

FAR EAST H-TRUST INCOME AVAILABLE FOR DISTRIBUTION GROWS 4.5% TO \$23.1 MILLION IN 1Q 2014

Highlights:

- Gross revenue higher by 9.1% to \$30.7 million and net property income higher by 6.3% to \$27.6 million y-o-y
- Softer hotel performance balanced by the more stable serviced residences and commercial spaces
- Asset enhancement initiatives to improve the competitiveness of selected properties and to position for growth in tourism sector

Singapore, 29 April 2014 – Far East Hospitality Trust (“Far East H-Trust”) has achieved 9.1% year-on-year (“y-o-y”) growth in gross revenue to \$30.7 million for the quarter ended 31 March 2014 (“1Q 2014”), mainly attributable to the contribution from Rendezvous Hotel Singapore (“RHS”), which was acquired on 1 August 2013. In line with the higher gross revenue, net property income grew 6.3% y-o-y to \$27.6 million and income available for distribution increased 4.5% y-o-y to \$23.1 million. Taking into account the enlarged stapled security base¹, distribution per stapled security (“DPS”) for 1Q 2014 was 1.30 cents, 5.8% lower y-o-y, mainly due to the softer performance of the hotels. The DPS translates into an annualized yield of 6.3%².

Summary of Results

	1Q 2014	1Q 2013	Variance (%)
Gross Revenue (\$'000)	30,669	28,110	9.1
Net Property Income (\$'000)	27,594	25,962	6.3
Income Available for Distribution (\$'000)	23,121	22,136	4.5
Distribution per Stapled Security (“DPS”) (cents)	1.30	1.38	(5.8)

¹ 148,304,059 new stapled securities were issued to Hotel Rendezvous Private Limited (a wholly-owned subsidiary of The Straits Trading Company Limited) and Golden Development Private Limited (a member of Far East Organization group of companies) as part of the acquisition cost of Rendezvous Hotel Singapore and Rendezvous Gallery on 1 August 2013.

² Based on the closing price of \$0.82 on 31 March 2014.

Mr Gerald Lee, Chief Executive Officer of the REIT Manager said, “In 1Q 2014, our serviced residences and retail and office spaces continued to report high occupancies and growth in revenues, moderating the softer performance of our hotels.

To further optimize the value and increase the competitiveness of our properties, we are carrying out asset enhancement initiatives at selected properties. Refurbishments at Village Hotel Albert Court, Village Hotel Changi and Regency House are expected to complete in the coming quarters.”

Review of Performance

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

Hotels

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

The average daily rate (“ADR”) of \$190 in 1Q 2014 was a 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 helped to neutralize the lower room rates in January 2014.

In line with the softer average occupancy of the hotel portfolio, the revenue per available room (“RevPAR”) was \$159, a decrease of 1.3% y-o-y from the RevPAR of \$161 in 1Q 2013.

Serviced Residences

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

Excluded Commercial Premises

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

Capital Management

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.

Outlook

The operating environment remains competitive in the near term as companies continue to be prudent in their business travel expenditure³, 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 2014⁴, representing a growth rate of 5.2% - 8.4% y-o-y. 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% y-o-y⁵. 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.

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³ Business Times, "STB sees up to 16.8m visitor arrivals in 2014", 7 March 2014

⁴ Business Times, "STB sees up to 16.8m visitor arrivals in 2014", 7 March 2014

⁵ Jones Lang LaSalle

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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 listed on the Main Board of The Singapore Exchange Securities Trading Limited (“SGX-ST”). 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 was listed on the SGX-ST on 27 August 2012 and has a portfolio of 12 properties totaling 2,829 hotel rooms and serviced residence units valued at approximately \$2.47 billion as at 31 December 2013. 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 listed on the FTSE ST Mid Cap Index.

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”).

<p>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.</p>
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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 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.