



Far East Hospitality Trust

Unaudited Financial Statements Announcement

For the third quarter and nine months ended 30 September 2013

Far East Hospitality Trust ("Far East H-Trust" or the "Stapled Group") is a hospitality stapled group 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-REIT and Far East H-BT are managed by FEO Hospitality Asset Management Pte. Ltd. ("REIT Manager") and FEO Hospitality Trust Management Pte. Ltd. ("Trustee-Manager"), respectively.

Far East H-REIT is a Singapore-based real estate investment trust established principally to invest on a long-term basis, in a diversified portfolio of income-producing hospitality-related real estate in Singapore.

Stapled Securities in Far East H-Trust commenced trading on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 August 2012.

Far East H-REIT has a portfolio of 12 properties consisting of 8 hotels, namely Village Hotel Albert Court (formerly known as Albert Court Village Hotel), Village Hotel Changi (formerly known as Changi Village Hotel), The Elizabeth Hotel, Village Hotel Bugis (formerly known as Landmark Village Hotel), Oasia Hotel, Orchard Parade Hotel, The Quincy Hotel and Rendezvous Grand Hotel Singapore (the "Hotels"); and 4 serviced residences, namely Village Residence Clarke Quay (formerly known as Central Square Village Residences), Village Residence Hougang (formerly known as Hougang Village Residences), Regency House and Village Residence Robertson Quay (formerly known as Riverside Village Residences) (the "Serviced Residences", and together with the Hotels, the "Properties"). The Properties are located in Singapore.

Distribution Policy

Far East H-REIT's distribution policy is to distribute 100% of Far East H-REIT's taxable income for the period from 27 August 2012 to 31 December 2013 and at least 90% of its taxable income thereafter.

Far East H-BT remains dormant as at the date of this report. 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's Board at its sole discretion.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013

1(a) Income statements together with comparatives for corresponding periods in immediately preceding financial year.

1(a)(i) Statements of Total Return of Far East H-REIT and Far East H-Trust
 Statement of Comprehensive Income of Far East H-BT

	3Q 2013			Nine Months		
	Far East H-Trust ^(a) \$'000	Far East H-REIT ^(a) \$'000	Far East H-BT ^(a) \$'000	Far East H-Trust ^(a) \$'000	Far East H-REIT ^(a) \$'000	Far East H-BT ^(a) \$'000
Master lease rental	26,453	26,453	—	74,643	74,643	—
Retail and office revenue	5,019	5,019	—	14,272	14,272	—
Gross revenue	31,472	31,472	—	88,915	88,915	—
Property tax	(1,912)	(1,912)	—	(5,388)	(5,388)	—
Property insurance	(31)	(31)	—	(66)	(66)	—
MCST contribution	(11)	(11)	—	(34)	(34)	—
Retail and office expenses	(884)	(884)	—	(1,652)	(1,652)	—
Property manager fees	(112)	(112)	—	(345)	(345)	—
Other property expenses	(4)	(4)	—	(15)	(15)	—
Property expenses	(2,954)	(2,954)	—	(7,500)	(7,500)	—
Net property income	28,518	28,518	—	81,415	81,415	—
REIT Manager's fees	(2,971)	(2,971)	—	(8,384)	(8,384)	—
Trustee's fees	(76)	(76)	—	(215)	(215)	—
Other trust expenses	(213)	(213)	#	(439)	(437)	(2)
REIT and BT level expenses	(3,260)	(3,260)	#	(9,038)	(9,036)	(2)
Interest expense	(3,102)	(3,102)	—	(8,926)	(8,926)	—
Realised interest rate swap cost	(1,147)	(1,147)	—	(1,965)	(1,965)	—
Total finance costs	(4,249)	(4,249)	—	(10,891)	(10,891)	—
Net income before tax and fair value changes	21,009	21,009	#	61,486	61,488	(2)
Fair value change in interest rate swaps ^(b)	(2,904)	(2,904)	—	6,693	6,693	—
Total fair value change	(2,904)	(2,904)	—	6,693	6,693	—
Total return for the period before income tax	18,105	18,105	#	68,179	68,181	(2)
Income tax expense	—	—	—	—	—	—
Total return for the period after income tax	18,105	18,105	#	68,179	68,181	(2)
Other comprehensive income for the period, net of income tax			—			—
Total comprehensive income for the period			#			(2)

Less than \$1,000

Footnotes:

(a) No comparative statements of total return and statement of comprehensive income have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.

The acquisition of Rendezvous Grand Hotel Singapore ("RGHS") and Rendezvous Gallery (collectively the "Rendezvous Property") was completed on 1 August 2013. Rendezvous Property's result for period from 1 August 2013 and 30 September 2013 has been included in the third quarter results of Far East H-REIT and Far East H-Trust.

(b) This relates to unrealised differences arising from fair valuation of interest rate swaps.

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1(a)(ii) Distribution Statements

	Note	3Q 2013		Nine Months	
		Far East H-Trust ^(a)	Far East H-REIT ^(a)	Far East H-Trust ^(a)	Far East H-REIT ^(a)
		\$'000	\$'000	\$'000	\$'000
Total return after income tax		18,105	18,105	68,179	68,181
<u>Add/(Less)</u>					
REIT manager's fees paid/payable in Stapled Securities	(b)	2,377	2,377	6,707	6,707
Trustee's fees		76	76	215	215
Amortisation of debt upfront cost		194	194	532	532
Amortisation of realised interest rate swap cost	(c)	573	573	573	573
Fair value change in interest rate swaps		2,904	2,904	(6,693)	(6,693)
Net effect of other non-tax deductible items	(d)	(31)	(31)	12	12
Net tax adjustment		6,093	6,093	1,346	1,346
Income available for distribution		24,198	24,198	69,525	69,527

Footnotes:

- (a) No comparative statements of total return and statement of comprehensive income have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.
- (b) This represents 80% of the REIT Manager's fees being paid in Stapled Securities.
- (c) Realised interest rate swap cost is amortised over two quarters i.e. 3Q and 4Q 2013.
- (d) This relates to the initial rating fees, non-tax deductible professional fees, deferred income and amortisation of rental deposits.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013
1(b) Balance Sheets
1(b)(i) Balance Sheets as at 30 September 2013

	Note	As at 30 September 2013			As at 31 December 2012		
		Far East H-Trust	Far East H-REIT	Far East H-BT	Far East H-Trust	Far East H-REIT	Far East H-BT
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets							
Investment properties	(a)	2,427,505	2,427,505	—	2,158,400	2,158,400	—
Current assets							
Cash and cash equivalents		20,769	20,769	—	35,658	35,658	—
Prepayments		79	79	—	76	76	—
Trade and other receivables		20,575	20,575	30	20,896	20,896	30
Interest rate swaps	(b)	4,850	4,850	—	—	—	—
Total current assets		46,273	46,273	30	56,630	56,630	30
Total assets		2,473,778	2,473,778	30	2,215,030	2,215,030	30
Current liabilities							
Trade and other payables		2,756	2,781	5	1,480	1,510	—
Accruals		2,507	2,506	1	2,202	2,200	2
Interest rate swaps	(b)	—	—	—	1,843	1,843	—
Rental deposits		2,201	2,201	—	1,989	1,989	—
Deferred income		90	90	—	162	162	—
Total current liabilities		7,554	7,578	6	7,676	7,704	2
Non-current liabilities							
Borrowings		779,279	779,279	—	647,257	647,257	—
Rental deposits		5,910	5,910	—	5,435	5,435	—
Deferred income		1,615	1,615	—	1,728	1,728	—
Total non-current liabilities		786,804	786,804	—	654,420	654,420	—
Total liabilities		794,358	794,382	6	662,096	662,124	2
Net assets		1,679,420	1,679,396	24	1,552,934	1,552,906	28
<u>Represented by:</u>							
Unitholders' funds							
Unitholders' funds of Far East H-REIT		1,679,396	1,679,396	—	1,552,906	1,552,906	—
Unitholders' funds of Far East H-BT		24	—	24	28	—	28
		1,679,420	1,679,396	24	1,552,934	1,552,906	28

Footnotes:

- (a) The acquisition of Rendezvous Property was completed on 1 August 2013 at the purchase consideration of \$264.3million.
 (b) This relates to the fair value of interest rate swaps used to hedge interest rate risk.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013

1(b)(ii) Aggregate Amount of Borrowings as at 30 September 2013

	As at 30 September 2013		As at 31 December 2012	
	Far East H-Trust	Far East H-REIT	Far East H-Trust	Far East H-REIT
	\$'000	\$'000	\$'000	\$'000
Unsecured				
Amount repayable in one year or less, or on demand	—	—	—	—
Amount repayable after one year	779,279	779,279	647,257	647,257
	779,279	779,279	647,257	647,257

Details of borrowings and collateral:

The initial borrowings are unsecured term loan facilities of \$650 million provided by three financial institutions, with staggered debt maturities of three-year, five-year and seven-year terms.

The acquisition of Rendezvous Property was partially financed by two 5-year unsecured loan facilities from DBS Bank Limited and Sumitomo Mitsui Banking Corporation. The total loan amount of \$132.15 million was fully drawn on 1 August 2013 as part payment of the purchase consideration.

In addition, Far East H-REIT has also put in place \$75 million of uncommitted revolving credit facilities which remain unutilised as at the date of this report.

Gearing as at 30 September 2013 was 31.6%.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013
1(c) Consolidated Cash Flow Statements

	3Q 2013			Nine Months		
	Far East H-Trust ^(a)	Far East H-REIT ^(a)	Far East H-BT ^(a)	Far East H-Trust ^(a)	Far East H-REIT ^(a)	Far East H-BT ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Total return before income tax	18,105	18,105	#	68,179	68,181	(2)
Adjustments for:						
Finance costs	4,249	4,249	—	10,891	10,891	—
Fair value change in interest rate swaps	2,904	2,904	—	(6,693)	(6,693)	—
REIT Manager's fees issuable in Stapled Securities	2,377	2,377	—	6,707	6,707	—
Deferred income recognised	18	18	—	(67)	(67)	—
Operating profit before working capital changes	27,653	27,653	#	79,017	79,019	(2)
Changes in working capital						
Trade and other receivables	(2,122)	(2,122)	—	318	318	—
Trade and other payables	2,071	2,071	#	1,835	1,831	4
Rental deposits	682	682	—	514	514	—
Cash flows generated from operating activities	28,284	28,284	#	81,684	81,682	2
Cash flows from investing activities						
Capital expenditure on investment properties	(958)	(958)	—	(1,167)	(1,167)	—
Acquisition of investment properties	(198,078)	(198,078)	—	(198,078)	(198,078)	—
Cash flows used in investing activities	(199,036)	(199,036)	—	(199,245)	(199,245)	—
Cash flows from financing activities						
Proceed from borrowings	131,490	131,490	—	131,490	131,490	—
Issue of stapled securities	67,838	67,838	—	67,838	67,838	—
Finance costs paid	(4,104)	(4,104)	—	(10,304)	(10,304)	—
Issue cost capitalised	—	—	—	—	2	(2)
Distribution to Stapled Securityholders	(30,566)	(30,566)	—	(86,352)	(86,352)	—
Cash flows from financing activities	164,658	164,658	—	102,672	102,674	(2)
Net decrease in cash and cash equivalents	(6,094)	(6,094)	—	(14,889)	(14,889)	—
Cash and cash equivalents at beginning of the period	26,863	26,863	—	35,658	35,658	—
Cash and cash equivalents at end of the period	20,769	20,769	—	20,769	20,769	—

Less than \$1,000

Footnotes:

- (a) No comparative of consolidated cash flow statements have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 July 2013 to 30 September 2013

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue \$'000	Accumulated profit \$'000	Total^(a) \$'000	Units in issue \$'000	Accumulated loss \$'000	Total^(a) \$'000	Total^(a) \$'000
Balance at 1 July 2013	1,487,699	63,829	1,551,528	28	(4)	24	1,551,552
Operations							
Increase in net assets resulting from operations	–	18,105	18,105	–	–	–	18,105
	–	18,105	18,105	–	–	–	18,105
Unitholders' transactions							
- Payment of REIT Manager's fees ^(b)	2,377	–	2,377	–	–	–	2,377
- Issue of stapled securities ^(c)	137,952	–	137,952	–	–	–	137,952
- Distribution to Stapled Securityholders ^(d)	–	(30,566)	(30,566)	–	–	–	(30,566)
Net increase/(decrease) in net assets resulting from unitholders' transactions	140,329	(30,566)	109,763	–	–	–	109,763
Balance at 30 September 2013	1,628,028	51,368	1,679,396	28	(4)	24	1,679,420

Footnotes:

- (a) No comparative statements of changes in stapled securityholders' funds have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.
- (b) This represents the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the 3Q 2013. The Stapled Securities are issued within 30 days from quarter end.
- (c) New Stapled Securities have been issued as part satisfaction of the Rendezvous Hotel purchase consideration.
- (d) Distribution to Stapled Securityholders relates to the period from 1 April 2013 to 31 July 2013. This advanced distribution was paid on 11 September 2013.

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1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2013 to 30 September 2013

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue \$'000	Accumulated profit \$'000	Total^(a) \$'000	Units in issue \$'000	Accumulated loss \$'000	Total^(a) \$'000	Total^(a) \$'000
Balance at 1 January 2013	1,483,367	69,539	1,552,906	30	(2)	28	1,552,934
Operations							
Increase/ (decrease) in net assets resulting from operations	-	68,181	68,181	-	(2)	(2)	68,179
	-	68,181	68,181	-	(2)	(2)	68,179
Unitholders' transactions							
- Payment of REIT Manager's fees ^(b)	6,707	-	6,707	-	-	-	6,707
- Issue of stapled securities	137,952	-	137,952	-	-	-	137,952
- Issue cost capitalized	2	-	2	(2)	-	(2)	-
- Distribution to Stapled Securityholders ^(c)	-	(86,352)	(86,352)	-	-	-	(86,352)
Net increase/(decrease) in net assets resulting from unitholders' transactions	144,661	(86,352)	58,309	(2)	-	(2)	58,307
Balance at 30 September 2013	1,628,028	51,368	1,679,396	28	(4)	24	1,679,420

Footnotes:

- (a) No comparative statements of changes in stapled securityholders' funds have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.
- (b) This represents the Stapled Securities issued and issuable as partial satisfaction of the management fee incurred for the period from 1 January 2013 to 30 September 2013. The Stapled Securities are issued within 30 days from quarter end.
- (c) Distribution to Stapled Securityholders relates to period from 27 August 2012 to 31 July 2013.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2013

1(d)(ii) Details of Changes in Issued and Issuable Stapled Securities

	3Q 2013 Far East H-Trust ^(a) No. of Stapled Securities
Stapled Securities in issue at 1 July 2013	1,608,768,939
New Stapled Securities issued	
- As payment of REIT Manager's fees	2,273,492
- As payment of acquisition fees	2,273,059
- As part payment of purchase consideration	146,031,000
Total issued Stapled Securities	1,759,346,490
Stapled Securities to be issued:	
- As payment of REIT Manager's fees (b)	2,589,349
Total issued and issuable Stapled Securities	1,761,935,839

Footnotes:

(a) No comparative statements of details of changes in issued and issuable stapled securities have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.

(b) This represents 80% of the REIT Manager's fees for 3Q 2013 to be paid in Stapled Securities.

2 Whether the figures have been audited or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the financial period ended 31 December 2012.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There has been no change in the accounting policies and methods of computation adopted by Far East H-REIT, Far East H-BT and the Stapled Group for the current reporting period compared with the audited financial statements as at 31 December 2012 except for the adoption of new or revised FRS that are mandatory for financial year beginning on or after 1 January 2013. The adoption of these FRS has no significant impact to Far East H-REIT, Far East H-BT and the Stapled Group for the period under review.

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6 Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period ended 30 September 2013

	Note	3Q 2013 Far East H-Trust ^(a)	Nine Months Far East H-Trust ^(a)
Weighted average number of Stapled Securities in issue		1,708,657,826	1,641,310,977
Total return for the period after tax (\$)		18,105,000	68,179,000
EPS based on weighted average number of Stapled Securities in issue (cents)		1.06	4.15
Total number of issued and issuable Stapled Securities at end of period		1,761,935,839	1,761,935,839
Distribution to Stapled Securityholders (\$)		24,198,000	69,525,000
DPS based on the total number of Stapled Securities entitled to distribution (cents)		1.41	4.22

Diluted EPS is the same as the basic EPS as there are no dilutive instruments in issue during the financial period.

Footnotes:

- (a) No comparative statements of EPS and DPS have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.

7 Net asset value (“NAV”) per stapled security:-

	30 September 2013 Far East H-Trust	31 December 2012 Far East H-Trust
Total number of issued and issuable Stapled Securities at end of period	1,761,935,839	1,606,943,895
Net asset value per Stapled Security (cents)	95.32	96.64

Footnotes:

The number of Stapled Securities used for computation of actual NAV per Stapled Security as at 30 September 2013 was 1,761,935,839, comprising:

- (i) 1,606,943,895 Stapled Securities in issue and issuable as at 31 December 2012;
- (ii) 6,687,885 Stapled Securities issued and issuable to the REIT Manager, in consideration of 80% of the REIT Manager’s fees payable for the period from 1 January 2013 to 30 September 2013;
- (iii) 2,273,059 Stapled Securities issued to the REIT Manager as part payment of acquisition fees; and
- (iv) 146,031,000 Stapled Securities issued as partial payment of the purchase consideration for the acquisition of Rendezvous Property completed on 1 August 2013.

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8 A review of the performance for period ended 30 September 2013

Please refer to Section 9 for a review of Far East H-Trust's results for 3Q 2013 against the forecast as disclosed in the prospectus.

9 Variance between forecast and the actual results
9(a) Statement of Net Income and Distribution (Actual vs Forecast)

	3Q 2013 Actual	3Q 2013 Forecast ⁽¹⁾	+ / (-)	Nine Months Actual	Nine Months Forecast ⁽¹⁾	+ / (-)
			%			%
Gross revenue (\$'000)	31,472	34,719	(9.4)	88,915	95,893	(7.3)
Net property income (\$'000)	28,518	31,477	(9.4)	81,415	86,793	(6.2)
Income available for distribution (\$'000)	24,198	26,144	(7.4)	69,525	72,020	(3.5)
Distribution per Stapled Security (cents)⁽²⁾	1.41	1.53	(7.8)	4.22	4.37	(3.4)

- (1) The forecast figures were derived from the Far East H-Trust's Initial Public Offering Prospectus of 16 August 2012 and the Circular for acquisition of Rendezvous Property dated 15 May 2013. The acquisition of Rendezvous Grand Hotel Singapore ("RGHS") and Rendezvous Gallery (collectively "Rendezvous Property") was completed on 1 August 2013. Rendezvous Property's result for the period from 1 August 2013 and 30 September 2013 has been included in the third quarter results and nine months of Far East H-REIT and Far East H-Trust.
- (2) In connection with the acquisition of Rendezvous Property, Far East H-Trust had made, in lieu of the scheduled quarterly-distribution, an advanced distribution of Far East H-Trust's distributable income for the period from 1 April 2013 to 31 July 2013 (prior to the date on which the placement of new Stapled Securities were issued). The distribution was paid on 11 September 2013.
- (3) The distribution for the two months from 1 August 2013 to 30 September 2013 of 0.94 cents will be paid on 18 December 2013.

9(b) A review of the performance (Actual vs Forecast)
3Q 2013 actual vs forecast

Gross Revenue for 3Q 2013 was \$31.5 million or 9.4% lower than forecast.

The overall occupancy for the hotel portfolio (excluding RGHS) was 1.8pp above 3Q 2013 forecast while the average daily rate ("ADR") was 12.0% below forecast. There was continuing pressure on rates in the Singapore market that restrained the ability to significantly grow the ADR. As a result, the average revenue per available room ("RevPAR") was \$167.1 or 10.2% below the 3Q 2013 forecast.

For the hotel portfolio (including RGHS), the overall occupancy was 86.2% or 1.6pp above 3Q 2013 forecast and ADR was \$193.8 or 10.6% below forecast. Consequently, the RevPAR was \$167.1 or 8.9% below forecast, attributable to the marginally higher than forecast RevPAR attained by RGHS.

The occupancy for Serviced Residences was 0.2pp higher than 3Q 2013 forecast. The average room rate attained was 2.9% lower due to offer of promotional rates to attract longer stay customers. Consequently, 3Q 2013 revenue per available serviced residence unit ("RevPAU") was \$229.5 or 2.6% below the 3Q 2013 forecast of \$235.7.

The rental revenue from the excluded commercial properties in the Hotels and Serviced Residences was \$5.0 million for 3Q 2013 or 3.4% above 3Q 2013 forecast.

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Snapshot of the Hotels and Serviced Residences ("SRs") statistics are set out below:

	3Q 2013 Actual			3Q 2013 Forecast			Variance		
	Hotels excl. RGHS	All Hotels	SRs	Hotels excl. RGHS	All Hotels	SRs	Hotels excl. RGHS	All Hotels	SRs
Average Occupancy (%)	86.7	86.2	90.2	84.9	84.6	90.0	1.8pp	1.6pp	0.2pp
Average Daily Rate (\$)	192.7	193.8	254.4	219.1	216.8	261.9	(12.0%)	(10.6%)	(2.9%)
RevPAR / RevPAU (\$)	167.1	167.1	229.5	186.0	183.4	235.7	(10.2%)	(8.9%)	(2.6%)

The **Net Property Income** was \$28.5 million or 9.4% lower than forecast.

The **Income Available for Distribution** was \$24.2 million, or 7.4% below the 3Q 2013 forecast and **Distribution per Stapled Security** was 1.41, or 7.8% below forecast.

Nine months 2013 actual vs forecast

Gross Revenue for nine months 2013 was \$88.9 million or 7.3% below forecast.

Occupancy for hotel portfolio (excluding RGHS) for the nine months of 2013 was 1.7pp above forecast. Due to a more challenging environment, the ADR of the hotels has reflected the hospitality market trend in Singapore and has come short of forecast by 11.5% for the first nine months. As a result, the RevPAR was \$165.3, 9.7% lower against forecast of \$183.1.

For the hotel portfolio (including RGHS), the overall occupancy was 86.2% or 1.6pp above forecast and ADR was \$192.2 or 10.1% below forecast. Consequently, the RevPAR was \$165.7 or 8.4% below forecast.

The performance of the Serviced Residences remained close to the forecast with occupancy at 1.2pp below forecast and ADR was \$255.7 or 0.7% above forecast of \$253.8. Consequently, RevPAU was \$227.1 or 0.6% lower against forecast of \$228.4.

The rental revenue from the excluded commercial properties in the Hotels and Serviced Residences was \$14.3 million for the nine months period, 5.1% higher than forecast, which has provided stability to the portfolio.

Snapshot of the Hotels and Serviced Residences ("SRs") statistics are set out below:

	Nine Months 2013 Actual			Nine Months 2013 Forecast			Variance		
	Hotels excl. RGHS	All Hotels	SRs	Hotels excl. RGHS	All Hotels	SRs	Hotels excl. RGHS	All Hotels	SRs
Average Occupancy (%)	86.6	86.2	88.8	84.9	84.6	90.0	1.7pp	1.6pp	-1.2pp
Average Daily Rate (\$)	190.9	192.2	255.7	215.7	213.8	253.8	-11.5%	-10.1%	0.7%
RevPAR / RevPAU (\$)	165.3	165.7	227.1	183.1	180.9	228.4	-9.7%	-8.4%	-0.6%

For the first nine months of 2013, prudent cost management further reduced the revenue variance providing a **Net Property Income** of \$81.4 million or 6.2% below forecast.

Income Available for Distribution was \$69.5 million or 3.5% below forecast and **Distribution per Stapled Security** was 4.22 cents or 3.4% lower than forecast for the first nine months of 2013.

10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 3Q 2013, the operating environment remained challenging due to higher than expected price competition from the new supply of hotels and tight corporate budgets. The hospitality sector also felt the impact of a stronger Singapore Dollar, which resulted in fewer bookings from key tourist markets such as Indonesia and Malaysia.

While the above factors may dampen current operating performance, the outlook is expected to improve in 2014. In the first half of next year, the industry will benefit from the staging of the biennial Singapore Airshow and the Food and Hotel Asia exhibition. In addition, the MICE industry will receive a boost from the reopening of the Suntec Convention and Exhibition Centre and the opening of the new Singapore Sports Hub.

The acquisition of Rendezvous Grand Hotel Singapore and Rendezvous Gallery was completed on 1 August 2013. Since the acquisition, the REIT Manager has focused on ramping up the hotel occupancy and room rates by leveraging on the operator's

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central sales force. As a strategy to strengthen the hotel's status as an icon within the business and cultural district, the REIT Manager is embarking on the repositioning of the property to an art-inspired hotel.

To address the competition in the mid-tier/upscale hospitality sector, the hotel operator will focus on revenue management, growing the corporate segment and driving more direct bookings on its own website to improve yields.

On capital management, the REIT Manager has fixed the interest rate for all term loans maturing beyond 2016. This represents 62% of the total loan portfolio and will result in an expected composite interest cost of 2.3% per annum in the fourth quarter.

The REIT Manager expects the operating environment to remain challenging for the rest of the financial year. It will continue to strengthen its portfolio through asset enhancement initiatives for selected properties. The REIT Manager plans to upgrade approximately 10% of the hotel rooms and serviced residence units in the portfolio in the next 12 months.

Far East H-Trust's retail and office spaces are expected to operate at high occupancy rates and provide a steady income stream to the portfolio. At the same time, the REIT Manager will also continue to seek acquisition opportunities to enhance returns to the Stapled Securityholders.

11 DISTRIBUTIONS

In connection with the acquisition of Rendezvous Property, Far East H-Trust had made, in lieu of the scheduled quarterly-distribution, an advanced distribution of Far East H-Trust's distributable income for the period from 1 April 2013 to 31 July 2013 (prior to the date on which the placement of new Stapled Securities were issued). The distribution was paid on 11 September 2013.

Current financial period

Any distribution declared for the current period?	Yes
Distribution period	Distribution for the period from 1 August 2013 to 30 September 2013
Distribution type	Taxable income
Distribution per stapled security	0.94 cents
Tax rate	<p><u>Taxable income distribution</u> Qualifying investors and individuals (other than those who held their stapled securities through a partnership) would receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.</p> <p>Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors received their distributions after deduction of tax at the rate of 17%.</p>
Date paid/payable	18 December 2013
Books closure date	19 November 2013
Stapled Securityholders must complete and return Form A or Form B, as applicable	5 December 2013

Corresponding period of the preceding financial period

No comparative statements of distribution have been prepared as Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. The first set of results for the period from 27 August 2012 to 31 December 2012 was announced on 6 February 2013.

12 If no dividend has been declared/ recommended, a statement to that effect.

Not applicable.

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- 13 If the Group has obtained a general mandate from Stapled Securityholders for IPT, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Far East H-Trust did not obtain a general mandate from Stapled Securityholders for IPTs.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Section 9 for a review of the performance.

- 15. Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of FEO Hospitality Asset Management Pte Ltd (as manager of Far East Hospitality Real Estate Investment Trust) (the "REIT Manager") and FEO Hospitality Trust Management Pte Ltd (as trustee-manager of Far East Hospitality Business Trust) (the "Trustee-Manager"), hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the REIT Manager and the Trustee-Manager which may render the unaudited financial results of Far East Hospitality Trusts for the quarter and nine months ended 30 September 2013 to be false and misleading in any material respect.

- 16. Use of Proceeds from the Issue of New Stapled Securities on 1 August 2013**

- (i) the proceeds from the issue of New Stapled Securities to Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited (both being wholly-owned subsidiaries of The Straits Trading Company Limited) amounting to approximately the S\$68.0 million (the "**Consideration Stapled Securities**"); and
- (i) the issue of new stapled securities to Golden Development Private Limited (a member of Far East Organization group of companies) amounting to approximately \$67.8 million (the "**Placement Stapled Securities**")

were used to partially fund the acquisition of the Rendezvous Property.

By Order of the Board

Jill Chay Suet Yee
Company Secretary
FEO Hospitality Asset Management Pte. Ltd.
(Company Registration No. 201102629K)
8 November 2013

By Order of the Board

Jill Chay Suet Yee
Company Secretary
FEO Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201210698W)
8 November 2013

The issue managers for the initial public offering and listing of Far East Hospitality Trust are 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 announcement.

Important Notice

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of master lease rental revenue, retail and office rental revenue, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the REIT Manager's and Trustee-Manager's current view on future events.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, Trustee-Manager or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the REIT Manager and Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled

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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.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe 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.