

FAR EAST H-TRUST DELIVERS INCOME AVAILABLE FOR DISTRIBUTION OF S\$23.2 MILLION

Highlights:

- Income Available for Distribution up 4.8% from 1Q FY2013
- Distribution per Stapled Security of 1.43 cents, up 3.6% from 1Q FY2013
- Completed the acquisition of Rendezvous Hotel Singapore and Rendezvous Gallery on 1 August 2013

Singapore, 7 August 2013 – Far East Hospitality Trust (“Far East H-Trust”) wishes to announce that it has achieved Income Available for Distribution of S\$23.2 million for the quarter ended 30 June 2013 (“2QFY13”), 4.8% above 1Q FY2013. The REIT Manager has declared a Distribution per Stapled Security for 2QFY13 of 1.43 cents, 3.6% higher than that for 1Q FY2013.

Summary of results

	2QFY13 Actual	2QFY13 Forecast¹	Variance (%)	1QFY13 Actual	Variance (%)
Gross Revenue (S\$'000)	29,333	31,838	(7.9)	28,110	4.4
Net Property Income (S\$'000)	26,935	28,909	(6.8)	25,962	3.7
Income Available for Distribution (S\$'000)	23,193	24,179	(4.1)	22,136	4.8
Distribution per Stapled Security (“DPS”)(cents)	1.43	1.50	(4.7)	1.38	3.6

1. The forecast figures are derived from the Far East H-Trust’s Initial Public Offering Prospectus dated 16 August 2012.

The issue managers for the initial public offering and listing of Far East Hospitality Trust were DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (the “Issue Managers”). The Issue Managers assume no responsibility for the contents of this press release.

	1HFY13 Actual	1HFY13 Forecast¹	Variance (%)
Gross Revenue (S\$'000)	57,443	61,174	(6.1)
Net Property Income (S\$'000)	52,897	55,315	(4.4)
Income Available for Distribution (S\$'000)	45,330	45,876	(1.2)
Distribution per Stapled Security ("DPS")(cents)	2.81	2.84	(1.1)

For the six months ended 30 June 2013 ("1HFY13"), Income Available for Distribution was S\$45.3 million or 1.2% lower than the forecast of \$45.9 million. The Distribution per Stapled Security for 1HFY13 was 2.81 cents, slightly below the forecast of 2.84 cents.

On the second quarter performance, Mr Gerald Lee, Chief Executive Officer of the REIT Manager said, "Although our performance is behind forecast, we have weathered the challenging operating environment relatively well. Our Hotels and Serviced Residences, for example, continue to turn in healthy average occupancies of 87.7% and 91.7% respectively. While RevPAR and RevPAU were brought down by lower ADR, they were higher than the same quarter last year."

Review of Performance

Hotels

As a result of a more competitive landscape and cost-containment measures undertaken by corporate clients in a soft economic environment, Far East H-Trust's hotels have to contend with lower average room rates. According to the most recent Singapore Tourism Board's report, room rates have fallen across Singapore since 1Q 2013 and the trend has continued through 2Q 2013. Occupancy at the Hotels remains high, averaging 87.7% in 2Q 2013, a 2.2pp improvement over the previous quarter. Nonetheless, the Revenue per Available Room ("RevPAR") attained came in lower than forecast, at S\$167.9 versus the forecast of S\$189.1 for the second quarter. It is however marginally higher than

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the RevPar achieved during the same period last year (+0.3%), while RevPar of Upscale hotels in Singapore dropped by 13.9% and Mid-Tier hotels declined by 3.3% during the same period.

The Hotels in the portfolio contributed 68.6% or S\$20.1 million of the overall Gross Revenue of S\$29.3 million.

Serviced Residences

For the Serviced Residences, Revenue per Available Unit (“RevPAU”) for 2Q 2013 was S\$230.3 or 0.8% higher than forecast of \$228.4. The stability of the Serviced Residences continues to provide buoyancy to the overall portfolio due to the longer nature of the stays. As more than 80% of the guests at the Serviced Residences are corporate clients, the Serviced Residences have also felt some pressure on rates due to company cost containment measures.

The Serviced Residences in the portfolio contributed 15.7% or S\$4.6 million of the overall Gross Revenue of S\$29.3 million.

Excluded Commercial Premises

The rental revenue from the excluded commercial premises (“ECP”) in the Hotels and Serviced Residences were 5.7% higher than forecast. Such leases provide stability and predictability of income to the portfolio. The REIT Manager will continue to capitalise on its leasing capability to improve occupancy and extract growth. The ECP contributed 15.7% or S\$4.6 million of the overall Gross Revenue of S\$29.3 million.

Disciplined and Yield Accretive Asset Enhancement Initiatives

As an ongoing strategy to enhance operational performance and returns, the REIT Manager is committed to progressively carry out property enhancement initiatives at selected Hotels and Serviced Residences to maintain and improve their competitiveness and to enhance guests’ stay experience.

Asset enhancements are being carried out at Village Hotel Albert Court, Village Hotel Changi, and Regency House.

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Proactive Capital Management

The REIT Manager will continue to proactively manage its capital structure by ensuring that its debt maturity profile is spread out without any major concentration of debt maturing in a single year, and maintaining an optimal gearing level. Far East H-Trust's aggregate leverage stood at 29.3% and the weighted term of debt was 3.5 years as at 30 June 2013. Interest rate swaps are used to hedge the interest rate exposure of its debts. The average cost of debt stood at 2.2% as at 30 June 2013.

Growing the Portfolio

The acquisition of Rendezvous Grand Hotel Singapore and Rendezvous Gallery ("Rendezvous Hotel") was completed 1 August 2013. Rendezvous Hotel is an upscale hotel which is strategically located in the heart of Singapore's commercial and cultural district along Bras Basah Road. With the acquisition of the Property, Far East H-REIT's portfolio comprises 12 properties consisting of eight (8) hotels and four (4) serviced residences located in Singapore.

With the new addition into the operator's enlarged portfolio, greater economies of scale can be achieved in managing the properties through operational and cost synergies. The REIT Manager believes that this could potentially improve operating margins and translate into better returns for Stapled Securityholders in the future.

Far East H-Trust makes distributions to Stapled Securityholders on a quarterly basis, with the amount calculated as at 30 March, 30 June, 30 September and 31 December each year. Following the equity placement, Far East H-Trust will make an advanced distribution of approximately 1.9 cents per Stapled Security for the period 1 April to 31 July 2013, which will be paid on 11 September as stated in the announcement dated 28 June 2013.

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Outlook

The current macro operating environment remains uncertain. Tighter corporate spending and an increase in hotel supply continue to compress the average room rates in Singapore. These also impact the demand for corporate events and functions while the tight labour market has put pressure on cost containment.

Singapore's position as a premier tourist destination and regional business hub is being bolstered by significant investments in new tourist attractions. These include the recent additions such as the Gardens by the Bay, Marine Life Park, the River Safari and the Marina Bay Cruise Centre. Tourism catalyst projects in the pipeline include the Singapore Sports Hub and the National Art Gallery. These investments, together with efforts to grow Singapore status as an air hub, will help to attract more visitor arrivals.

Far East H-REIT will proactively manage its portfolio to position the REIT to meet the challenges ahead and to tap on any future growth opportunity in the hospitality industry. Progressive property enhancement initiatives are being carried out at selected Hotels and Serviced Residences to maintain and improve their competitiveness.

The rental revenue from the retail and office space is stable, helping to cushion the more volatile hotel and serviced residence performance. Barring any unforeseen circumstances, the REIT Manager expects the portfolio's performance for the rest of the year to remain modest.

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

Far East H-Trust is the first and only Singapore-Focused Hotel and Serviced Residence Hospitality Trust. Comprising Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”) and Far East Hospitality Business Trust (“Far East H-BT”), Far East H-Trust has an Initial Portfolio of 11 properties totaling 2,526 hotel rooms and serviced residences units valued at approximately S\$2.16 billion and is Singapore’s largest diversified hospitality portfolio by asset value. Managed by FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. (collectively, the “Managers”) and sponsored by members of Far East Organization Group (the “Sponsor”), Far East H-Trust seeks to provide Stapled Securityholders with regular, stable and growing distributions on a quarterly basis. Far East H-Trust is a component stock of the FTSE ST Mid Cap Index since 18 March 2013.

ABOUT THE MANAGERS

FEO Hospitality Asset Management Pte Ltd and FEO Hospitality Trust Management Pte Ltd are the managers of Far East H-REIT and Far East H-BT respectively. Both are 67.0% owned by FEO Asset Management Pte Ltd (“FAMPL”) which is a wholly-owned subsidiary of Far East Organization Centre Pte Ltd (“FEOC”), and 33.0% owned by Far East Orchard Limited (“Far East Orchard”), which as at the date of this press release is 59.8% owned by Far East Organisation Pte Ltd (“FEOPL”).

IMPORTANT NOTICE

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition

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from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

The value of the Stapled Securities and the income derived from them, if any, may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that investors and Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities. The past performance of Far East H-Trust is not necessarily indicative of the future performance of Far East H-Trust.

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