

**Far East Hospitality Trust**  
**Unaudited Financial Statements Announcement**  
**For the quarter ended 31 March 2014**

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.

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 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.

Far East H-REIT has a portfolio of 12 Singapore properties consisting of 8 hotels and 4 serviced residences:

Hotels		Serviced Residences (SRs)	
OHS	Oasia Hotel	RH	Regency House
OPH	Orchard Parade Hotel	VRCQ	Village Residence Clarke Quay
RHS	Rendezvous Hotel Singapore	VRH	Village Residence Hougang
TES	The Elizabeth Hotel	VRRQ	Village Residence Robertson Quay
TQH	The Quincy Hotel		
VHAC	Village Hotel Albert Court		
VHB	Village Hotel Bugis		
VHC	Village Hotel Changi		

Far East H-BT is currently dormant. Accordingly, the financial information of Far East H-BT has not been presented.

**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.

**Management Fees paid to the REIT Manager**

FEO Hospitality Asset Management Pte Ltd, as manager of Far East H-REIT, has elected to receive 90% of its management fee in stapled securities and the balance in cash for the financial year ending 31 December 2014.

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**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**

	Far East H-TRUST			Far East H-REIT		
	1Q 2014 <sup>(a)</sup> S\$'000	1Q 2013 S\$'000	Change + / (-) %	1Q 2014 <sup>(a)</sup> S\$'000	1Q 2013 S\$'000	Change + / (-) %
Master lease rental	24,935	23,471	6.2	24,935	23,471	6.2
Retail and office revenue	5,734	4,639	23.6	5,734	4,639	23.6
<b>Gross revenue</b>	<b>30,669</b>	<b>28,110</b>	<b>9.1</b>	<b>30,669</b>	<b>28,110</b>	<b>9.1</b>
Property tax	(2,107)	(1,693)	(24.4)	(2,107)	(1,693)	(24.4)
Property insurance	(45)	(17)	(164.7)	(45)	(17)	(164.7)
MCST contribution	(14)	(12)	(16.7)	(14)	(12)	(16.7)
Retail and office expenses	(767)	(297)	(158.2)	(767)	(297)	(158.2)
Property manager fees	(134)	(120)	(11.7)	(134)	(120)	(11.7)
Other property expenses	(8)	(9)	11.1	(8)	(9)	11.1
<b>Property expenses</b>	<b>(3,075)</b>	<b>(2,148)</b>	<b>(43.1)</b>	<b>(3,075)</b>	<b>(2,148)</b>	<b>(43.1)</b>
<b>Net property income</b>	<b>27,594</b>	<b>25,962</b>	<b>6.3</b>	<b>27,594</b>	<b>25,962</b>	<b>6.3</b>
REIT Manager's fees	(2,979)	(2,680)	(11.1)	(2,979)	(2,680)	(11.1)
Trustee's fees	(78)	(69)	(13.0)	(78)	(69)	(13.0)
Other trust expenses	(180)	(160)	(12.5)	(179)	(160)	(11.9)
<b>REIT and BT level expenses</b>	<b>(3,237)</b>	<b>(2,909)</b>	<b>(11.3)</b>	<b>(3,236)</b>	<b>(2,909)</b>	<b>(11.2)</b>
Interest expense	(4,192)	(3,732)	(12.3)	(4,192)	(3,732)	(12.3)
<b>Total finance costs</b>	<b>(4,192)</b>	<b>(3,732)</b>	<b>(12.3)</b>	<b>(4,192)</b>	<b>(3,732)</b>	<b>(12.3)</b>
<b>Net income before tax and fair value changes</b>	<b>20,165</b>	<b>19,321</b>	<b>4.4</b>	<b>20,166</b>	<b>19,321</b>	<b>4.4</b>
Fair value change in interest rate swap <sup>(b)</sup>	177	(139)	N.M.	177	(139)	N.M.
<b>Total fair value changes</b>	<b>177</b>	<b>(139)</b>	<b>N.M.</b>	<b>177</b>	<b>(139)</b>	<b>N.M.</b>
Total return for the period before income tax	20,342	19,182	6.0	20,343	19,182	6.0
Income tax expense	—	—	—	—	—	—
<b>Total return for the period after income tax</b>	<b>20,342</b>	<b>19,182</b>	<b>6.0</b>	<b>20,343</b>	<b>19,182</b>	<b>6.0</b>

**Footnotes:**

N.M. – Not Meaningful

(a) The acquisition of Rendezvous Grand Hotel Singapore and Rendezvous Gallery (collectively the "Rendezvous Property") was completed on 1 August 2013. Rendezvous Grand Hotel Singapore has been renamed as Rendezvous Hotel Singapore ("RHS") on 13 January 2014. Rendezvous Property's result for the period from 1 January 2014 to 31 March 2014 have been included in the 2014 first quarter results of Far East H-REIT and Far East H-Trust respectively.

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

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**1(a)(ii) Distribution Statements**

	Far East H-TRUST			Far East H-REIT		
	1Q 2014 <sup>(a)</sup> S\$'000	1Q 2013 S\$'000	Change + / (-) %	1Q 2014 <sup>(a)</sup> S\$'000	1Q 2013 S\$'000	Change + / (-) %
Total return after tax	<b>20,342</b>	<b>19,182</b>	<b>6.0</b>	<b>20,343</b>	<b>19,182</b>	<b>6.0</b>
<b>Add/(Less) Non tax deductible/(tax chargeable) items:</b>						
- REIT Manager's fees paid/payable in Stapled Securities <sup>(b)</sup>	2,682	2,144	25.1	2,682	2,144	25.1
- Trustee's fees	78	69	13.0	78	69	13.0
- Amortisation of debt upfront cost	200	168	19.0	200	168	19.0
- Amortisation of realised interest rate swap cost	—	409	N.M.	—	409	N.M.
- Fair value change in interest rate swap	(177)	139	N.M.	(177)	139	N.M.
- Other adjustments	(4)	25	N.M.	(4)	25	N.M.
Net tax adjustment	2,779	2,954	(5.9)	2,779	2,954	(5.9)
<b>Income available for distribution</b>	<b>23,121</b>	<b>22,136</b>	<b>4.5</b>	<b>23,122</b>	<b>22,136</b>	<b>4.5</b>

**Footnotes:**

N.M. – Not Meaningful

- (a) The acquisition of Rendezvous Grand Hotel Singapore and Rendezvous Gallery (collectively the “Rendezvous Property”) was completed on 1 August 2013. Rendezvous Grand Hotel Singapore has been renamed as Rendezvous Hotel Singapore (“RHS”) on 13 January 2014. Rendezvous Property’s result for the period from 1 January 2014 to 31 March 2014 have been included in the 2014 first quarter results of Far East H-REIT and Far East H-Trust respectively.
- (b) This represents REIT Manager’s fees paid/payable in Stapled Securities of 90% in the current quarter and 80% in the corresponding quarter last year.

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**1(b) Balance Sheets**
**1(b)(i) Balance Sheets as at 31 March 2014  
 Far East H-REIT and Far East H-Trust**

	Note	As at 31 March 2014			As at 31 December 2013		
		Far East H-Trust	Far East H-REIT	Far East H-BT	Far East H-Trust	Far East H-REIT	Far East H-BT
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>							
Investment properties		2,476,451	2,476,451	—	2,474,700	2,474,700	—
<b>Current assets</b>							
Cash and cash equivalents		22,741	22,741	—	29,108	29,108	—
Prepayments		167	167	—	149	149	—
Trade and other receivables		23,409	23,409	30	21,818	21,818	30
Interest rate swaps	(a)	6,267	6,267	—	6,090	6,090	—
<b>Total current assets</b>		<b>52,584</b>	<b>52,584</b>	<b>30</b>	<b>57,165</b>	<b>57,165</b>	<b>30</b>
<b>Total assets</b>		<b>2,529,035</b>	<b>2,529,035</b>	<b>30</b>	<b>2,531,865</b>	<b>2,531,865</b>	<b>30</b>
<b>Current liabilities</b>							
Trade and other payables		3,252	3,277	5	4,420	4,445	5
Accruals		2,471	2,469	2	2,348	2,347	1
Rental deposits		2,003	2,003	—	2,243	2,243	—
Deferred income		90	90	—	90	90	—
<b>Total current liabilities</b>		<b>7,816</b>	<b>7,839</b>	<b>7</b>	<b>9,101</b>	<b>9,125</b>	<b>6</b>
<b>Non-current liabilities</b>							
Borrowings		779,685	779,685	—	779,484	779,484	—
Rental deposits		6,678	6,678	—	6,364	6,364	—
Deferred income		1,570	1,570	—	1,592	1,592	—
<b>Total non-current liabilities</b>		<b>787,933</b>	<b>787,933</b>	<b>—</b>	<b>787,440</b>	<b>787,440</b>	<b>—</b>
<b>Total liabilities</b>		<b>795,749</b>	<b>795,772</b>	<b>7</b>	<b>796,541</b>	<b>796,565</b>	<b>6</b>
<b>Net assets</b>		<b>1,733,286</b>	<b>1,733,263</b>	<b>23</b>	<b>1,735,324</b>	<b>1,735,300</b>	<b>24</b>
<b>Represented by:</b>							
<b>Unitholders' funds</b>							
Unitholders' funds of Far East H-REIT		1,733,263	1,733,263	—	1,735,300	1,735,300	—
Unitholders' funds of Far East H-BT		23	—	23	24	—	24
		<b>1,733,286</b>	<b>1,733,263</b>	<b>23</b>	<b>1,735,324</b>	<b>1,735,300</b>	<b>24</b>

**Footnotes:**

(a) This relates to the fair value of interest rate swaps used to hedge interest rate risk.

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**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**


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**1(b)(ii) Aggregate Amounts of Borrowings as at 31 March 2014**

	As at 31 March 2014		As at 31 December 2013	
	Far East H-Trust	Far East H-REIT	Far East H-Trust	Far East H-REIT
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Unsecured</b>				
Amounts repayable in one year or less, or on demand	—	—	—	—
Amounts repayable after one year	779,685	779,685	779,484	779,484
	<b>779,685</b>	<b>779,685</b>	<b>779,484</b>	<b>779,484</b>

**Details of borrowings and collateral:**

The borrowings are unsecured term loan facilities of S\$782.15 million provided by four financial institutions, with staggered debt maturities of three-year, five-year and seven-year terms since the originations of the loans.

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

Gearing as at 31 March 2014 was 30.9%.

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**1(c) Consolidated Cash Flow Statements  
 Far East H-REIT and Far East H-Trust**

	Far East H-Trust			Far East H-REIT		
	1Q 2014 S\$'000	1Q 2013 S\$'000	Change + / (-) %	1Q 2014 S\$'000	1Q 2013 S\$'000	Change + / (-) %
<b>Cash flows from operating activities</b>						
Total return before income tax	20,342	19,182	6.0	20,343	19,182	6.0
Adjustments for:						
Finance costs	4,192	3,732	12.3	4,192	3,732	12.3
Fair value change in interest rate swaps	(177)	139	N.M.	(177)	139	N.M.
REIT Manager's fees issuable in Stapled Securities	2,682	2,144	25.1	2,682	2,144	25.1
Deferred income recognised	(22)	—	N.M.	(22)	—	N.M.
Operating profit before working capital changes	27,017	25,197	6.0	27,018	25,197	7.2
Changes in working capital						
Trade and other receivables	(1,609)	3,119	N.M.	(1,609)	3,119	N.M.
Trade and other payables	(222)	5,000	N.M.	(223)	5,000	N.M.
Rental deposits	56	(308)	N.M.	56	(308)	N.M.
<b>Cash flows generated from operating activities</b>	<b>25,242</b>	<b>33,008</b>	<b>(23.5)</b>	<b>25,242</b>	<b>33,008</b>	<b>(23.5)</b>
<b>Cash flows from investing activity</b>						
Capital expenditure on investment properties	(1,751)	(58)	(2,919.0)	(1,751)	(58)	(2,919.0)
<b>Cash flows used in investing activity</b>	<b>(1,751)</b>	<b>(58)</b>	<b>(2,919.0)</b>	<b>(1,751)</b>	<b>(58)</b>	<b>(2,919.0)</b>
<b>Cash flows from financing activities</b>						
Finance costs paid	(4,796)	(3,564)	(34.6)	(4,796)	(3,564)	(34.6)
Distribution to Stapled Securityholders <sup>(a)</sup>	(25,062)	(33,585)	25.4	(25,062)	(33,585)	25.4
<b>Cash flows used in financing activities</b>	<b>(29,858)</b>	<b>(37,149)</b>	<b>19.6</b>	<b>(29,858)</b>	<b>(37,149)</b>	<b>19.6</b>
Net decrease in cash and cash equivalents	(6,367)	(4,199)	(51.6)	(6,367)	(4,199)	(51.6)
Cash and cash equivalents at beginning of the period	29,108	35,658	(18.4)	29,108	35,658	(18.4)
<b>Cash and cash equivalents at end of the period</b>	<b>22,741</b>	<b>31,459</b>	<b>(27.7)</b>	<b>22,741</b>	<b>31,459</b>	<b>(27.7)</b>

**Footnotes:**

N.M. – Not Meaningful

- (a) Distribution to Stapled Securityholders in 1Q 2014 relates to the quarter from 1 October 2013 to 31 December 2013. The distribution was paid on 28 March 2014. In the prior period, the distribution was for the period from 27 August 2012 to 31 December 2012, paid on 21 March 2013.

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2014 to 31 March 2014**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated profit S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated loss S\$'000	Total S\$'000	Total S\$'000
Balance at 1 January 2014	1,630,515	104,785	1,735,300	28	(4)	24	1,735,324
<b>Operations</b>							
Increase in net assets resulting from operations	–	20,343	20,343	–	(1)	(1)	20,342
	–	20,343	20,343	–	(1)	(1)	20,342
<b>Unitholders' transactions</b>							
- Payment of REIT Manager's fees <sup>(a)</sup>	2,682	–	2,682	–	–	–	2,682
- Distribution to Stapled Securityholders <sup>(b)</sup>	–	(25,062)	(25,062)	–	–	–	(25,062)
Net increase/(decrease) in net assets resulting from unitholders' transactions	2,682	(25,062)	(22,380)	–	–	–	(22,380)
Balance at 31 March 2014	1,633,197	100,066	1,733,263	28	(5)	23	1,733,286

**Footnotes:**

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the 1Q 2014. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to Stapled Securityholders relates to the quarter from 1 October 2013 to 31 December 2013 paid on 28 March 2014.

**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**
**1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2013 to 31 March 2013**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated profit S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated loss S\$'000	Total S\$'000	Total S\$'000
Balance at 1 January 2013	1,483,367	69,539	1,552,906	30	(2)	28	1,552,934
<b>Operations</b>							
Increase/ (decrease) in net assets resulting from operations	-	19,182	19,182	-	#	#	19,182
	-	19,182	19,182	-	#	#	19,182
<b>Unitholders' transactions</b>							
- Issue of stapled securities							
- Payment of REIT Manager's fees <sup>(a)</sup>	2,144	-	2,144	-	-	-	2,144
- Distribution to Stapled Securityholders <sup>(b)</sup>	-	(33,585)	(33,585)	-	-	-	(33,585)
Net increase/(decrease) in net assets resulting from unitholders' transactions	2,144	(33,585)	(31,441)	-	-	-	(31,441)
Balance at 31 March 2013	1,485,511	55,136	1,540,647	30	(2)	28	1,540,675
# Less than \$1,000							

**Footnotes:**

- (a) This represents the Stapled Securities issued and issuable as partial satisfaction of the management fee incurred for the quarter from 1 January 2013 to 31 March 2013. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to Stapled Securityholders relates to the period from 27 August 2012 to 31 December 2012.



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**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**


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

	1Q 2014 Far East H-Trust No. of Stapled Securities	1Q 2013 Far East H-Trust No. of Stapled Securities
<b>Stapled Securities in issue at 1 January</b>	1,761,935,839	1,603,888,000
New Stapled Securities issued		
- As payment of REIT Manager's fees	2,983,039	3,055,895
<b>Total issued Stapled Securities</b>	1,764,918,878	1,606,943,895
Stapled Securities to be issued:		
- As payment of REIT Manager's fees	3,299,238	1,825,044
<b>Total issued and issuable Stapled Securities at 31 March</b>	1,768,218,116	1,608,768,939

**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 year ended 31 December 2013.

**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 2013 except for the adoption of new or revised FRS that are mandatory for financial year beginning on or after 1 January 2014. 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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**Unaudited Financial Statements Announcement for the quarter ended 31 March 2014**


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**6 Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period ended 31 March 2014**

	1Q 2014 Far East H-Trust	1Q 2013 Far East H-Trust
Weighted average number of Stapled Securities in issue	1,763,978,572	1,605,959,218
Total return for the period after tax (S\$)	20,342,000	19,182,000
EPS based on weighted average number of Stapled Securities in issue (cents)	1.15	1.19
Total number of issued and issuable Stapled Securities at end of period	1,768,218,116	1,608,768,939
Distribution to Stapled Securityholders (S\$)	23,121,000	22,136,000
DPS based on the total number of Stapled Securities entitled to distribution (cents)	1.30	1.38

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

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

	31 March 2014 Far East H-Trust	31 March 2013 Far East H-Trust
Total number of issued and issuable Stapled Securities at end of period	1,768,218,116	1,608,768,939
Net asset value per Stapled Security (cents)	98.02	95.77

**Footnotes:**

The number of Stapled Securities used for computation of actual NAV per Stapled Security as at 31 March 2014 is 1,768,218,116 comprising:

- (i) 1,764,918,878 Stapled Securities in issue and issuable as at 31 December 2013 and
- (ii) 3,299,238 Stapled Securities issuable to the REIT Manager, in consideration of 90% of the REIT Manager’s fees payable for the quarter from 1 January 2014 to 31 March 2014.

## Unaudited Financial Statements Announcement for the quarter ended 31 March 2014

### 8 A review of the performance for the quarter ended 31 March 2014

#### 8(a) Statement of net income and distribution of Far East Hospitality Trust

	1Q 2014	1Q 2013	Change +/- (-)	
				%
Gross revenue (S\$'000)	30,669	28,110	2,559	9.1
Net property income (S\$'000)	27,594	25,962	1,632	6.3
Income available for distribution (S\$'000)	23,121	22,136	985	4.5
Distribution per Stapled Security (cents)	1.30	1.38	(0.08)	(5.8)

#### 8(b) Review of the performance of first quarter ended 31 March 2014

Gross revenue of S\$30.7 million for 1Q 2014 was 9.1% higher than S\$28.1 million recorded in the corresponding quarter last year, mainly attributable to the contribution from RHS which was acquired on 1 August 2013.

Hotel portfolio average occupancy in 1Q 2014 of 83.4% was 2.1pp below the occupancy rate of 85.5% in 1Q 2013. This was mainly due to the softer performance of the hotel portfolio average occupancy in January 2014, in line with the overall weakness in the average occupancy for the upscale and mid-tier segments of the Singapore hotel industry.

Average daily rate ("ADR") for the hotel portfolio of \$190 in 1Q 2014 was 1.2% increase over the ADR of \$188 in 1Q 2013. This was attributable to the more favourable room rates in February 2014 due to the Singapore Airshow which had helped to neutralize the lower room rates in January 2014.

Corresponding to the softer performance of the average occupancy, revenue per available room ("RevPAR") for the hotel portfolio was \$159, a decrease of 1.3% year-on-year over the RevPAR of \$161 in 1Q 2013.

The Service Residence ("SR") portfolio achieved a marginally higher revenue per available serviced residence unit ("RevPAU") of \$221 in 1Q 2014, representing an increase of 1.2% year-on-year. The improvement in the RevPAU was due to the higher average occupancy achieved, which offset the lower ADR of the SR portfolio.

A snapshot of the Hotels and SRs performance is set out below:

	1Q 2014		1Q 2013		Change +/- (-)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	83.4	87.3	85.5	84.5	(2.1pp)	2.8pp
Average Daily Rate (\$)	190	254	188	259	1.2%	(2.0%)
RevPAR / RevPAU (\$)	159	221	161	219	(1.3%)	1.2%

The excluded commercial premises (i.e. retail and office spaces) continued to provide steady income stream to the portfolio. The rental revenue for 1Q 2014 was S\$5.7 million, or 23.6% increase from S\$4.6 million recorded in 1Q 2013.

In line with the higher gross revenue, net property income for 1Q 2014 was S\$27.6 million, an increase of 6.3% over the S\$26.0 million reported in the corresponding quarter last year.

Income available for distribution for 1Q 2014 of S\$23.1 million was S\$1.0 million or 4.5% higher year-on-year. Taking into account of an enlarged stapled security base, distribution per stapled security ("DPS") for 1Q 2014 was 1.30 cents, 5.8% lower year-on-year, mainly due to the softer performance of the hotels.

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**9 Variance between forecast and the actual results**

No forecast has been disclosed.

**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.**

The operating environment remains competitive in the near term as companies continue to be prudent in their business travel expenditure amidst signs of gradual improvement in the global economic environment. The majority of the upcoming supply of rooms will be concentrated in the mid-tier and upscale segments. The strength of the Singapore dollar relative to currencies from other developed and regional economies may pose a challenge to visitorship in the near term.

The Singapore Tourism Board has forecasted visitor arrivals to Singapore to expand from 15.5 million visitors in 2013 to 16.3 million - 16.8 million visitors in 2014, representing a growth rate of 5.2% - 8.4% year-on-year. In terms of tourism infrastructure, Singapore continues to offer new and refreshed attractions to visitors. With the opening of the Singapore Sports Hub in June 2014, Singapore will be able to host more major sporting events and gain traction in differentiating its product offerings to visitors.

According to Jones Lang LaSalle, an estimated 2,572 new hotel rooms are expected to be added to the Singapore market in 2014, representing a growth rate of 4.7% year-on-year. This additional room supply is expected to be balanced out by the potential increase in demand arising from the expected growth in visitor arrivals and a stronger events calendar in 2014.

In the longer term, the outlook of the Singapore tourism sector is expected to remain positive as Singapore continues to enhance its position as a regional hub for business complemented by the continual development and introduction of attractions and facilities.

To further increase the competitiveness of Far East H-Trust's properties, asset enhancement works have been planned for The Elizabeth Hotel, Village Hotel Albert Court, Village Hotel Changi and Regency House. The asset enhancement works for Village Hotel Albert Court, Village Hotel Changi and Regency House have commenced and are expected to complete in the coming quarters.

As at 31 March 2014, Far East H-Trust's financial position remained stable amidst a rising interest rate environment, with 62% of its debt portfolio, or all of its debt maturing beyond 2016, secured at fixed interest rates. The cost of debt and weighted average debt to maturity remained at approximately 2.2% per annum and 3.1 years respectively.

**11 DISTRIBUTIONS**
**Current financial period**

<b>Any distribution declared for the current period?</b>	Yes
<b>Distribution period</b>	Distribution for the quarter from 1 January 2014 to 31 March 2014
<b>Distribution type</b>	Taxable income
<b>Distribution per stapled security</b>	1.30 cents

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<b>Tax rate</b>	<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>
<b>Date paid/payable</b>	13 June 2014
<b>Books closure date</b>	8 May 2014
<b>Stapled Securityholders must complete and return Form A or Form B, as applicable</b>	26 May 2014

**Corresponding period of the preceding financial period**

<b>Any distribution declared for the current period?</b>	Yes
<b>Distribution period</b>	Distribution for the quarter from 1 January 2013 to 31 March 2013
<b>Distribution type</b>	Taxable income
<b>Distribution per stapled security</b>	1.38 cents
<b>Tax rate</b>	<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>
<b>Date paid/payable</b>	14 June 2013

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**Books closure date** 16 May 2013

**Stapled Securityholders must complete and return Form A or Form B, as applicable** 4 June 2013

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

Not applicable.

**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 8 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 Trust for the quarter ended 31 March 2014 to be false and misleading in any material respect.

By Order of the Board

Jill Chay Suet Yee  
Company Secretary  
FEO Hospitality Asset Management Pte. Ltd.  
(Company Registration No. 201102629K)  
29 April 2014

By Order of the Board

Jill Chay Suet Yee  
Company Secretary  
FEO Hospitality Trust Management Pte. Ltd.  
(Company Registration No. 201210698W)  
29 April 2014

The issue managers for the initial public offering and listing of Far East Hospitality Trust are DBS Bank Ltd, Goldman Sachs (Singapore) Pte Ltd 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.

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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 Securitiesholders 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.

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.