proximity to Mount Elizabeth Hospital and Paragon Medical Centre - strategically located to tap on the thriving medical tourism industry.
- Improvement of the hotel in its market positioning and operations are expected.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.4 Landmark Village Hotel



Tenure:	Leasehold of 66 years commencing from 31 March 2012
Completion Date	19 October 1988
Approximate GFA	21,676 sq m (includes accessory lots with an aggregate area of 85 sq m)
Rooms breakdown:	The Hotel has 393 guest bedrooms comprising 152 Superior and 155 Deluxe rooms, 82 Executive Club rooms and 4 suites.
Facilities:	Facilities and amenities available to the guests include an outdoor pool, meeting facilities, a business centre, a gym, diverse range of Indian, Chinese, Middle Eastern and Malay/Indonesian as well as international cuisines available in the hotel's two restaurants, namely the Riverwalk Tandoor and Mooi Chin Place. Services offered at Landmark Village Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	Approximately 2.0 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport. The Orchard Road shopping belt is within close proximity.
Surrounds:	It is situated in the Arab quarter near Kampong Glam, a cultural centre of Singapore, and is also in close proximity to various shopping malls such as Parco Bugis Junction, Bugis Village, Sim Lim Square (IT Mall), Iluma and Mustafa Centre, as well as traditional shops near from the gold-domed Masjid Sultan, Singapore's largest mosque. Landmark Village Hotel is an approximately 10 minute drive away from the Central Business District and Orchard Road, Singapore's main shopping belt. It is also very close to the Suntec Convention & Exhibition Centre and the Marina Bay Sands Expo and Convention Centre. Hotels nearby include Ibis Bencoolen, Hotel Grand Chancellor, Hotel Rendezvous, Carlton Hotel, Park View Hotel, Hotel Parkroyal Kitchener and Hotel Intercontinental amongst others.
Access:	The East Coast Parkway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of

transportation. The property is within walking distance of Bugis MRT Station.

Competitive Set

The Landmark Village Hotel is positioned as a Midtier hotel, operating in the Midtier market. The hotels deemed directly competitive are as follows:

- The Ibis Bencoolen features 538 rooms and is a 3-star Economy hotel which opened in 2009. It is situated approximately 3.0 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- The Parkroyal on Beach Road is a 343-room, 4-star Midtier hotel which opened in early 1971, approximately 4.0 km from the Central Business District.
- Hotel Grand Chancellor has 328 rooms and is situated in the heart of the Little India district. It is about 4.5 km from the city centre at Raffles Place.
- Rendezvous Hotel comprises 298 rooms and is located in the heart of the civic and cultural district; it is a 3-minute walk to the world-famous Orchard Road shopping belt, and within walking distance to the Bras Basah and Dhoby Ghaut MRT stations.
- Peninsula Excelsior Hotel comprises 590 rooms, and is located on Coleman Street and is a 5-minute walk to the City Hall MRT station. It is a 10-minute drive from Suntec Convention Center and a 25-minute drive from Changi International Airport.

SWOT Analysis

Strengths

- The hotel is within walking distance to Bugis MRT station.
- The hotel is located within the Cultural Civic District. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Proximity to main MICE venues
- The hotel is in close proximity to Raffles Hospital to tap on the growing medical tourism market.
- Leverage on "Village" branding.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- Limited meeting room space.
- Market perception of being an old hotel.

Opportunities

- Upcoming developments at the Ophir-Rochor and Bugis areas.
- Improvement of the hotel in its market positioning and operations are expected after the renovation completion in Q1 2013.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.5 Oasia Hotel



Tenure:	Leasehold of 92 years commencing from 31 March 2012
Completion Date	2 June 2011
Approximate GFA	22,457 sq m (includes an accessory lot with an area of 30 sq m)
Rooms breakdown:	The Hotel has 428 guest bedrooms comprising 88 Superior and 224 Deluxe rooms, 12 handicap accessible rooms, 100 Club rooms and 4 Club suites.
Facilities:	Facilities and amenities available to the guests include a spa pool, a roof terrace, a fitness centre, the Oasia club lounge, All-day dining restaurant and various F&B outlets, Banquet and Meeting facilities. Services offered at Oasia Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	Approximately 5.5 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport. The Orchard Road, hotel and shopping belt is within close proximity.
Surrounds:	A multitude of shopping malls are within easy reach of the hotel, providing a wide variety of dining choices from upscale restaurants to food courts. Nearby malls include Square 2, United Square, Velocity, Novena Square. It is one MRT stop away from various Orchard Road malls including 313@Somerset, Far East Plaza, Ion Orchard, Mandarin Gallery, Ngee Ann City, Orchard Central and Paragon. It is located in close proximity to Singapore's premier medical hub, which comprises medical facilities such as the National Skin Centre, Novena Medical Centre, Novena Specialist Centre and Tan Tock Seng Hospital and the upcoming Mt Elizabeth Novena Hospital. Hotels nearby include Value, New Orchid Hotel, Hotel Royal, Quality Hotel Singapore, new developments as Days Inn and Ramada Singapore amongst others.
Access:	Oasia Hotel is connected to the shopping belt of Orchard Road by Novena MRT Station, and offers easy accessibility to the CTE and PIE.

Competitive Set

The Oasia Hotel is a Midtier/Upscale hotel, operating in the Upscale/Midtier market. The hotel deemed directly competitive is as follows:

- The Ibis Novena features 241 rooms and is a 3-star economy-scale hotel which opened in April 2011. It is situated approximately 4.5 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- Value Hotel Thomson is located just outside the city centre in the Balestier neighbourhood. Adjacent to Balestier road, on Thomson Road, the hotel is located near reputable medical institutions such as the Thomson Medical Centre and the new Novena Medical Suites. With 366 rooms, the hotel is the third and largest of a new chain of concept hotels.
- V Hotel Lavender comprises 888 rooms with a large outdoor swimming pool. The hotel is located just above Lavender MRT Station, 8 stations from Changi International Airport and 3 stations from City Hall in the City Centre. In close proximity lies Golden Mile Complex, the start and rest point of many Singapore-Malaysia long-distance coaches.
- Hotel Royal is located only minutes away from the renowned shopping and entertainment haven of Orchard Road and comprises 331 rooms. The Novena MRT Station is within 8 minutes walking distance from the hotel.

SWOT Analysis

Strengths

- The hotel is in the modern medical hub of Singapore.
- The hotel is located within close proximity to Tan Tock Seng Hospital, Raffles Hospital, Parkway Health Hospital, Thomson Medical Centre and Novena Medical Centre.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.
- Spillover benefits from cross-selling by sister hotels.
- The hotel has wide appeal, catering to the business and leisure tourists seeking medical services.

Weaknesses

- There is a lack of brand awareness.
- Limited meeting room space.

Opportunities

- Improvement of the hotel in its market positioning and operations are expected.
- The hotel is well positioned to take advantage of the increasing trends towards more medical services and value oriented travel preferences.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.6 Orchard Parade Hotel



Tenure:	Leasehold of 50 years commencing from 31 March 2012
Completion Date	20 June 1987
Approximate GFA	34,072 sq m
Rooms breakdown:	The Hotel has 388 guest bedrooms comprising 101 Superior and 122 Deluxe rooms, 13 Premier suites, 60 Executive rooms, 33 Family rooms/suites, 58 Club rooms/suites and a Presidential suite.
Facilities:	Facilities and amenities available to the guests include an outdoor pool, a fitness facility, a self-service launderette, a hair salon, business amenities such as wireless Internet access and meeting rooms. Orchard Parade Hotel has eight F&B outlets, serving a variety of Asian, Italian, and Western-fusion cuisine, as well as a bar/lounge, and a coffee shop/café. Services offered at Orchard Parade Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	The property is situated along Orchard Road, at the intersection with Tanglin Road. It is approximately 4.0 km from the city centre at Raffles Place.
Surrounds:	Orchard Parade Hotel is prominently located within the heart of the Orchard Road shopping and tourist belt. Shopping malls along the nearby stretch of Orchard Road includes the Paragon, The Heeren, Ngee Ann City, Wisma Atria, Mandarin Gallery, Lucky Plaza, Tangs Shopping Centre, The Centrepoint, 313 @ Somerset and Orchard Central amongst others. Hotels within the Orchard vicinity include Mandarin Orchard, Marriott Hotel, Grand Hyatt Singapore, Royal Plaza on Scotts and Orchard Hotel. Nearby residential developments include Richmond Park, Elizabeth Towers, Elizabeth Regency, Cairnhill Plaza and Cairnhill Crest amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Orchard MRT Station.

Competitive Set

The Orchard Parade Hotel is positioned as a Midtier/Upscale hotel, operating in the Midtier/Upscale market. The hotels deemed directly competitive are as follows:

- Orchard Hotel Singapore comprises 653 rooms and is located 3 minute walk away from the Orchard Road shopping belt, and within walking distance to Orchard MRT station.
- The Royal Plaza is a 511-room, 4-star Upscale hotel, located in the heart of Orchard shopping area and approximately 3.5 km from the Central Business District.
- Traders Hotel Singapore has 546 rooms and is situated in the shopping area of Orchard road. It is about 3.5 km from the city centre at Raffles Place.
- Carlton Hotel comprises 628 rooms and is located in the heart of the civic and cultural district; it is a three minute walk to the Orchard Road shopping belt, and within walking distance to the Bras Basah and City Hall MRT stations.

SWOT Analysis

Strengths

- The hotel is in a central location.
- The hotel is located within Orchard shopping belt area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The hotel is within walking distance to Orchard MRT station.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insourcer.
- Spill-over benefits from cross-selling by sister hotels.

Weaknesses

- Limited meeting room space in comparison to other Upscale hotels.

Opportunities

- The hotel trades below its competitive market. There is a potential for the hotel to hold a fair share competitive position and achieve a higher ADR through a refurbishment of the public areas to attract higher yielding guests.
- Proximity to Camden Medical Centre and Gleneagles Hospital - strategically located to tap on thriving medical tourism industry.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.2.7 The Quincy Hotel



Tenure:	Leasehold of 75 years commencing from 31 March 2012
Date of Completion	27 November 2008
Approximate NLA	4,810 sq m
Rooms breakdown:	The Hotel has 108 Studio room.
Facilities:	Facilities and amenities available to the guests include an indoor pool, a fitness facility, a steam room, and a sauna and iMac stations in the lobby. Complimentary wireless Internet access is available in public areas and business amenities include a business centre and limo/town car service. Numerous shopping malls are located conveniently nearby in the Orchard Road shopping district, providing guests with a wide range of facilities and shopping opportunities. Services offered at The Quincy Hotel include concierge and security, in-room dining service, laundry, dry cleaning, valet, travel and tour reservation services.
Location:	The Quincy Hotel is an approximately 15-minute walk away from Orchard MRT Station, and an approximately 30 minutes' drive from Singapore Changi International Airport.
Surrounds:	The Quincy Hotel is an approximately 15-minute walk from Orchard MRT Station, Mt Elizabeth Hospital and Paragon Medical Centre and an approximately 10-minute drive away from the Central Business District and Suntec Singapore International Convention & Exhibition Centre. Hotels nearby include York Hotel, The Quincy Hotel, Grand Hyatt Singapore, Goodwood Park Hotel and Royal Plaza amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Orchard MRT Station.

Competitive Set

The Quincy Hotel is positioned as an Upscale hotel, operating in the Upscale market. The hotels deemed directly competitive are as follows:

- The Naumi features 40 rooms and is a 4-star boutique hotel which opened in 2008. It is situated approximately 2.0 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- The Sheraton Towers is a 412-room, 4-star upscale hotel located in the Orchard shopping area and approximately 4.0 km from the Central Business District.
- Pan Pacific Orchard has 206 rooms and is situated in the heart of Orchard district. It is about 4.0 km from the city centre at Raffles Place.
- Royal Plaza comprises 511 rooms and is located in the heart of Orchard district and within walking distance to Orchard MRT station.
- Grand Park Orchard comprises 308 rooms, and is located on Orchard Road and a 5-minute walk to the Orchard MRT station. It is a 10-minute drive from Suntec Convention Center and a 25-minute drive from Changi International Airport.

SWOT Analysis

Strengths

- The hotel is in a central location.
- The hotel is located within Orchard shopping belt area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The hotel is within walking distance to Orchard MRT station.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.
- Spill-over benefits from cross-selling by sister hotels.
- Smoke-free policy.

Weaknesses

- Limited meeting room space in comparison to other Upscale hotels.
- Dependence on a single F&B provider.
- Located uphill from shopping malls.

Opportunities

- Proximity to Mount Elizabeth Hospital and Paragon Medical Centre - strategically located to tap on the thriving medical tourism industry.
- The hotel is well positioned to take advantage of the increasing trends towards boutique hotel.

Threats/Risks

- Strong competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.3 Serviced Residences Overview

7.3.1 Central Square Village Residences



Tenure:	Leasehold of 80 years commencing from 31 March 2012
Date of Completion	19 February 1998
Approximate GFA	17,858 sq m
Rooms breakdown:	The Serviced Residence has 128 units comprising 4 Studio suites, 52 One bedroom suites, 64 Two bedroom suites and 8 Three bedroom suites.
Facilities:	Facilities and amenities available to the guests include a swimming pool, a sauna, outdoor jacuzzi, gym and BBQ pits. The residence also has a comprehensive business centre and executive lounge. Services offered at Central Square Village Residences include airport shuttle, concierge, dry cleaning, free Wi-Fi access. Small restaurants serving up both local and international fare are also located nearby along Clarke Quay walkways, as is a niche Japanese supermarket providing residences with their groceries needs.
Location:	Approximately 1.5 km from the city centre at Raffles Place and is about 25 minutes away from Changi International Airport.
Surrounds:	Central Square Village Residences is situated between the rich cultural hub of Chinatown, the hip Clarke Quay area and a stone is throw away from the Central Business District. Serviced Residences nearby include Somerset Liang Court, Frasers Place Robertson Walk, Riverside View, Park Avenue Robertson, Great World Serviced Apartments and Regency House amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Clarke Quay MRT Station.

Competitive Set

The Central Square Village Residences is positioned as a Midtier Serviced Residences. The SRs deemed directly competitive are as follows:

- The Park Avenue Robertson features 31 units which opened in 2008. It is situated approximately 2.5 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- Great World Serviced Apartments is a 304-room, 4-star Midtier property which opened in 1997, along the Singapore River, approximately 3.0 km from the Central Business District.
- The Frasers Place Robertson Walk has 161 units and is situated along the Singapore River district. It is about 2.4 km from the city centre at Raffles Place.
- The Somerset Liang Court comprises 192 rooms and is located in the heart of the Clarke Quay area; it is a 10-minute walk to the CBD, and within walking distance to Clarke Quay MRT station.

SWOT Analysis

Strengths

- The SR is located within Clarke Quay area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The SR is in close proximity to the CBD and a wide range of F&B outlets and entertainment spots in Clarke Quay and Chinatown.
- Leverage on "Village" branding.
- Leverage on access to central group resources - greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- The hotel has poor ground floor visual amenity, with limited street exposure.
- Low foot traffic in the area to attract mainstream retail tenants.

Opportunities

- Increase marketing which targets existing and growing corporate presence in the local region.
- Continued development of Singapore as a hub for Financial Services, IT, Sports, Biomedical, BTMICE, IP, International Arbitration, Aerospace, Shipping and etc.
- Redevelopment of the Subordinate Courts complex.

Threats/Risks

- Competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.3.2 Hougang Village Residences



Tenure:	Leasehold of 81 years commencing from 31 March 2012
Date of Completion	30 December 1999
Approximate GFA	14,635 sq m
Rooms breakdown:	The Serviced Residence has 78 units comprising 30 Two bedroom suites and 48 Three bedroom suites
Facilities:	Facilities and amenities available to the guests include a swimming pool, outdoor jacuzzi, sauna, children's play centre, outdoor fitness centre and a gym, tennis courts and BBQ pits. Services offered at Hougang Village Residences include airport shuttle, concierge, dry cleaning, free Wi-Fi access.
Location:	Approximately 12.0 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport. Hougang Village Residences is also a mere 20-minute drive from Orchard.
Surrounds:	Hougang Village Residences is situated in the Northeast region of Singapore. It is surrounded by almost a dozen primary and secondary schools, and is a 2-minute drive away from many IT companies within the Ang Mo Kio Industrial Park 2. Hougang Village Residences is located above the Hougang Festival Market retail podium and allows residents to enjoy the convenience of a mall comprising 24-hour food courts, supermarkets and fashion outlets.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is located a 10-minute bus ride from both Hougang and Buangkok MRT Stations. A free shuttle service to Ang Mo Kio MRT Station is provided to guests.

Competitive Set

The Hougang Village Residences is positioned as a Midtier Serviced Residences. The SR deemed directly competitive is the Redwood Residences Central. It features 34 rooms and is a 3-star Economy serviced apartments. It is situated approximately 7.5 km from the city centre at Raffles Place and is about 15 minutes away from Changi International Airport.

Hougang Village Residences has no real competitor at the moment according to its specific location. However, new developments in the Changi area, such as Modena Frasers Suites (313 units) and Park Avenue Changi (130 units) will be direct competitors starting from 2012.

SWOT Analysis

Strengths

- Only SR in Hougang/ Changi area, with no competitors in the North region area.
- Proximity to Seletar Aerospace Park, Singapore Expo, Changi Airport and offices in Loyang, Changi North & South, Tampines, Pasir Ris, Changi Business Park, Ubi, Kaki Bukit, Bedok, and Chai Chee.
- Leverage on "Village" branding.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- The SR is located away from key tourist attractions such as Orchard shopping area, Boat Quay and the Marina Bay.

Opportunities

- Continued development of Seletar Aerospace Park and Business Changi Park
- Continued development of Singapore as a hub for Financial Services, IT, Sports, Biomedical, BTMICE, IP, International Arbitration, Aerospace, Shipping and etc.

Threats/Risks

- Competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.3.3 Regency House



Tenure:	Leasehold of 81 years commencing from 31 March 2012
Date of Completion	24 October 2000
Approximate GFA	10,723 sq m
Rooms breakdown:	The Serviced Residence has 90 units comprising 41 Studio suites, 37 Two bedroom suites and 12 Three bedroom suites.
Facilities:	Facilities and amenities available to the guests include a rooftop swimming pool, outdoor jacuzzi, gym and BBQ pits. The residence also has a comprehensive business centre and executive lounge. Services offered at Regency House include airport shuttle, concierge, dry cleaning and cable TV.
Location:	Approximately 3.0 km from the city centre at Raffles Place and is about 25 minutes away from Changi International Airport. The Orchard Road shopping belt is within close proximity.
Surrounds:	Regency House is located at the junction of Penang Road and Oxley Road, and is just across from the newly opened Orchard Central shopping mall and the refurbished Killiney Road Post Office. It is situated approximately two minutes away from Somerset MRT Station by foot, which connects it to the Central Business District and the rest of Orchard Road. Various amenities are available nearby given Regency House's location on the Orchard Road shopping belt. The Istana and numerous entertainment hotspots such as Robertson Quay are also located nearby. Serviced Residences nearby include Pan Pacific Serviced Apartments, Somerset Grand Cairnhill Singapore, Somerset Orchard Singapore, Lanson Place Winsland Serviced Residences, The Parklane Suites and Fraser Suites River Valley amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Somerset MRT Station.

Competitive Set

The Regency House is positioned as an Upscale Serviced Residences. The SRs deemed directly competitive are as follows:

- The Somerset Cairnhill features 144 units and opened in 1989. It is situated approximately 4.5 km from the city centre at Raffles Place and is about 25 minutes away from Changi International Airport.
- The Somerset Bencoolen is a 107-unit Serviced Residence which opened in early 2004, approximately 3.0 km from the Central Business District.
- The Lanson Place Winsland Serviced Residences has 67 units and is situated in the Orchard area. It is about 3.5 km from the city centre at Raffles Place.
- Citadines Mount Sophia comprises 154 units and is located in the heart of the civic and cultural district; it is a 10-minute walk to the Orchard Road shopping belt, and within walking distance to Dhoby Ghaut MRT.

SWOT Analysis

Strengths

- The SR is centrally located within Orchard shopping belt area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The SR is within walking distance to Orchard MRT station.
- Leverage on central group resources – greater efficiency and cost savings from Contract Services Insource
- Spill-over benefits from cross-selling by sister residences.

Weaknesses

- Limited facilities in comparison to other new SR developments.

Opportunities

- Increase marketing which targets existing and growing corporate presence in the local region.
- Continued development of Singapore as a hub for Financial Services, IT, Sports, Biomedical, BTMICE, IP, International Arbitration, Aerospace, Shipping and etc.

Threats/Risks

- Competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.3.4 Riverside Village Residences



Tenure:	Leasehold of 78 years commencing from Listing Date
Date of Completion	12 July 1996
Approximate GFA	10,570 sq m (includes an accessory lot with an area of 22 sq m)
Rooms breakdown:	The Serviced Residence has 72 units comprising 12 Studio suites, 44 Two bedroom suites and 16 Three bedroom suites.
Facilities:	Facilities and amenities available to the guests include a swimming pool and wading pool, children's playground, outdoor jacuzzi, gym and BBQ pits. Services offered at Riverside Village Residences include airport shuttle, concierge, dry cleaning and cable TV.
Location:	Approximately 2.5 km from the city centre at Raffles Place and is about 25 minutes away from Changi International Airport. The Orchard Road shopping belt is within close proximity.
Surrounds:	Riverside Village Residences sits on the banks of the Singapore River close to the bars and restaurants of trendy Robertson Quay. It is connected to the rest of Singapore by the nearby Clarke Quay MRT Station, and is within walking distance to Singapore's Central Business District. Chinatown's many cultural, culinary and shopping attractions are also a short walk away. A shuttle service takes residents working nearby to Raffles Place, DBS Building, Temasek Tower, Suntec City and City Hall every weekday morning. Residents can also take a river taxi to Marina Bay Sands. Serviced Residences nearby include Somerset Liang Court, Frasers Place Robertson Walk, Riverside View, Park Avenue Robertson, Great World Serviced Apartments and Regency House amongst others.
Access:	The Central Expressway is within close proximity and facilitates access to various parts of the island. The property is well served by all modes of transportation. The property is within walking distance of Clarke Quay MRT Station.

Competitive Set

The Riverside Village Residences is positioned as a Midtier Serviced Residences. The SRs deemed directly competitive are as follows:

- The Park Avenue Robertson features 31 units which opened in 2008. It is situated approximately 2.5 km from the city centre at Raffles Place and is about 20 minutes away from Changi International Airport.
- Great World Serviced Apartments is a 304-room, 4-star Midtier property which opened in 1997, along the Singapore River, approximately 3.0 km from the Central Business District.
- The Frasers Place Robertson Walk has 161 units and is situated along the Singapore River district. It is about 2.4 km from the city centre at Raffles Place.
- The Somerset Liang Court comprises 192 rooms and is located in the heart of Clarke Quay area; it is a 10-minute walk to the CBD, and within walking distance to Clarke Quay MRT station.

SWOT Analysis

Strengths

- The SR is located within Clarke Quay area. It is near the Singapore Art Museum and Singapore History Museum, and is close to retail and entertainment facilities. Good mix of corporate and wholesale leisure content.
- The SR is in close proximity to the CBD and a wide range of F&B outlets and entertainment spots in Clarke Quay and Chinatown.
- Leverage on "Village" branding.
- Leverage on access to central group resources - greater efficiency and cost savings from Contract Services Insource.

Weaknesses

- The hotel has poor ground floor visual amenity, with limited street exposure.
- Low foot traffic in the area to attract mainstream retail tenants.

Opportunities

- Increase marketing which targets existing and growing corporate presence in the local region.
- Continued development of Singapore as a hub for Financial Services, IT, Sports, Biomedical, BTMICE, IP, International Arbitration, Aerospace, Shipping and etc.
- Redevelopment of the Subordinate Courts complex.

Threats/Risks

- Competition from additional supply in the market.
- Labour crunch and resultant rise in associated costs.
- Other rising costs in materials, etc.
- Inability to keep abreast of evolving consumer demand.

7.4 Portfolio Performance

7.4.1 Hotel Portfolio

The table below compares the average room rates and occupancy levels of the Hotel Portfolio and outlines our forecast. We have also added the STB performances for the Upscale and Midtier, detailing a collated average Occupancy and ADR for a competitive set.

Fair Share Analysis for the FEO Hotel Portfolio vs. Market																
(ADR & Room Yield is Expressed in S\$ Terms)																
PERIOD	YEAR END	OCCUPANCY (%)					AVERAGE DAILY RATE (\$S)					RevPAR (\$S)				
		December	Singapore	Upscale	Midtier	Portfolio Index	Singapore	Upscale	Midtier	Portfolio Index	Singapore	Upscale	Midtier	Portfolio Index		
Historical																
	2005	83.8%	84.9%	84.5%			137.0	134.8	84.5		114.8	114.5	71.4			
	2006	85.2%	85.5%	86.9%			164.4	171.5	106.9		140.1	146.7	92.9			
	2007	87.0%	86.3%	88.6%	88.1%	1.01	201.8	231.6	165.2	175.4	0.87	175.6	199.2	146.8	154.5	0.88
	2008	81.0%	80.8%	82.9%	89.0%	1.10	245.9	268.4	191.8	199.7	0.81	199.2	217.0	159.0	177.7	0.89
	2009	75.8%	75.7%	76.5%	83.7%	1.10	189.6	206.8	137.3	144.5	0.76	143.7	155.1	103.1	120.9	0.84
	2010	85.1%	86.6%	87.0%	87.9%	1.03	217.0	238.0	168.1	182.1	0.84	184.7	206.0	146.2	160.1	0.87
	2011	86.5%	87.5%	87.4%	75.4%	0.87	244.9	278.2	187.1	198.6	0.81	211.8	243.5	163.5	149.7	0.71
07 to 11	AVE	83.1%	83.4%	84.5%	84.8%	CAAG	4.0%	3.7%	2.5%	2.5%	CAAG	3.8%	4.1%	2.2%	-0.6%	
December																
Forecast																
1	2012	86.2%	87.3%	87.2%	85.3%	0.99	260.9	296.3	199.3	208.7	0.80	224.9	258.7	173.8	178.1	0.79
2	2013	84.1%	85.2%	85.1%	85.0%	1.01	273.9	311.1	209.2	219.1	0.80	230.4	265.1	178.1	186.2	0.81
3	2014	82.0%	83.1%	83.0%	82.9%	1.01	284.9	323.6	217.6	227.9	0.80	233.7	268.9	180.6	188.8	0.81
3Yr	AVE	84.1%	85.2%	85.1%	84.4%	CAAG	3.1%			2.8%	CAAG	2.0%			4.7%	

CAAG = Compound Average Annual Growth

Source: Historical data supplied by Hotel Owner & STB

Forecast by CBRE Hotels

Historically, the Hotel Portfolio has achieved occupancies in line with the competitive market average. In 2009, during the GFC, occupancy for the Hotel Portfolio kept up to fair share, due to room demand being pulled from the hotels as more exclusive and better located hotels competed more aggressively for business. In 2010, the Hotel Portfolio recovered from the shock of the GFC and returned to be in line with the competitive market average. The Hotel Portfolio again fell below fair share in 2011. However, this is due to the opening of the Oasia Hotel in 2011, with a low occupancy rate. We anticipate occupancy to remain in line with the current market level.

In 2009, ADR for the Hotel Portfolio decreased in line with the market, as all hotels in the city reduced rate to maintain occupancy. In 2010, improving market conditions saw an uplift of ADR; however, this was still below the highs of 2008. For 2011, the Hotel Portfolio performed in line with the competitive market, gaining more brand recognition with Village. Growth thereafter is expected to be in line with market forecasts.

CBRE Hotels forecasts RevPAR to rise from \$150 in 2011 to \$189 in 2014. The index rises from 0.79 in the first year to 0.81 in the third year of operation.

Even through the hotel room supply will increase over the next years, CBRE Hotels forecasts strong occupancy levels. An estimated 30 new hotels with approximately 7,229 hotel rooms are expected to enter the market by the end of 2014.

7.4.2 Serviced Residence Portfolio

The table below compares the average room rates and occupancy levels of the SR Portfolio and outlines our forecast.

Fair Share Analysis for the FEO Serviced Residences Portfolio vs. Market											
<small>(ADR & Unit Yield is Expressed in S\$ Terms)</small>											
PERIOD	YEAR END	OCCUPANCY (%)			AVERAGE DAILY RATE (\$\$)				RevPAU (\$\$)		
		December	Singapore Portfolio	Index	Singapore %	Change Portfolio	Index	Singapore	Portfolio	Index	
Historical											
	2005		88.0%		179.2				157.8		
	2006		90.3%		180.9	1.0%			163.4		
	2007		93.8%	92.5%	0.99	225.7	24.7%	200.5	0.89	211.6	185.5
	2008		89.5%	87.6%	0.98	244.5	8.3%	244.3	1.00	218.8	214.0
	2009		77.8%	82.3%	1.06	214.8	-12.2%	177.9	0.83	167.0	146.4
	2010		85.5%	92.3%	1.08	221.5	3.1%	197.1	0.89	189.4	181.9
	2011		91.8%	92.2%	1.00	242.5	9.5%	232.4	0.96	222.5	214.3
07 to 11	AVE		87.7%	89.4%		CAAG	1.4%	3.0%		CAAG	1.0%
	December										
Forecast											
1	2012		91.6%	89.7%	0.98	258.3	6.5%	245.3	0.95	236.5	220.1
2	2013		89.3%	89.3%	1.00	271.2	5.0%	254.9	0.94	242.3	227.7
3	2014		87.1%	88.9%	1.02	282.0	4.0%	265.1	0.94	245.7	235.6
3Yr	AVE		89.3%	89.3%		CAAG	3.1%	2.7%		CAAG	2.0%

CAAG = Compound Average Annual Growth

Source: Historical data supplied by SR Owner & STB

Forecast by CBRE Hotels

Historically, the SR Portfolio has achieved occupancies in line with the competitive market average. In 2009, during the GFC, occupancy for the SR Portfolio was above fair share, due to the strong knowledge of the market from Far East Organization and demand turned to alternative accommodation choice. In 2010, the SR Portfolio recovered from the shock of the GFC and performed above the competitive market average. The SR Portfolio maintained occupancy rate in line with fair share in 2011. We anticipate occupancy to remain at its current level relative to the market.

In 2009, ADR for the SR decreased in line with the market, as all SR in the downtown area reduced rate to maintain occupancy. In 2010, improving market conditions saw an uplift of ADR; however, this was still below the highs of 2008. For 2011, the SR Portfolio performed in line with the competitive market. Growth thereafter is expected to be in line with market expectations.

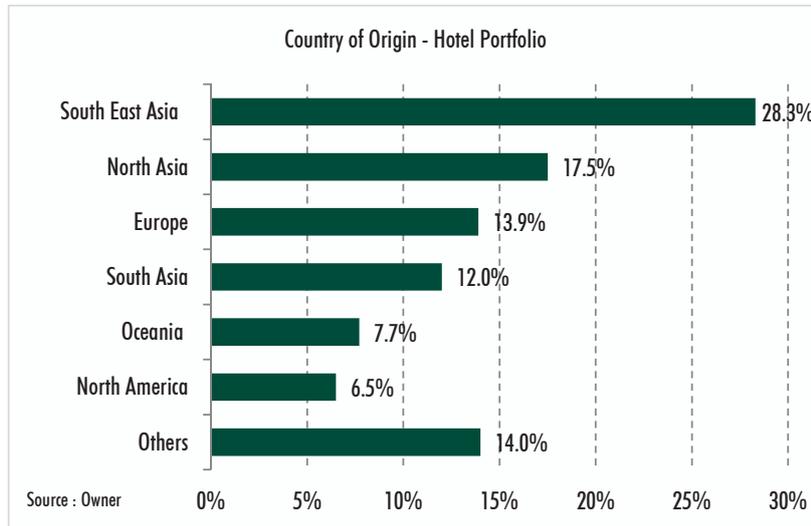
CBRE Hotels forecasts RevPAU to rise from \$214 in 2011 to \$236 in 2014. The index rises from 0.93 in the first year to 0.96 in the third year of operation.

The Singapore SR market has enjoyed a relatively stable supply for a number of years. While there are a small number of SR developments under construction or planned for the next few years across Singapore, most proposed developments are located in fringe or suburban locations.

7.5 Portfolio Business Mix

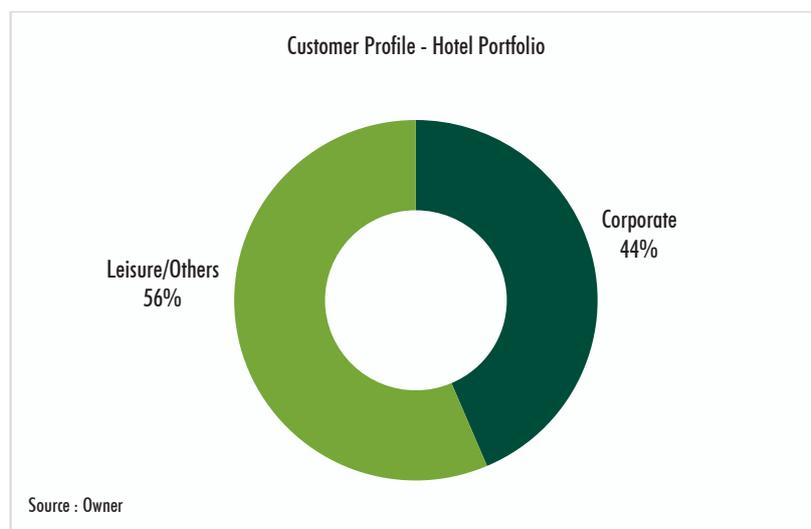
7.5.1 Hotel Portfolio

The following charts show the guest profile of the Properties on portfolio basis (in terms of income) by market segment and industry for 2011:

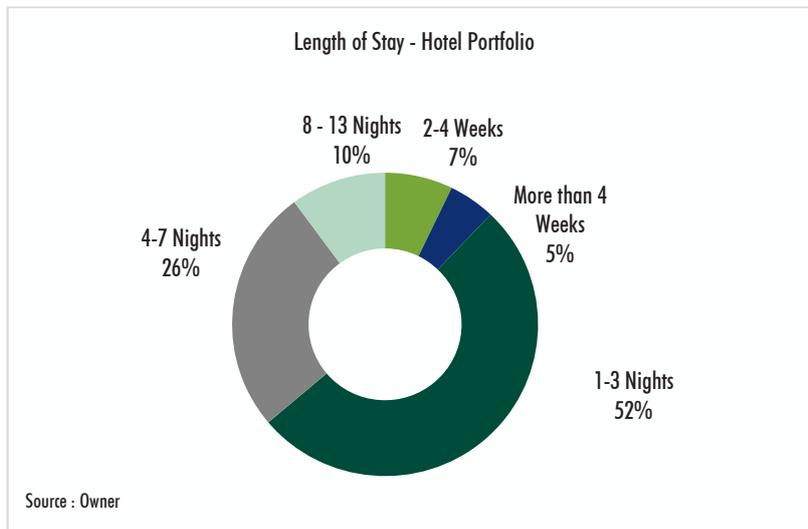


North America includes United States and Canada, Oceania includes Australia, New Zealand and etc., North Asia includes China, Hong Kong, Taiwan, Macau, Mongolia, N&S Korea and Japan, South East Asia includes Malaysia, Indonesia, Thailand, Philippines and etc., South Asia includes India, Pakistan, Bangladesh, Sri Lanka, and Nepal, Europe and Others include Middle East, Africa and others.

In 2011, more than 53% of the guests were from the Asia Pacific region, indicating that Singapore remains an attraction for travellers in the region where economic growth remains positive with a limited exposure to the US/Europe tourist markets.



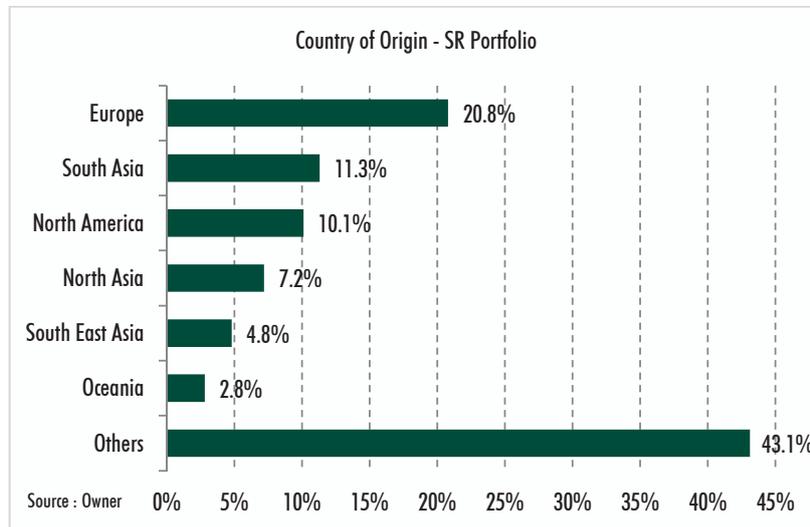
This business mix shows good variety of business source, as would be expected for hotels in these locations with the facilities they provide.



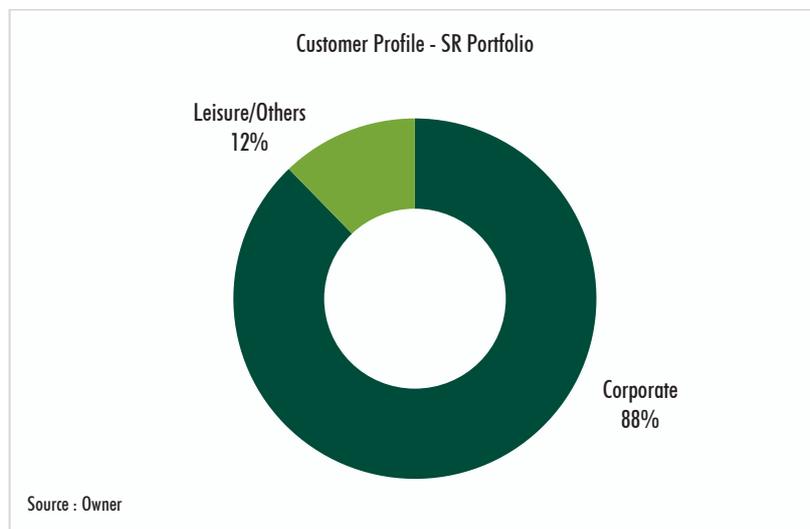
In 2011, 78% of the guests stayed between 1 day and 7 days, which is in line with market comparable and the average length of stay of 3.8 recorded in Singapore in 2011.

7.5.2 Serviced Residence Portfolio

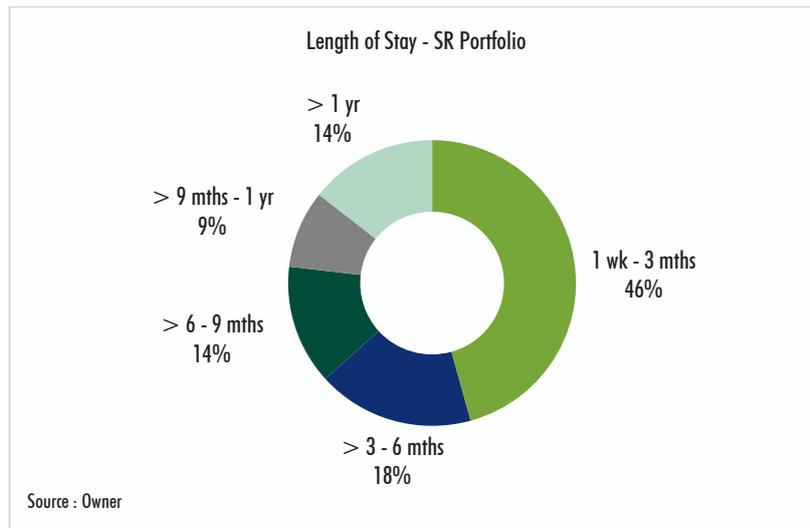
The following charts show the guest profile of the SR Portfolio on portfolio basis (in terms of income) by market segment and industry for 2011:



In 2011, more than 53% of the guests were from the Asia Pacific region, indicating that Singapore remains an attraction for travellers in the region where economic growth remains positive with a limited exposure to the US/Europe tourist markets.



This business mix shows an important proportion of corporate guests, consistent with a SR portfolio in these locations with the facilities and quality of management provided.



In 2011, 46% of the guests stayed between 1 week and 3 months, which is in line with market comparable and the average length of stay of recorded in Singapore in 2011 for SR industry.

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DBS Trustee Limited
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The Board of Directors
FEO Hospitality Trust Management Pte. Ltd.
as Trustee-Manager of Far East Hospitality Business Trust
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CD 2012

Dear Sirs:

SINGAPORE TAXATION REPORT

This letter has been prepared at the request of FEO Hospitality Asset Management Pte. Ltd. (the “**REIT Manager**”) and FEO Hospitality Trust Management Pte. Ltd. (the “**Trustee-Manager**”) for inclusion in the Prospectus to be issued in relation to the initial public offering of the stapled securities in Far East Hospitality Trust (the “**Stapled Securities**”), a stapled group comprising Far East Hospitality Real Estate Investment Trust (“**Far East H-REIT**”) and Far East Hospitality Business Trust (“**Far East H-BT**”), on the Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide prospective purchasers of the Stapled Securities with an overview of the Singapore income tax consequences of the purchase, ownership and disposition of the Stapled Securities. This letter principally addresses investors who hold the Stapled Securities as investment assets. Investors who hold or acquire the Stapled Securities for dealing purposes should consult their own tax advisers concerning the tax consequences of their particular situations.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Stapled Securities. Prospective investors in the Stapled Securities should consult their own tax advisers to take into account the tax law applicable to their particular situations. In particular, prospective investors who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any tax treaty which their countries of residence may have with Singapore.

This letter is based on the Singapore income tax laws and the relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include any gender.

SINGAPORE TAXATION OF TRUSTS IN GENERAL

Under current Singapore income tax law, the taxable income of a trust comprises:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The taxable income of a trust is ascertained in accordance with the provisions of the Singapore income tax law, after deduction of all allowable expenses and any other allowances permitted under the law.

The taxable income of a trust, or part thereof, is taxed at the prevailing corporate tax rate and the tax is assessed on the trustee in the following circumstances:

- (a) where the income is derived from any trade or business carried on by the trustee, in its capacity as the trustee of the trust;
- (b) where the beneficiaries of the trust are not resident in Singapore; or
- (c) where the beneficiaries are not entitled to the income of the trust.

Any distribution made out of taxable income which has been assessed to tax on the trustee is treated as capital in nature and the beneficiaries will not be subject to further tax on such distribution. The tax paid by the trustee on such income is not imputed as a credit to the beneficiaries for Singapore income tax purposes.

Under section 43(2) of the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) where it is proved to the satisfaction of the Comptroller of Income Tax (the “**Comptroller**”) that any beneficiary of a trust is entitled to a share of the trust income, a corresponding share of the statutory income of the trustee may be charged at a lower rate or not charged with any tax, as the Comptroller shall determine. Instead, the beneficiaries of the trust will be assessed to tax on their respective shares of the statutory income of the trust. This tax treatment, where the trustee may be charged at a lower rate or not charged with any tax, is applicable only in certain circumstances and an advance tax ruling can be sought from the Inland Revenue Authority of Singapore (the “**IRAS**”) to confirm its application.

For Singapore income tax purposes, Far East Hospitality Trust is not a taxable entity on its own. Instead, Far East H-REIT and Far East H-BT are subject to tax separately based on their own characteristics as a real estate investment trust and a Registered Business Trust respectively.

I. FAR EAST H-REIT

Taxation of Far East H-REIT

The Singapore taxation of the main items of income that Far East H-REIT is expected to derive is as described below.

The taxable income of Far East H-REIT will comprise substantially income derived from the letting of real properties used predominately for hospitality purposes and incidental property-related income. The amount of taxable income will be ascertained in accordance with the provisions of the Income Tax Act, after deduction of all allowable expenses and any other allowances permitted under that Act.

Far East H-REIT has obtained an advance ruling from the IRAS (the “**Tax Ruling**”) to confirm that section 43(2) of the Income Tax Act will apply to the following income:

- (a) rental income and property related income from direct ownership of properties located in Singapore (excluding gains from the disposal of immovable property determined to be trading gains); and
- (b) interest income from deposits with banks in Singapore and interest, discount and premium from debt securities (including Islamic debt securities).

This Tax Ruling is subject to certain terms and conditions.

Tax treatment under the Tax Ruling

Taxable Income distributed to Stapled Securityholders

Subject to meeting the terms and conditions of the Tax Ruling, the REIT Trustee will not be taxed on Far East H-REIT’s Taxable Income to the extent of the amount that is distributed to Stapled Securityholders, provided that at least 90.0% of Far East H-REIT’s Taxable Income is distributed within the year in which the income is derived. Instead, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from such distributions (“**Taxable Income Distributions**”). Tax will not be deducted if the Stapled Securityholder beneficially entitled to the distributions is an individual who does not hold the Stapled Securities through a partnership or a “Qualifying Stapled Securityholder”.

A “Qualifying Stapled Securityholder” refers to:

- (a) a company incorporated and tax resident in Singapore (see “Declaration by Stapled Securityholders – Tax residence of a company”);
- (b) a body of persons, other than a company or a partnership, incorporated or registered in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or
- (c) a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Far East H-REIT (see “Declaration by Stapled Securityholders – Singapore branches of foreign companies”).

For Stapled Securities which are jointly held, tax will be deducted from Taxable Income Distributions, except where the Stapled Securities are jointly held by individuals.

Where the beneficial owner of the Stapled Securities is a “Qualifying Foreign Non-individual Stapled Securityholder”, tax at the reduced rate of 10.0% will be deducted from Taxable Income Distributions made by Far East H-REIT on or before 31 March 2015. A “Qualifying Foreign Non-individual Stapled Securityholder” is a person (other than an individual) who is not a resident of Singapore for income tax purposes and:

- (a) who does not have a permanent establishment in Singapore; or
- (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire the Stapled Securities are not obtained from that operation.

To receive distributions without tax deduction at source, Stapled Securityholders who are Qualifying Stapled Securityholders must disclose their tax status in a prescribed form provided by the REIT Manager. Similarly, to receive distributions with tax deduction at the reduced rate of 10.0% for distributions made on or before 31 March 2015, Qualifying Foreign Non-individual Stapled Securityholders must disclose their tax status in a prescribed form provided by the REIT Manager (see “Declaration by Stapled Securityholders”).

Where the Stapled Securities are held in the name of nominees, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate from Taxable Income Distributions, except:

- (a) where the beneficial owners of the Stapled Securities are individuals or Qualifying Stapled Securityholders, tax may not be deducted from the distributions where a declaration is made by the nominee of the status of the beneficial owners of the Stapled Securities (which includes the provision of certain particulars of the beneficial owners of the Stapled Securities) in a prescribed form provided by the REIT Manager (see “Declaration by Stapled Securityholders”);
- (b) where the beneficial owners of the Stapled Securities are Qualifying Foreign Non-individual Stapled Securityholders, tax may be deducted at the reduced rate of 10.0% from distributions made on or before 31 March 2015 where a declaration is made by the nominee of the status of the beneficial owners of the Stapled Securities (which includes the provision of certain particulars of the beneficial owners of the Stapled Securities) in a prescribed form provided by the REIT Manager (see “Declaration by Stapled Securityholders”); and
- (c) where the Stapled Securities are held by the nominees as Supplementary Retirement Scheme (the “**SRS**”) operators acting for individuals who purchased the Stapled Securities within the SRS, tax will not be deducted from the distributions made in respect of these Stapled Securities.

Taxable Income not distributed

To the extent of the amount of Taxable Income not distributed to Stapled Securityholders (“**Retained Taxable Income**”), tax on such Retained Taxable Income will be assessed on the REIT Trustee.

In the event that a distribution is subsequently made out of Retained Taxable Income, tax will not be deducted from such distribution.

Rollover adjustments

Taxable Income Distributions made to Stapled Securityholders will be based on the amount of Taxable Income determined by the REIT Manager. In the event that the Taxable Income finally agreed with the IRAS is different from the Taxable Income determined by the REIT Manager for distribution purposes, the difference will be added to or deducted from, as the case may be, the Taxable Income determined by the REIT Manager for the next distribution immediately after the difference has been agreed with the IRAS.

The practical effect of these rollover adjustments to Stapled Securityholders is that the Taxable Income for a distribution period may be lower or higher than the Taxable Income ascertained based strictly on the income of Far East H-REIT for that distribution period.

Gains on disposal of real properties

Singapore does not impose tax on capital gains. Gains derived by Far East H-REIT from the disposal of its real properties will not be liable to Singapore income tax unless such gains are considered income derived from a trade or business carried on by Far East H-REIT. The gains may also be subject to tax if the properties are acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

Far East H-REIT is entitled to the facts and circumstances test derived from case law in determining whether any gains from the sale of any of its real properties are or are not derived from the conduct of a trading business.

Should such gains be determined to be trading gains and hence subject to income tax, the tax will be assessed on the REIT Trustee. In the event that the REIT Trustee and the REIT Manager exercise their discretion to make a distribution out of such gains, tax will not be deducted from such distribution.

II. FAR EAST H-BT

Singapore taxation of trusts registered with the Monetary Authority of Singapore (the “MAS”) under the Business Trusts Act (Chapter 31A)

A trust registered with the MAS under the Business Trusts Act (Chapter 31A) (the “**Business Trusts Act**”) is treated like a company under the one-tier system for income tax purposes. This tax treatment is effective from the first year such a trust commences operation as a registered business trust. Accordingly, like a company under the one-tier system, a registered business trust is subject to Singapore income tax in accordance with the same provisions of the income tax laws applicable to a company.

The income of a registered business trust is taxed at the trust level. Taxable income comprises income accruing in or derived from Singapore as well as income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law unless such income is otherwise exempt from tax. There is no capital gains tax in Singapore. However, gains from the sale of real properties or investments are chargeable to tax if such gains arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

Singapore income tax is imposed on the chargeable income of a registered business trust after deduction of allowable expenses and any allowances permitted under the law. The tax is assessed on the trustee-manager of the registered business trust.

The first S\$300,000 of chargeable income of a registered business trust is exempt from tax as follows:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$290,000 of chargeable income.

The remaining chargeable income (after deducting the applicable tax exemption on the first S\$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently 17.0%. The distributions made by a registered business trust to its unitholders are exempt from Singapore income tax in the hands of the unitholders, regardless of their nationality, corporate identity or tax residence status. No credit will be allowed to the unitholders for any tax paid by the trustee-manager on the income of the registered business trust.

For tax purposes, a registered business trust is considered a tax resident of Singapore if:

- (a) the trustee-manager of the registered business trust in his capacity as such carries on a trade or business in Singapore; and
- (b) the control and management of the business is in Singapore.

Taxation of Far East H-BT

Far East H-BT will be liable to Singapore income tax on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

As Far East H-BT will be dormant as at the Listing Date, it is not expected to derive any income until it becomes active.

III. TAXATION OF STAPLED SECURITYHOLDERS

For Singapore income tax purposes, the components making up a Stapled Security are recognised separately, i.e. as a unit in Far East H-REIT and a unit in Far East H-BT. Accordingly, distributions from Far East H-Trust are recognised separately as distributions from Far East H-REIT and distributions from Far East H-BT for purposes of determining the applicable Singapore tax treatment.

Distribution from Far East H-REIT

The tax treatment of distributions made by Far East H-REIT in the hands of its Stapled Securityholders will depend on the nature or type of distributions and the type of Stapled Securityholders.

Following the interpretation of the IRAS on the source of income of a distribution by a trust, any distribution received by Stapled Securityholders and on which income tax is to be imposed is chargeable to tax under section 10(1)(a) or 10(1)(e) of the Income Tax Act depending on the circumstances of the Stapled Securityholders. If a Stapled Securityholder holds the Stapled Securities as investment assets, the distributions are chargeable to tax under section 10(1)(e) of the Income Tax Act. If a Stapled Securityholder holds the Stapled Securities as trading assets, the distributions are chargeable to tax under section 10(1)(a) of the Income Tax Act.

The distribution to Stapled Securityholders, to the extent that it is not made out of gains on disposal of real properties determined to be trading gains or Retained Taxable Income of Far East H-REIT, is taxed as income of the year which corresponds to the year of income of Far East H-REIT out of which the distribution is made, regardless of when the distribution is paid to the Stapled Securityholders. For example, if a Stapled Securityholder receives a distribution say on 28 March 2013 in respect of the Taxable Income of Far East H-REIT for the distribution period ending 31 December 2012, that distribution, being a distribution out of Far East H-REIT's Taxable Income derived during the financial year ending 31 December 2012, will be considered income derived by the Stapled Securityholder for the year of assessment 2013.

Individuals who hold the Stapled Securities as investment assets

All individuals who hold the Stapled Securities as investment assets (excluding individuals who hold such Stapled Securities as trading assets or individuals who hold such Stapled Securities through a partnership in Singapore) are exempt from income tax on the distributions made by Far East H-REIT, regardless of their nationality or tax residence status.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of Retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Individuals who hold the Stapled Securities as trading assets or who hold the Stapled Securities through a partnership in Singapore

Individuals who hold the Stapled Securities as trading assets or individuals who hold the Stapled Securities through a partnership in Singapore are subject to income tax on the gross amount of distributions that are made out of the Taxable Income of Far East H-REIT. Such distributions will be taxed in the individuals' hands at their own applicable income tax rates.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of Retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Non-individuals (other than Qualifying Foreign Non-individual Stapled Securityholders)

Non-individual Stapled Securityholders (other than Qualifying Foreign Non-individual Stapled Securityholders) are subject to Singapore income tax on the gross amount of distributions that are made out of the Taxable Income of Far East H-REIT, regardless of whether the REIT Trustee and the REIT Manager had deducted tax from the distributions. Where tax had been deducted at source at the prevailing corporate tax rate, the tax deducted is not a final tax. Non-individual Stapled Securityholders can use such tax deducted at source as a set-off against their Singapore income tax liabilities.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of Retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Qualifying Foreign Non-individual Stapled Securityholders

Qualifying Foreign Non-individual Stapled Securityholders are subject to Singapore income tax on the gross amount of distributions that are made out of the Taxable Income of Far East H-REIT. The tax imposed is deducted at source at the prevailing corporate tax rate (currently 17.0%) except for distributions made on or before 31 March 2015 where the tax rate is reduced to 10.0%. The tax deducted at the reduced rate of 10.0% is a final tax.

Distributions made out of income subject to tax at the REIT Trustee level (for example, distributions made out of Retained Taxable Income or out of gains from the disposal of real properties which are taxed as trading gains) are treated as capital in nature and will not be subject to tax in the hands of Stapled Securityholders.

Distributions of capital gains

Distributions made out of gains or profits arising from disposal of properties that have been determined to be capital gains are not taxable in the hands of all Stapled Securityholders.

Declaration by Stapled Securityholders

To receive gross Taxable Income Distribution (i.e. without tax deduction at source) or Taxable Income Distribution net of tax deduction at the reduced rate of 10.0%, as the case may be:

- (a) in respect of Stapled Securities held directly by beneficial owners who are Qualifying Stapled Securityholders or Qualifying Foreign Non-individual Stapled Securityholders, these Stapled Securityholders will have to make a declaration of their tax residence status and provide such other particulars as may be required in a prescribed form provided by the REIT Manager; and
- (b) in respect of Stapled Securities held by nominees for the benefit of individuals, Qualifying Stapled Securityholders or Qualifying Foreign Non-individual Stapled Securityholders, these nominees will have to declare the tax residence status of the ultimate beneficial owners of the Stapled Securities and provide such other particulars of the ultimate beneficial owners as may be required in a prescribed form provided by the REIT Manager.

A draft sample of each of the prescribed forms is attached as an Annex to this Taxation Report.

The prescribed form must be completed and returned to the REIT Trustee within the time limit set by the REIT Trustee and the REIT Manager. The REIT Trustee and the REIT Manager will make Taxable Income Distributions without deduction of tax or after deduction of tax at the reduced rate of 10.0% (for distributions made by Far East H-REIT on or before 31 March 2015 to Qualifying Foreign Non-individual Stapled Securityholders), as the case may be, only if they are satisfied from the statements and declaration made in the prescribed forms as to the status of the Stapled Securityholders and that they are the beneficial recipients of the distributions to be made.

Stapled Securityholders who are individuals do not have to submit any prescribed form.

Tax residence of a company

A company is considered a tax resident of Singapore if the control and management of its business is exercised in Singapore.

Singapore branches of foreign companies (“Singapore branches”)

Tax will be deducted at the prevailing corporate tax rate from Taxable Income Distributions made to Singapore branches, unless these Singapore branches submit, together with the duly completed prescribed form, a copy of the letter of approval from the IRAS to waive the deduction of tax from distributions made by Far East H-REIT. Singapore branches, including insurance and bank branches, can apply to the IRAS for waiver of deduction of tax subject to the same terms and conditions imposed under the administrative concession currently available for section 12(6) and (7) payments to Singapore branches which are not banks. The details of this administrative concession can be found in the e-Tax Guide (Revised Edition) issued by the IRAS on 1 August 2008.

Distributions from Far East H-BT

Distributions made by Far East H-BT are exempt from Singapore income tax in the hands of all Stapled Securityholders. These distributions are also not subject to Singapore withholding tax. Stapled Securityholders are not entitled to tax credits for any taxes paid by the Trustee-Manager on the income of Far East H-BT.

Gains on disposal of the Stapled Securities

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Stapled Securities that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Stapled Securityholder was not to hold the Stapled Securities as long-term investments.

If a Stapled Securityholder has held the Stapled Securities as investment assets, any gains arising from subsequent sales of the Stapled Securities should generally be considered capital gains not subject to Singapore income tax. However, if the Stapled Securities have been held as trading assets, the gains arising from subsequent sales will be subject to tax.

As the precise tax status of one Stapled Securityholder will vary from another, Stapled Securityholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Stapled Securityholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) for financial reporting purposes may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Stapled Securities, irrespective of disposal. Stapled Securityholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their purchase, ownership and disposition of the Stapled Securities arising from the adoption of FRS 39.

IV. TERMS AND CONDITIONS OF THE TAX RULING

The Tax Ruling granted by the IRAS is conditioned upon the REIT Trustee and the REIT Manager fulfilling certain terms and conditions. The REIT Trustee and the REIT Manager have given the relevant undertakings to the IRAS to take all reasonable steps necessary to safeguard the IRAS against tax leakages as a result of the Tax Ruling, and to comply with all administrative requirements to ensure ease of tax administration.

The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

Yours faithfully

Lim Gek Khim
Partner
for and on behalf of
Ernst & Young Solutions LLP
Singapore

**FORM A
DECLARATION FOR SINGAPORE TAX PURPOSES**

Name of registered holder (preprinted) Address (preprinted)	Securities Account No. (preprinted) Holding : Stapled Securities (preprinted)
Name of Counter: Stapled securities in Far East Hospitality Trust (Far East H-Trust), comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust (the "Stapled Securities")	

Please read the following important notes carefully before completion of this Form:

- 1 The Trustee and the Manager of Far East Hospitality Real Estate Investment Trust (**Far East H-REIT**) will not deduct tax from distributions made out of Far East H-REIT's taxable income that is not taxed at Far East H-REIT's level to:
 - (a) Holders who are individuals and who hold the Stapled Securities either in their sole names or jointly with other individuals;
 - (b) Holders which are companies incorporated and tax resident in Singapore;
 - (c) Holders which are Singapore branches of foreign companies that have obtained specific approval from the Inland Revenue Authority of Singapore to receive the distribution from Far East H-REIT without deduction of tax; or
 - (d) Holders which are non-corporate entities (excluding partnerships) constituted or registered in Singapore, such as:
 - (i) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
 - (ii) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
 - (iii) trade unions registered under the Trade Unions Act (Cap. 333);
 - (iv) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
 - (v) town councils.
- 2 For distributions made to classes of holders that do not fall within the above categories stated under Note 1, the Trustee and the Manager of Far East H-REIT will deduct tax at the rate of 10% if the holders are foreign non-individual investors. A foreign non-individual investor is one who is not a resident of Singapore* for income tax purposes and:
 - (a) who does not have a permanent establishment[^] in Singapore; or
 - (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Stapled Securities are not obtained from that operation.
- 3 Holders are required to complete only either Sections A, B or C if they fall within the categories (b) to (d) stated under Note 1 or Section D if they qualify as a foreign non-individual investor as described under Note 2.
- 4 The Trustee and the Manager of Far East H-REIT will rely on the declarations made in this Form to determine (i) if tax is to be deducted for the categories of holders listed in (b) to (d) under Note 1; and (ii) if tax is to be deducted at the rate of 10% for distributions to foreign non-individual investors. Please therefore ensure that the appropriate section of this Form is completed in full and legibly and is returned to [Registrar] within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will be obliged to deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made.
- 5 **Holders who fall within class (a) under Note 1 are not required to submit this declaration form.**
- 6 Holders who do not fall within the classes listed under Note 1 and Note 2 above can choose not to return this Form as tax will be deducted from the distributions made to them at the prevailing corporate tax rate in any case.
- 7 Holders who hold their Stapled Securities jointly (where at least one of the joint holders is not an individual) or through nominees do not have to return this Form.
- 8 Please make sure that the information given and the declaration made in this Form is true and correct. The making of a false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.
- 9 This Form must be returned to [Registrar], [Address] by _____.

* A company is a not resident of Singapore if the management and control of its business is exercised outside Singapore.

[^] Under the Singapore Income Tax Act, permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. A holder shall be deemed to have a permanent establishment in Singapore if it:

- (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- (ii) has another person acting on the holder's behalf in Singapore who:
 - (a) has and habitually exercises an authority to conclude contracts;
 - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf; or
 - (c) habitually secures orders wholly and almost wholly for the holder or for such other enterprises as are controlled by the holder.

To: Registrar

FORM B
DECLARATION BY DEPOSITORY AGENTS FOR SINGAPORE TAX PURPOSES

Name of registered holder (preprinted) Address (preprinted)	Securities Account No. (preprinted) Holding: Stapled Securities (preprinted)
Name of Counter: Stapled securities in Far East Hospitality Trust (Far East H-Trust), comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust (the "Stapled Securities")	

Please read the following important notes carefully before completion of this Form:

- 1 The Trustee and the Manager of Far East Hospitality Real Estate Investment Trust (**Far East H-REIT**) will deduct tax at the prevailing corporate tax rate from distributions made out of Far East H-REIT's taxable income, that is not taxed at the Trustee level of Far East H-REIT, in respect of the Stapled Securities held by you in your capacity as a Depository Agent except where the beneficial owners of these Stapled Securities are: -
 - (i) individuals and the Stapled Securities are not held through a partnership in Singapore;
 - (ii) qualifying holders; or
 - (iii) foreign non-individual investors.
- 2 Tax will not be deducted for distributions made by Far East H-REIT in respect of the Stapled Securities held by you for the benefit of holders who fall within categories (i) and (ii) of Note 1. Tax will be deducted at the reduced rate of 10% for distributions made by Far East H-REIT in respect of the Stapled Securities held by you for the benefit of foreign non-individuals.
- 3 A qualifying holder refers to:
 - (i) a company incorporated and tax resident in Singapore;
 - (ii) non-corporate entities (excluding partnerships) constituted or registered in Singapore; such as
 - (a) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
 - (b) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
 - (c) trade unions registered under the Trade Unions Act (Cap. 333);
 - (d) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
 - (e) town councils; or
 - (iii) a Singapore branch of a foreign company which has obtained from the Inland Revenue Authority of Singapore, a waiver from tax deducted at source in respect of distributions from the Trustee of Far East H-REIT.
- 4 A foreign non-individual is one who is not a resident in Singapore* for income tax purposes and:
 - (i) who does not have a permanent establishment[^] in Singapore; or
 - (ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Stapled Securities are not obtained from that operation.
- 5 The Trustee and the Manager of Far East H-REIT will rely on the declarations made in this Form to determine the applicable rate at which tax is to be deducted in respect of the Stapled Securities held by you in your capacity as a Depository Agent. Please therefore ensure that this Form and the Annexes are completed in full and legibly and is returned to [Name of Registrar] within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made
- 6 Please make sure that the information given and the declaration made in this Form is true and correct. The making of false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.
- 7 This Form, together with hard copy of the Annexes, must be returned to [Name of Registrar] by **[Date]**. Please complete the Annexes using the soft copy of the excel spreadsheet provided to you and also email a soft copy of the completed Annexes to [Name of Registrar] at [Email address of Registrar] by **[Date]**. Please note that it is **compulsory** to email the soft copy of the completed Annexes.

Declaration

I, _____, NRIC/Passport No. _____, the principal officer of _____ ("the Depository Agent") hereby declare that the Stapled Securities registered in the name of the Depository Agent and deposited in the sub-accounts maintained with The Central Depository (Pte) Ltd, as listed in the Annexes 1 to 3 to this declaration, belonged beneficially to persons who are individuals, qualifying holders (as defined in Note 3 above) and foreign non-individuals (as defined in Note 4 above), respectively. The details of each of these beneficial owners are also listed in the respective Annexes.

We hereby also undertake to provide the actual amount of gross distribution made to each qualifying holder in the format provided in Annex 2.1 and to email a soft copy of Annex 2.1 to [Name of Registrar] within 21 days from the date of the distribution.

Signature of Declarant : _____ Date : _____

Contact No : _____

* A company is not a resident of Singapore if the management and control of its business for the preceding year and from the beginning of this year to the date of this declaration was exercised outside Singapore and there is no intention, at the time of this declaration, to change the tax residence of the company to Singapore.

[^] Under the Singapore Income Tax Act, permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. A holder shall be deemed to have a permanent establishment in Singapore if it:

- (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- (ii) has another person acting on the holder's behalf in Singapore who:
 - (a) has and habitually exercises an authority to conclude contracts;
 - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf; or
 - (c) habitually secures orders wholly and almost wholly for the holder or for such other enterprises as are controlled by the holder.

SAMPLE

Far East Hospitality Trust (Far East H-Trust)

Annex 1

(comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust)

Distribution Period:

Annex to Declaration Form B - Individuals

S/No.	CDP Sub-Account No.	Name of beneficiary holder(s)	Identification No.*	Number of Stapled Securities
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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24				
25				

* This refers to Singapore NRIC No., foreign ID No. or Passport No.

SAMPLE

Far East Hospitality Trust (Far East H-Trust)

Annex 2

(comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust)

Distribution Period:

Annex to Declaration Form B - Qualifying Holders

S/No.	CDP Sub-Account No.	Name of beneficiary holder(s)	Registration No.*	Number of units
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

* This refers to ROC / Tax Reference No.

SAMPLE

Far East Hospitality Trust (Far East H-Trust)

Annex 2.1

(comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust)

Distribution Period:

Annex to Declaration Form B - Qualifying Holders

S/No.	CDP Sub-Account No.	Name of beneficiary holder(s)	Registration No.*	Number of units	Gross distribution paid
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

* This refers to ROC / Tax Reference No.

SAMPLE

Far East Hospitality Trust (Far East H-Trust)

Annex 3

(comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust)

Distribution Period:

Annex to Declaration Form B - Foreign Non-Individuals

S/No.	CDP Sub-Account No.	Name of beneficiary holder(s)	Address	Number of units
1				
2				
3				
4				
5				
6				
7				
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**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF
THE STAPLED SECURITIES IN SINGAPORE**

Applications are invited for the subscription of the Stapled Securities at the Offering Price on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of the prospectus (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the Stapled Securities in the Offering by way of Application Forms or Electronic Applications are required to pay in Singapore dollars, the Offering Price, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Joint Bookrunners) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

- (1) Your application must be made in lots of 1,000 Stapled Securities or integral multiples thereof. Your application for any other number of Stapled Securities will be rejected.
- (2) You may apply for the Stapled Securities only during the period commencing at 9.00 a.m. on 17 August 2012 and expiring at 12.00 noon on 23 August 2012. The Public Offer period may be extended or shortened to such date and/or time as the Managers may agree with the Joint Bookrunners, subject to all applicable laws and regulations and the rules of the SGX-ST.
- (3) Your application for the Stapled Securities offered in the Public Offer (the “**Public Offer Stapled Securities**”), may be made by way of the printed **WHITE** Public Offer Stapled Securities Application Form or by way of Automated Teller Machines (“**ATM**”) belonging to the Participating Banks (“**ATM Electronic Applications**”), the Internet Banking (“**IB**”) website of the Participating Banks, (“**Internet Electronic Applications**”), or through the DBS Bank mobile banking platform (“**mBanking Application**”, which, together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”).

Your application for the Stapled Securities offered in the Placement (the “**Placement Stapled Securities**”) may be made by way of the printed **BLUE** Placement Stapled Securities Application Form or in such other manner as the Joint Bookrunners may in their absolute discretion deem appropriate.

Your application for the Reserved Stapled Securities may be made by way of the printed **PINK** Reserved Stapled Securities Application Form or in such other manner as the Joint Bookrunners may in their absolute discretion deem appropriate.

You must be in Singapore at the time of making the application for the Stapled Securities.

YOU MAY NOT USE YOUR CPF FUNDS TO APPLY FOR THE STAPLED SECURITIES

- (4) **Only one application may be made for the benefit of one person for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) in his own name. Multiple applications for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) via the Public Offer Stapled Securities Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) by way of the Public Offer Stapled Securities Application Form may not submit another application for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) by way of Electronic Applications and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) in his own name should not submit any other applications for the Public Offer Stapled Securities (other than the Reserved Stapled Securities), whether on a printed Public Offer Stapled Securities Application Form or through an ATM Electronic Application, Internet Electronic Application or mBanking Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer (other than the Reserved Stapled Securities) shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Stapled Securities (other than the Reserved Stapled Securities) may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at the discretion of the Managers.

- (5) **Multiple applications may be made in the case of applications by any person for (i) the Placement Stapled Securities only (via Placement Stapled Securities Application Forms or such other form of application as the Joint Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Stapled Securities together with a single application for the Public Offer Stapled Securities (other than the Reserved Stapled Securities).**

Multiple applications may also be made by any person entitled to apply for the Reserved Stapled Securities, in respect of a single application for the Reserved Stapled Securities and (i) a single application for the Public Offer Stapled Securities (other than the Reserved Stapled Securities), or (ii) a single or multiple application(s) for the Placement Stapled Securities or (iii) both (i) and (ii).

- (6) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP will be rejected.
- (7) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.
- (8) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 9 below.
- (9) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.
- (10) If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application. If you do not have an existing Securities Account with the CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.
- (11) Subject to paragraphs 14 and 15 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card ("**NRIC**") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with the CDP, your application shall be rejected.
- (12) **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.**

- (13) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus (including its accompanying documents (including the Application Forms)) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in parts into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Stapled Securities have not been and will not be registered under the Securities Act and, may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the Securities Act and applicable state securities laws. The Stapled Securities are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S. There will be no public offer of Stapled Securities in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Managers reserve the right to reject any application for Stapled Securities where the Managers believe or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Forms) may treat the same as an offer or invitation to subscribe for any Stapled Securities unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

- (14) The Managers reserve the right to reject any application which does not conform strictly to the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs, IB websites of the relevant Participating Banks and the mobile banking interface of the relevant Participating Banks) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.
- (15) The Managers further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs, IB websites of the relevant Participating Banks and the mobile banking interface of the relevant Participating Banks), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the REIT Manager and the Trustee-Manager, each of the Joint Bookrunners, as agents of the Managers, has been authorised to accept, for and on behalf of the Managers, such other forms of application as the Joint Bookrunners may, in consultation with the Managers, deem appropriate.

- (16) The Managers reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefore, and none of the REIT Manager, the Trustee-Manager, and the Joint Bookrunners will entertain any enquiry and/or correspondence on the decision of the Managers. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Bookrunners may, in consultation with the Managers, deem appropriate. In deciding the basis of allocation, the Managers, in consultation with the Joint Bookrunners, will give due consideration to the desirability of allocating the Stapled Securities to a reasonable number of applicants with a view to establishing an adequate market for the Stapled Securities.
- (17) In the event that the Managers lodge a supplementary or replacement prospectus ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to

the close of the Offering, and the Stapled Securities have not been issued, the Managers will (as required by law) at the REIT Manager's and the Trustee-Manager's sole and absolute discretion either:

- (a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
- (b) within seven days of the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
- (c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 17(a) and (b) above to withdraw his application shall, within 14 days from the date of lodgement of the Relevant Document, notify the Managers whereupon the Managers shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom and at his own risk).

In the event that the Stapled Securities have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, the Managers will (as required by law) either:

- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Managers the Stapled Securities which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
- (ii) within seven days from the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Stapled Securities which you do not wish to retain title in; or
- (iii) deem the issue as void and refund your payment for the Stapled Securities (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 17(c)(i) and (ii) above to return the Stapled Securities issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify the Managers of this and return all documents, if any, purporting to be evidence of title of those Stapled Securities, whereupon the Managers shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Stapled Securities without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Stapled Securities issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

- (18) The Stapled Securities may be reallocated between the Placement and the Public Offer (including the Reserved Stapled Securities) for any reason, including in the event of excess applications in one and a deficit of applications in the other at the discretion of the Joint Bookrunners, in consultation with the Managers.
- (19) There will not be any physical security certificates representing the Stapled Securities. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Stapled

Securities, a statement of account stating that your Securities Account has been credited with the number of Stapled Securities allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Managers. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Stapled Securities allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

- (20) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Stapled Securities allocated to you pursuant to your application, to the Managers, the Joint Bookrunners and any other parties so authorised by CDP, the REIT Manager, the Trustee-Manager and/or the Joint Bookrunners.
- (21) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Stapled Securities by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Bookrunners may, in their absolute discretion, deem appropriate.
- (22) By completing and delivering an Application Form and, in the case of an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or, in the case of an Internet Electronic Application or mBanking Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen in accordance with the provisions herein, you:
- (a) irrevocably agree and undertake to purchase the number of Stapled Securities specified in your application (or such smaller number for which the application is accepted) at the Offering Price for each Stapled Security and agree that you will accept such number of Stapled Securities as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying Application Forms and the Far East H-REIT Trust Deed, the Far East H-BT Trust Deed and the Stapling Deed;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Forms) and those set out in the IB websites or ATMs or mobile banking interface of the Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;
 - (c) agree that the Offering Price for the Stapled Securities applied for is due and payable to the Managers upon application;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Managers in determining whether to accept your application and/or whether to allocate any Stapled Securities to you;
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of Managers nor any of the Joint Bookrunners will infringe any such laws as a result of the acceptance of your applications; and
 - (f) agree and confirm that you are outside the United States; and
 - (g) understand that the Stapled Securities have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Stapled Securities in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
- (23) Acceptance of applications will be conditional upon, *inter alia*, the Managers being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for the quotation of (i) all the Stapled Securities comprised in the Offering, (ii) all the Sponsor Stapled Securities, (iii) all the Cornerstone Stapled Securities and (iv) all the Stapled Securities which will be

issued to the Managers from time to time in full or part payment of the REIT Manager's and the Trustee-Manager's fees (including the Stapled Securities which may be issued to the Managers from time to time in full or part payment of the REIT Manager's and the Trustee-Manager's fees) on the Main Board of the SGX-ST;

- (b) the Underwriting Agreement, referred to in the section on "Plan of Distribution" in this Prospectus, has become unconditional and has not been terminated; and
 - (c) the Authority has not served a stop order which directs that no or no further Stapled Securities to which this Prospectus relates be allotted or issued ("**Stop Order**").
- (24) In the event that a Stop Order in respect of the Stapled Securities is served by the Authority or other competent authority, and:
- (a) the Stapled Securities have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Managers shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom or claim against the Managers) to you within 14 days of the date of the Stop Order; or
 - (b) if the Stapled Securities have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Managers shall refund your payment for the Stapled Securities (without interest or any share of revenue or other benefit arising therefrom or claim against the Managers) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

- (25) In the event that an interim Stop Order in respect of the Stapled Securities is served by the Authority or other competent authority, no Stapled Securities shall be issued to you until the Authority revokes the interim Stop Order.
- (26) An interim Stop Order may be served by the Authority where the Authority is of the opinion that any delay in serving a Stop Order pending the holding of a hearing required under Section 282E(4) or Section 297(3) of the SFA (the "Hearing") is not in the interests of the public. In such event, the Authority may, without giving an opportunity to be heard, serve an interim Stop Order on the Managers directing that no or no further Stapled Securities be allotted or issued. Such interim Stop Order shall, unless revoked by the Authority, be in force (a) until the Authority makes an order for a Stop Order where (i) the interim Stop Order was served during a Hearing or (ii) a Hearing was commenced while the Stop Order was in force, and (b) in any other case, for a period of 14 days from the day on which the interim Stop Order is served. The Authority is not able to serve a Stop Order in respect of the Stapled Securities if the Stapled Securities have been issued and listed on the SGX-ST and trading in them has commenced.
- (27) Additional terms and conditions for applications by way of Application Forms are set out in the section below "Additional Terms and Conditions for Applications using Printed Application Forms" on pages F-7 to F-10 of this Prospectus.
- (28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section below "Additional Terms and Conditions for Electronic Applications" on pages F-10 to F-16 of this Prospectus.
- (29) All payments in respect of any application for Stapled Securities, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
- (30) No application will be held in reserve.
- (31) This Prospectus is dated 16 August 2012. No Stapled Securities shall be allotted or allocated on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (32) In the event of any changes in the closing date of the Public Offer or the time period during which the Public Offer is opened, the Managers will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> or through a paid advertisement in one or more major Singapore newspapers.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section “Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore” on pages F-1 to F-20 of this Prospectus and the Far East H-REIT Trust Deed, the Far East H-BT Trust Deed and the Stapling Deed.

- (1) Applications for the Public Offer Stapled Securities must be made using the printed **WHITE** Public Offer Stapled Securities Application Form and printed **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Stapled Securities may be made using the printed **BLUE** Placement Stapled Securities Application Form accompanying and forming part of this Prospectus (or in such manner as the Joint Bookrunners may in their absolute discretion deem appropriate).

Applications for the Reserve Stapled Securities may be made using the printed **PINK** Reserved Stapled Securities Application Form accompanying and forming part of this Prospectus (or in such manner as the Joint Bookrunners may in their absolute discretion deem appropriate).

Without prejudice to the rights of the REIT Manager, the Trustee-Manager and the Joint Bookrunners, the Joint Bookrunners as agents of the Managers, have been authorised to accept, for and on behalf of the Managers, such other forms of application, as the Joint Bookrunners may (in consultation with the Managers) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Managers reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

- (2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.
- (3) You must complete all spaces in your Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” and you must write the words “**NOT APPLICABLE**” or “**N.A.**” in any space that is not applicable.
- (4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the Unit Registrar. The Managers reserve the right to require you to produce documentary proof of identification for verification purposes.
- (5)
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
- (6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in

the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Stapled Securities is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

- (7) You may apply and make payment for your application for the Stapled Securities in Singapore currency in cash only.

Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price of S\$0.93, in respect of the number of Stapled Securities applied for. The remittance must in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**FEHT STAPLED SECURITY ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

- (8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Stapled Securities, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated security issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.
- (9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
- (10) By completing and delivering the Application Forms, you agree that:
- (a) in consideration of the Managers having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
 - (i) your application is irrevocable;
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
 - (iii) you represent and agree that you are located outside the United States;
 - (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the Stapled Securities for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Managers and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Managers;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

- (e) reliance is placed solely on information contained in this Prospectus and that none of the REIT Manager, the Trustee-Manager, the Sponsor, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;
- (f) you consent to the disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, and Stapled Security application amount to our Unit Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd (“**SCCS**”), SGX-ST, the REIT Manager, the Trustee-Manager and the Joint Bookrunners (the “Relevant Parties”); and
- (g) you irrevocably agree and undertake to purchase the number of Stapled Securities applied for as stated in the Application Form or any smaller number of such Stapled Securities that may be allocated to you in respect of your application. In the event that the Managers decide to allocate any smaller number of Stapled Securities or not to allocate any Stapled Securities to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Public Offer Stapled Securities by Way of Printed Application Forms

- (1) Your application for the Public Offer by way of printed Application Forms must be made using the **WHITE** Public Offer Stapled Securities Application Forms and **WHITE** official envelopes “**A**” and “**B**”.
- (2) You must:
 - (a) enclose the **WHITE** Public Offer Stapled Securities Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE official envelope “A”** provided;
 - (b) in appropriate spaces on the **WHITE** official envelope “**A**”:
 - (i) write your name and address;
 - (ii) state the number of Public Offer Stapled Securities applied for; and
 - (iii) tick the relevant box to indicate form of payment;
 - (c) **SEAL THE WHITE OFFICIAL ENVELOPE “A”**;
 - (d) write, in the special box provided on the larger **WHITE** official envelope “**B**” addressed to **Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, the number of Public Offer Stapled Securities you have applied for;
 - (e) insert the **WHITE** official envelope “**A**” into the **WHITE** official envelope “**B**” and seal the **WHITE OFFICIAL ENVELOPE “B”**; and
 - (f) affix adequate Singapore postage on the **WHITE** official envelope “**B**” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to **Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, so as to arrive by 12.00 noon on 23 August 2012 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Stapled Securities where remittance is permitted to be submitted separately, applications for the Public Offer Stapled Securities not accompanied by any payment or any other form of payment will not be accepted.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Stapled Securities by Way of Printed Application Forms

- (1) Your application for the Placement Stapled Securities by way of printed Application Forms must be made using the **BLUE** Placement Stapled Securities Application Forms.
- (2) The completed and signed **BLUE** Placement Stapled Securities Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Stapled Security in respect of the number of Placement Stapled Securities applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Stapled Securities must be delivered to **Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by 10.00 a.m. on 22 August 2012 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. Courier services or Registered Post must NOT be used.
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Reserved Stapled Securities by Way of Printed Application Forms

- (1) Your application for the Reserved Stapled Securities by way of printed Application Forms must be made using the **PINK** Reserved Stapled Securities Application Forms.
- (2) The completed and signed **PINK** Reserved Stapled Securities Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Stapled Security in respect of the number of Reserved Stapled Securities applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Reserved Stapled Securities must be delivered to 14 Scotts Road #06-00, Far East Plaza, Singapore 228213, to arrive by 10.00 a.m. on 22 August 2012 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. Courier services or Registered Post must NOT be used.
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore" on pages F-1 to F-20 of this Prospectus, as well as the Far East H-REIT Trust Deed, the Far East H-BT Trust Deed and the Stapling Deed.

- (1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mobile banking interface of the relevant Participating Banks (in the case of mBanking Applications). Currently, DBS Bank is the only Participating Bank through which mBanking Applications may be made.
- (2) For illustration purposes, the procedures for Electronic Applications for Public Offer Stapled Securities through ATMs, the IB website and the mobile banking interface of DBS Bank (together the "**Steps**") are set out in pages F-16 to F-20 of this Prospectus. The Steps set out

the actions that you must take at ATMs, the IB website or the mobile banking interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens or the IB website screens of the respective Participating Banks.

Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Forms), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

Applicants applying for Public Offer Stapled Securities by way of ATM Electronic Applications may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time.

- (3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Stapled Securities through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank or the mobile banking interface of DBS Bank.
- (4) If you are making an ATM Electronic Application:
 - (a) You must have an existing bank account with and be an ATM cardholder of the relevant Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Stapled Securities at an ATM belonging to other Participating Banks.
 - (b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a CDP joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.
 - (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.
- (5) If you are making an Internet Electronic Application or a mBanking Application:
 - (a) You must have an existing bank account with, and a User Identification (“**User ID**”) as well as a Personal Identification Number (“**PIN**”) given by the relevant Participating Bank.
 - (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
 - (c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or the mobile banking interface of DBS Bank, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.
- (6) In connection with your Electronic Application for Public Offer Stapled Securities, you are required to confirm statements to the following effect in the course of activating the Electronic Application:
 - (a) that you have received a copy of the Prospectus and its accompanying documents (in the case of ATM Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Stapled Securities and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number and Public Offer

Stapled Security application amount (the “**Relevant Particulars**”) from your account with the relevant Participating Bank to the Relevant Parties; and

- (c) where you are applying for the Public Offer Stapled Securities, that this is your only application for the Public Offer Stapled Securities and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the website screen or mobile banking interface. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 6(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Stapled Securities as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Stapled Securities and shall not make any other application for the Public Offer Stapled Securities whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mobile banking interface of DBS Bank or on the Application Forms. Where you have made an application for Public Offer Stapled Securities on an Application Form, you shall not make an Electronic Application for Public Offer Stapled Securities and vice versa.

- (7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. Any ATM Electronic Application, Internet Electronic Application or mBanking Application which does not conform strictly to the instructions set out in this Prospectus and its accompanying documents or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mobile banking interface of DBS Bank, as the case may be, through which your ATM Electronic Application, Internet Electronic Application or mBanking Application is being made shall be rejected.
- (8) You may apply and make payment for your application for the Public Offer Stapled Securities in Singapore currency in cash only.

You may apply for the Public Offer Stapled Securities through any ATM or IB website of your Participating Bank or the mobile banking interface of DBS (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

- (9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Stapled Securities applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Stapled Securities that may be allocated to you in respect of your Electronic Application. In the event that the Managers decide to allocate any lesser number of such Public Offer Stapled Securities or not to allocate any Public Offer Stapled Securities to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen or the mobile banking interface of DBS) of the number of Public Offer Stapled Securities applied for shall signify and shall be treated as your acceptance of the number of Public Offer Stapled Securities that may be allocated to you and your agreement to be bound by the Far East H-REIT Trust Deed, the Far East H-BT Trust Deed and the Stapling Deed.
- (10) The Managers will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter

period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated security issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated security issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Stapled Securities, if any, allocated to you before trading the Stapled Securities on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the REIT Manager, the Trustee-Manager, and the Joint Bookrunners assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

- (11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.
- (12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service Expected from
DBS	1800-339 6666 (for POSB account holders) 1800-111 1111 (for DBS account holders)	Internet Banking www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
OCBC	1800-363 3333	ATM/Phone Banking/ Internet Banking www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited ("UOB Group")	1800-222 2121	ATM (Other Transactions – "IPO Enquiry")/ Internet Banking www.uobgroup.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Internet Electronic Applications through the IB website of DBS Bank or mBanking Applications through the mobile banking interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
- (2) Applicants who have made Electronic Applications through the ATMs or the IB website of OCBC Bank may check the results of their applications through OCBC Personal Internet Banking, OCBC's ATMs or OCBC Phone Banking services.
- (3) Applicants who have made Electronic Applications through the ATMs or the IB website of UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB Group's ATMs or UOB Phone Banking services.
- (13) Electronic Applications shall close at 12.00 noon on 23 August 2012 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 23 August 2012, or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.
- (14) You are deemed to have irrevocably requested and authorised the Managers to:
 - (a) register the Public Offer Stapled Securities allocated to you in the name of CDP for deposit into your CDP Securities Account;
 - (b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated security issue account; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated security issue account.
- (15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the REIT Manager, the Trustee-Manager, and the Joint Bookrunners, and if, in any such event the REIT Manager, the Trustee-Manager and the Joint Bookrunners, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the REIT Manager, the Trustee-Manager, the Joint Bookrunners and/or the relevant Participating Bank for any Public Offer Stapled Securities applied for or for any compensation, loss or damage.
- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Managers shall reject any application by any person acting as nominee (other than approved nominee companies).
- (17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

- (18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.
- (19) By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of the Managers making available the Electronic Application facility, through the Participating Banks acting as agents of the Managers, at the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface of DBS:
 - (i) your Electronic Application is irrevocable;
 - (ii) your Electronic Application, the acceptance by the Managers and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and
 - (iii) you represent and agree that you are not located in the United States (within the meaning of Regulation S);
 - (b) none of CDP, the REIT Manager, the Trustee-Manager, the Joint Bookrunners and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the REIT Manager, the Trustee-Manager, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;
 - (c) in respect of the Public Offer Stapled Securities for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Managers and not otherwise, notwithstanding any payment received by or on behalf of the Managers;
 - (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of the REIT Manager, the Trustee-Manager, the Sponsor, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and
 - (f) you irrevocably agree and undertake to subscribe for the number of Public Offer Stapled Securities applied for as stated in your Electronic Application or any smaller number of such Public Offer Stapled Securities that may be allocated to you in respect of your Electronic Application. In the event the Managers decides to allocate any smaller number of such Public Offer Stapled Securities or not to allocate any Public Offer Stapled Securities to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Stapled Securities through ATMs of DBS (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS (including POSB)), may differ slightly from those represented below.

- Step 1: Insert your personal DBS or POSB ATM Card.
- 2: Enter your Personal Identification Number.
- 3: Select “MORE SERVICES”.
- 4: Select language (for customers using multi-language card).
- 5: Select “ESA-IPO SHARE/INVESTMENTS”.
- 6: Select “ELECTRONIC SECURITY APPLN (IPOS/BOND/ST- NOTES/SECURITIES)”.
- 7: Read and understand the following statements which will appear on the screen:
- THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.
 - (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - (IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS TO BE REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/DOCUMENTS BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.

PRESS THE “ENTER” KEY TO CONFIRM THAT YOU HAVE READ AND UNDERSTOOD
- 8: Select “FEHT” to display details.
- 9: Press the “ENTER” key to acknowledge:
- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS, OFFER

INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/PROFILE STATEMENT NOTICE AND/OR CIRCULAR.

- YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO. AND SECURITY APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, AND THE ISSUER/VENDOR(S).
 - FOR FIXED AND MAX PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
 - FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.
 - THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR SUBJECT TO AVAILABILITY. YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.
- 10: Select your nationality.
- 11: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.
- 12: Enter the number of securities you wish to apply for using cash.
- 13: Enter or confirm (if your CDP Securities Account number has already been stored in DBS's records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS's records).
- 14: Check the details of your securities application, your CDP Securities Account number, number of securities and application amount on the screen and press the "ENTER" key to confirm your application
- 15: Remove the Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Public Offer Stapled Securities through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

- Step 1: Click on DBS website (www.dbs.com)
- 2: Login to Internet banking.
- 3: Enter your User ID and PIN.
- 4: Enter your DBS IB Secure PIN
- 5: Select “Electronic Security Application (ESA)”.
- 6: Click “Yes” to proceed and to warrant, *inter alia*, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, amended).
- 7: Select your country of residence and click “I confirm”.
- 8: Click on “FEHT” and click “Submit”.
- 9: Click on “I Confirm” to confirm, *inter alia*:
- You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.
 - You consent to disclose your name, I/C or Passport No., address, nationality, CDP Securities A/c No. and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP and issuer/vendor(s).
 - You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).
 - You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “US person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
 - This application is made in your own name and at your own risk.
 - For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
 - FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank’s prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S\$ at the same exchange rate.
 - FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

- 10: Fill in details for securities application and click "Submit".
- 11: Check the details of your securities application, your CDP Securities A/C No. and click "Confirm" to confirm your application.
- 12: Print the Confirmation Screen (optional) for your reference and retention only.

Steps for mBanking Applications for Public Offer Stapled Securities through the mBanking interface of DBS

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated from ("A/C", "&", "amt", "I/C", "SGX" and "No." refer to "Account", "and", "Amount", "NRIC", "SGX-ST" and "Number", respectively).

- Step 1: Click on DBS Bank mBanking application using your User ID and PIN.
- 2: Select "Investment Services".
- 3: Select "Electronic Securities Application".
- 4: Select "Yes" to proceed and to warrant, inter alia, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933 as amended).
- 5: Select your country of residence.
- 6: Select "FEHT".
- 7: Select "Yes" to confirm, inter alia:
- You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.
 - You consent to disclose your name, I/C or Passport No., address, nationality, CDP Securities A/c No. and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP and issuer/vendor(s).
 - You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).
 - You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "US person" (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
 - This application is made in your own name and at your own risk.
 - For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
 - FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S\$ at the same exchange rate.

- FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.
- 8: Fill in details for securities application and click "Submit".
 - 9: Check the details of your securities application, your CDP Securities A/C No. and click "Confirm" to confirm your application.
 - 10: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE MANAGERS

The principal present directorships, other than those held in the Managers, and the principal past directorships in the last five years of each of the directors and executive officers (named in “Management and Corporate Governance”) of the Managers are as follows:

(A) Directors of the Managers

(1) Mr Koh Boon Hwee

Current Directorships

AAC Technologies Holdings Inc
 Agilent Technologies, Inc
 China Great Wall Electric Holdings Limited
 Credence Partners Pte Ltd

 Credence Capital Fund II (Cayman) Ltd
 EDB International Advisory Council
 First Spring Ltd
 Harvard Singapore Foundation
 Nanyang Technological University Board of Trustees
 Research, Innovation & Enterprise Council
 Rippledot Capital Advisers Pte Ltd
 Rippledot Capital Management Pte Ltd
 Sunningdale Tech Ltd
 The William and Flora Hewlett Foundation
 Yeo Hiap Seng Limited
 Yeo Hiap Seng (Malaysia) Berhad

Past Directorships (for a period of five years preceding the Latest Practicable Date)

800buy.com
 DBS Bank Ltd
 DBS Group Holdings Ltd
 Geoscope Information Systems India Private Limited
 Mediarling Ltd
 Temasek Holdings (Pte) Ltd

(2) Mr Willie Cheng Jue Hiang

Current Directorships

701 Search Pte Ltd

 Aescapulus Holdings Pte Ltd

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Caritas Singapore Community Council Limited

 Singapore Golf Association

Ashoka: Innovators for the Public (Singapore) Ltd	SPH Media Box Office Pte Ltd
Asia Philanthropic Ventures Pte Ltd	SPH Search Pte. Ltd.
Caritas Humanitarian Aid & Relief Initiatives, Singapore	SPIB Holdings Pte. Ltd.
Council For Third Age Ltd	The Hainanese Roost Pte Ltd
CSCC Agape Fund	
Integrated Health Information Systems Pte Ltd	
Lien Centre for Social Innovation	
NTUC Fairprice Co-operative Ltd	
NTUC Fairprice Foundation Ltd	
Singapore Cooperation Enterprise	
Singapore Health Services Pte Ltd	
Singapore Institute of Directors	
Singapore Press Holdings Ltd	
SPH Interactive International Pte Ltd	
SPH Interactive Pte Ltd	
SymAsia Foundation Ltd	
SymAsia Singapore Fund	
The Courage Fund	
United Overseas Bank Ltd	

(3) Mr Huang Cheng Eng

Current Directorships

N.A.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

SIA Cargo Pte Ltd

Silkair Pte Ltd

Virgin Atlantic Airways Ltd

(4) Mr Kyle Lee Khai Fatt

Current Directorships

Jurong International Holdings Pte. Ltd.

WBL Corporation Ltd

Past Directorships (for a period of five years preceding the Latest Practicable Date)

PricewaterhouseCoopers Advisory Services Pte. Ltd.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers Management
Consultants Pte. Ltd.

PricewaterhouseCoopers Management
Services Pte. Ltd.

PricewaterhouseCoopers Professional
Services Pte. Ltd.

PricewaterhouseCoopers Services LLP

(5) Mr Chia Boon Kuah

Current Directorships

Easthouse Properties Pte Ltd

eCO Properties Pte Ltd

Emerald Star Pte Ltd

Far East Property Services Pte Ltd

Far East Real Estate Pte Ltd

Far East SOHO Pte. Ltd.

Far East SOHO International Pte Ltd

FC Retail Trustee Pte Ltd

FCL Peak Pte Ltd

Flexi Clean Pte Ltd

Further Co Pte Ltd

Orchard Investment Consulting (Beijing) Co.
Ltd

Orchard Investment Consulting (Chengdu) Co.
Ltd

Orchard Investment Consulting (Shenzhen)
Co. Ltd

Orchard (Shanghai) Investment Consulting
Co. Ltd

Parc Vista Pte Ltd

Precious Sand Pte Ltd

Quarry Bay Pte. Ltd.

Trusthouse Pte Ltd

Yishun Gold Pte Ltd

**Past Directorships (for a period of five
years preceding the Latest Practicable
Date)**

FEO Business Services Pte Ltd

OS Residence Pte Ltd

(6) Mr Wee Kheng Jin

Current Directorships

Buildfolio Technologies Pte Ltd
Face Plus By Yamano Asia Pacific Pte Ltd
Far East Capital Ltd.
Far East Capital Nominees Pte Ltd
Far East Healthcare Pte Ltd
Far East Hospitality Management Services Pte Ltd
Far East Property Services Pte Ltd
FEO Asset Management Pte Ltd
FEO Ventures Pte Ltd
Foundation Communications Pte Ltd
Further Co Pte Ltd
Lifestyle Scene Pte Ltd
OC Beauty Pte Ltd
Orchard Investment Consulting (Beijing) Co. Ltd
Orchard Investment Consulting (Chengdu) Co. Ltd
Orchard Investment Consulting (Shenzhen) Co. Ltd
Orchard (Shanghai) Investment Consulting Co. Ltd
Parkson Retail Asia Limited
Tung Lok Restaurants (2000) Ltd
Universal Gateway International Pte Ltd
Yeo Hiap Seng Ltd

Past Directorships (for a period of five years preceding the Latest Practicable Date)

FEO Information Technology Pte Ltd
Fine Lion Limited
Orwin Development Limited
OS Residence Pte Ltd

(B) Executive Officers of the Managers

(1) Mr Gerald Lee Hwee Keong

Current Directorships

08hundred LLP
Cornell Hotel Society

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Aliph Properties Pte Ltd
Amanah Ascott Management Sdn Bhd
Aparthotel Citadines SA
Ascott International Management (Thailand) Limited

Ascott (Jersey) Limited
Ascott Dilmun Holdings Limited
Ascott Hospitality Management (UK) Limited
Ascott International Management (2001) Pte
Ltd
Ascott International Management (Australia)
Pty Ltd
Ascott International Management (Dubai)
Pte. Ltd.
Ascott International Management (India)
Private Ltd
Ascott International Management (Malaysia)
Sdn. Bhd.
Ascott International Management (NZ) Pte
Limited
Ascott International Management (Overseas
Br.) Pte. Ltd.
Ascott International Management Japan
Company, Limited
Ascott International Management Pte Ltd
Ascott Mayfair Limited
Ascott Serviced Residence (China) Fund
Ascott Serviced Residences Pty Ltd
Bayswater (C.I.) Limited
CapitaLand Hope Foundation
Citadines (Netherlands) B.V.
Citadines Hitec City Aparthotel Private
Limited
Citadines Holborn CI Limited
Citadines Investments B.V.
Citadines Kyoto Gojo (S) Pte. Ltd.
Citadines Melbourne On Bourke Pty Ltd
Citadines Quartermile CI Limited
Citagrep Limited
Eurimeg Espana SA
Eurimeg SA

Euroresidence 1 SARL
Greenpark Investments (Guernsey) Limited
Hanoi Tower Center Company Ltd
Immobiliere Toisor — Aparthotels
International Hotel Management School Pte Ltd
Ipjora (S) Pte. Ltd.
Mekong-Hacota Joint Venture Co Ltd
Oakford Australia Pty Ltd
Oriville SAS
P.T. Ascott International Management Indonesia
P.T. Indonesia America Housing
Scotts Philippines, Inc.
Soderetour UK Limited
Somerset (Wuhan) Investments Pte Ltd
Suites Management Services Pte. Ltd.
The Ascott (Europe) Pte. Ltd.
The Ascott Heritage Pte Ltd
The Ascott Holdings Limited
The Ascott Hospitality Holdings Pte Ltd
The Ascott Limited
The Ascott Operating Pte. Ltd.
The Ascott Mayfair Operating Limited
West Lake Development Company Limited

(2) Mr Danny Peh

Current Directorships

Far East Capital Ltd.
Far East Capital Nominees Pte. Ltd.
OC Beauty Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Face Plus by Yamano Asia Pacific Pte. Ltd.
FEO Business Services Pte Ltd
First Choice Properties Pte Ltd
Goldvine Pte Ltd
Hill Grove Realty Ltd
Jadevine Limited
Jelco Properties Pte Ltd

Minard Investments Limited
OPH Investments Pte. Ltd.
OPH Investment Trading Pte Ltd
OPH Marymount Limited
OPH Orion Limited
OPH Property Limited
OPH Riverside Pte Ltd
OPH Securities Holding Pte Ltd
OPH Westcove Pte Ltd
OPH Zenith Pte Ltd
Orchard Parade Land Pte Ltd
Pearlvine Pte Ltd
Pinehigh Development Sdn Bhd
Seasons Park Limited
Stable Properties Pte Ltd
Tannery Holdings Pte Ltd
Westview Properties Pte Ltd

(3) Mr Bryant Lee Pettey

Current Directorships

NIL

Past Directorships (for a period of five years preceding the Latest Practicable Date)

The January Group LLC

(4) Ms Lee Pei Yee

Current Directorships

NIL

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Level9 Asia Pte Ltd

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SPONSOR

Far East Organization group of companies comprising of
Far East Organization Centre Pte. Ltd. / Far East Organisation Pte. Ltd. /
Golden Development Private Limited / Glory Realty Co. Private Ltd. / F. E. Holdings Pte. Ltd. /
Boo Han Holdings Pte. Ltd. / Lucky Realty Company Pte Ltd / Orchard Landmark Pte. Ltd.
and their respective subsidiaries

14 Scotts Road #06-01
Far East Plaza
Singapore 228213

MANAGER OF FAR EAST H-REIT

FEO Hospitality Asset Management Pte. Ltd.

14 Scotts Road #06-01
Far East Plaza
Singapore 228213

TRUSTEE-MANAGER OF FAR EAST H-BT

FEO Hospitality Trust Management Pte. Ltd.

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