



Far East Hospitality Trust

Unaudited Financial Statements Announcement

For the third quarter and nine months ended 30 September 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.

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 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.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 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-REIT					
	3Q 2014 ^(a) S\$'000	3Q 2013 S\$'000	Change + / (-) %	Nine Months 2014 ^(a) S\$'000	Nine Months 2013 S\$'000	Change + / (-) %
Master lease rental	25,285	26,453	(4.4)	73,985	74,643	(0.9)
Retail and office revenue	5,862	5,019	16.8	17,454	14,272	22.3
Gross revenue	31,147	31,472	(1.0)	91,439	88,915	2.8
Property tax	(2,077)	(1,912)	(8.6)	(6,290)	(5,388)	(16.7)
Property insurance	(45)	(31)	(45.2)	(136)	(66)	(106.1)
MCST contribution	(14)	(11)	(27.3)	(41)	(34)	(20.6)
Retail and office expenses	(688)	(884)	22.2	(2,118)	(1,652)	(28.2)
Property manager fees	(140)	(112)	(25.0)	(414)	(345)	(20.0)
Other property expenses	6	(4)	N.M.	(66)	(15)	(340.0)
Property expenses	(2,958)	(2,954)	(0.1)	(9,065)	(7,500)	(20.9)
Net property income	28,189	28,518	(1.2)	82,374	81,415	1.2
REIT Manager's fees	(3,047)	(2,971)	(2.6)	(8,985)	(8,384)	(7.2)
Trustee's fees	(80)	(76)	(5.3)	(237)	(215)	(10.2)
Other trust expenses ^(b)	(875)	(213)	(310.8)	(1,372)	(437)	(214.0)
REIT and BT level expenses	(4,002)	(3,260)	(22.8)	(10,594)	(9,036)	(17.2)
Interest expense	(4,297)	(4,249)	(1.1)	(12,737)	(10,891)	(16.9)
Total finance costs ^(c)	(4,297)	(4,249)	(1.1)	(12,737)	(10,891)	(16.9)
Net income before tax and fair value changes	19,890	21,009	(5.3)	59,043	61,488	(4.0)
Fair value change in interest rate swap ^(d)	3,979	(2,904)	N.M.	297	6,693	(95.6)
Total fair value changes	3,979	(2,904)	N.M.	297	6,693	(95.6)
Total return for the period before income tax	23,869	18,105	31.8	59,340	68,181	(13.0)
Income tax expense	-	-	-	-	-	-
Total return for the period after income tax	23,869	18,105	31.8	59,340	68,181	(13.0)

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(a)(i) Statements of Total Return of Far East H-REIT and Far East H-Trust

	Far East H-TRUST					
	3Q 2014 ^(a) S\$'000	3Q 2013 S\$'000	Change + / (-) %	Nine Months 2014 ^(a) S\$'000	Nine Months 2013 S\$'000	Change + / (-) %
Master lease rental	25,285	26,453	(4.4)	73,985	74,643	(0.9)
Retail and office revenue	5,862	5,019	16.8	17,454	14,272	22.3
Gross revenue	31,147	31,472	(1.0)	91,439	88,915	2.8
Property tax	(2,077)	(1,912)	(8.6)	(6,290)	(5,388)	(16.7)
Property insurance	(45)	(31)	(45.2)	(136)	(66)	(106.1)
MCST contribution	(14)	(11)	(27.3)	(41)	(34)	(20.6)
Retail and office expenses	(688)	(884)	22.2	(2,118)	(1,652)	(28.2)
Property manager fees	(140)	(112)	(25.0)	(414)	(345)	(20.0)
Other property expenses	6	(4)	N.M.	(66)	(15)	(340.0)
Property expenses	(2,958)	(2,954)	(0.1)	(9,065)	(7,500)	(20.9)
Net property income	28,189	28,518	(1.2)	82,374	81,415	1.2
REIT Manager's fees	(3,047)	(2,971)	(2.6)	(8,985)	(8,384)	(7.2)
Trustee's fees	(80)	(76)	(5.3)	(237)	(215)	(10.2)
Other trust expenses ^(b)	(875)	(213)	(310.8)	(1,373)	(439)	(212.8)
REIT and BT level expenses	(4,002)	(3,260)	(22.8)	(10,595)	(9,038)	(17.2)
Interest expense	(4,297)	(4,249)	(1.1)	(12,737)	(10,891)	(16.9)
Total finance costs ^(c)	(4,297)	(4,249)	(1.1)	(12,737)	(10,891)	(16.9)
Net income before tax and fair value changes	19,890	21,009	(5.3)	59,042	61,486	(4.0)
Fair value change in interest rate swap ^(d)	3,979	(2,904)	N.M.	297	6,693	(95.6)
Total fair value changes	3,979	(2,904)	N.M.	297	6,693	(95.6)
Total return for the period before income tax	23,869	18,105	31.8	59,339	68,179	(13.0)
Income tax expense	–	–	–	–	–	–
Total return for the period after income tax	23,869	18,105	31.8	59,339	68,179	(13.0)

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

1(a)(i) Statements of Total Return of Far East H-REIT and Far East H-Trust**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 results for the quarter from 1 July 2014 to 30 September 2014 and nine months result from 1 January 2014 to 30 Sep 2014 have been included in the results of 2014 third quarter and nine months of Far East H-REIT and Far East H-Trust respectively.
- (b) The higher Other trust expenses were attributable to the accrued professional fees for legal and advisory work done in relation to the investment in Fontaine Investment Pte Ltd (“FIPL”). The injection of Far East H-REIT’s 30% equity stake in FIPL was completed on 22 September 2014. The investment was fully funded by the existing revolving loan facility. These expenses will have no impact on the income available for distribution.
- (c) The higher Finance costs in 3Q 2014 and YTD September 2014 were due to loans relating to the acquisition of RHS. In the corresponding periods last year, the finance cost relating to the acquisition of RHS was only for period of two months i.e. August-13 and September-13 as the loan was drawn on 1 August 2013.
- (d) This relates to unrealised differences arising from fair valuation of interest rate swaps.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(a)(ii) Distribution Statements

	Far East H-REIT					
	3Q 2014 ^(a)	3Q 2013	Change + / (-)	Nine Months 2014 ^(a)	Nine Months 2013	Change + / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return after tax	23,869	18,105	31.8	59,340	68,181	(13.0)
Add/(Less) Non tax deductible/(tax chargeable) items:						
- REIT Manager's fees paid/payable in Stapled Securities ^(b)	2,743	2,377	15.4	8,087	6,707	20.6
- Trustee's fees	80	76	5.3	237	215	10.2
- Amortisation of debt upfront cost	205	194	5.7	609	532	14.5
- Amortisation of realised interest rate swap cost	-	573	N.M.	-	573	N.M.
- Fair value change in interest rate swap	(3,979)	2,904	N.M.	(297)	(6,693)	95.6
- Project Sentosa – Professional fee	535	-	N.M.	535	-	N.M.
- Project Sentosa – Finance cost	3	-	N.M.	3	-	N.M.
- Other adjustments ^(c)	(4)	(31)	87.1	123	12	925.0
Net tax adjustment	(417)	6,093	N.M.	9,297	1,346	590.7
Income available for distribution	23,452	24,198	(3.1)	68,637	69,527	(1.3)

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(a)(ii) Distribution Statements

	Far East H-TRUST					
	3Q 2014 ^(a) S\$'000	3Q 2013 S\$'000	Change + / (-) %	Nine Months 2014 ^(a) S\$'000	Nine Months 2013 S\$'000	Change + / (-) %
Total return after tax	23,869	18,105	31.8	59,339	68,179	(13.0)
Add/(Less) Non tax deductible/(tax chargeable) items:						
- REIT Manager's fees paid/payable in Stapled Securities ^(b)	2,743	2,377	15.4	8,087	6,707	20.6
- Trustee's fees	80	76	5.3	237	215	10.2
- Amortisation of debt upfront cost	205	194	N.M.	609	532	14.5
- Amortisation of realised interest rate swap cost	-	573	N.M.	-	573	N.M.
- Fair value change in interest rate swap	(3,979)	2,904	N.M.	(297)	(6,693)	95.6
- Project Sentosa – Professional fee	535	-	N.M.	535	-	N.M.
- Project Sentosa – Finance cost	3	-	N.M.	3	-	N.M.
- Other adjustments ^(c)	(4)	(31)	87.1	123	12	925
Net tax adjustment	(417)	6,093	N.M.	9,297	1,346	590.7
Income available for distribution	23,452	24,198	(3.1)	68,636	69,525	(1.3)

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 results for the quarter from 1 July 2014 to 30 September 2014 and nine months result from 1 January 2014 to 30 September 2014 have been included in the results of 2014 third quarter and nine months of Far East H-REIT and Far East H-Trust respectively.
- (b) This represents REIT Manager's fees payable/paid in Stapled Securities of 90% in the current quarter and 80% in the corresponding quarter last year.
- (c) This relates to the initial rating fees, non-tax deductible professional fee, deferred income and amortization of rental deposits.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(b) Balance Sheets
**1(b)(i) Balance Sheets as at 30 September 2014
 Far East H-REIT and Far East H-Trust**

	Note	As at 30 September 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
Non-current assets							
Investment properties		2,481,196	2,481,196	–	2,474,700	2,474,700	–
Investment in associates	(a)	15,600	15,600	–	–	–	–
Current assets							
Cash and cash equivalents		21,221	21,221	–	29,108	29,108	–
Prepayments		44	44	–	149	149	–
Trade and other receivables		19,984	19,984	30	21,818	21,818	30
Interest rate swaps	(b)	6,387	6,387	–	6,090	6,090	–
Total current assets		47,636	47,636	30	57,165	57,165	30
Total assets		2,544,432	2,544,432	30	2,531,865	2,531,865	30
Current liabilities							
Trade and other payables		2,989	3,014	5	4,420	4,445	5
Borrowings	(a)	315,329	315,329	–	–	–	–
Accruals		2,518	2,516	2	2,348	2,347	1
Rental deposits		2,003	2,003	–	2,243	2,243	–
Deferred income		90	90	–	90	90	–
Total current liabilities		322,929	322,952	7	9,101	9,125	6
Non-current liabilities							
Borrowings		480,364	480,364	–	779,484	779,484	–
Rental deposits		6,876	6,876	–	6,364	6,364	–
Deferred income		1,525	1,525	–	1,592	1,592	–
Total non-current liabilities		488,765	488,765	–	787,440	787,440	–
Total liabilities		811,694	811,717	7	796,541	796,565	6
Net assets		1,732,738	1,732,715	23	1,735,324	1,735,300	24
<u>Represented by:</u>							
Unitholders' funds							
Unitholders' funds of Far East H-REIT		1,732,715	1,732,715	–	1,735,300	1,735,300	–
Unitholders' funds of Far East H-BT		23	–	23	24	–	24
		1,732,738	1,732,715	23	1,735,324	1,735,300	24

Footnote:

- (a) This represents S\$15.6 million loan drawn from the existing revolving credit facility to fund Far East H-REIT's 30% equity share in Fontaine Investment Pte. Ltd. and S\$300 million term loan that is maturing in August 2015.
- (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 2014

1(b)(ii) Aggregate Amounts of Borrowings as at 30 September 2014

	As at 30 September 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
Unsecured				
Amounts repayable in one year or less, or on demand	315,329	315,329	—	—
Amounts repayable after one year	480,364	480,364	779,484	779,484
	795,693	795,693	779,484	779,484

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. The three-year term loan of S\$300 million will mature in August 2015.

Far East H-REIT has put in place S\$75 million of uncommitted revolving credit facilities. On 22 September 2014, \$15.6 million was drawn from the revolving facility to finance the injection of Far East H-REIT's 30% equity share in Fontaine Investment Pte Ltd.

Total borrowing as at 30 September 2014 was \$795.7 million and revolving credit facilities of \$59.4 million remain undrawn.

Gearing as at 30 September 2014 was 31.4%.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
**1(c) Consolidated Cash Flow Statements
 Far East H-REIT and Far East H-Trust**

	Far East H-REIT					
	3Q 2014	3Q 2013	Change + / (-)	Nine Months 2014	Nine Months 2013	Change + / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Cash flows from operating activities						
Total return before income tax	23,869	18,105	31.8	59,340	68,181	(13.0)
Adjustments for:						
Finance costs	4,297	4,249	1.1	12,737	10,891	16.9
Fair value change in interest rate swaps	(3,979)	2,904	N.M.	(297)	(6,693)	95.6
REIT Manager's fees issuable in Stapled Securities	2,743	2,377	15.4	8,087	6,707	20.6
Deferred income recognised	(22)	18	N.M.	(67)	(67)	-
Operating profit before working capital changes	26,908	27,653	(2.7)	79,800	79,019	1.0
Changes in working capital						
Trade and other receivables	4,434	(2,122)	N.M.	1,939	318	509.7
Trade and other payables	(653)	2,071	N.M.	(1,750)	1,831	N.M.
Rental deposits	(115)	682	N.M.	218	514	(57.6)
Cash flows generated from operating activities	30,574	28,284	8.1	80,207	81,682	(1.8)
Cash flows from investing activities						
Capital expenditure on investment properties ^(a)	(2,397)	(958)	(150.2)	(6,496)	(1,167)	(456.6)
Investment in associates ^(b)	(15,600)	-	N.M.	(15,600)	-	N.M.
Acquisition of investment properties	-	(198,078)	N.M.	-	(198,078)	N.M.
Cash flows used in investing activities	(17,997)	(199,036)	91.0	(22,096)	(199,245)	(88.9)
Cash flows from financing activities						
Proceeds from borrowings ^(b)	15,600	131,490	(88.1)	15,600	131,490	(88.1)
Issued of stapled securities	-	67,838	N.M.	-	67,838	N.M.
Finance costs paid	(3,794)	(4,104)	7.6	(11,586)	(10,304)	(12.4)
Issue cost capitalised	-	-	N.M.	-	2	N.M.
Distribution to Stapled Security holders ^(c)	(21,964)	(30,566)	28.1	(70,012)	(86,352)	18.9
Cash flows (used in)/generated from financing activities	(10,158)	164,658	N.M.	(65,998)	102,674	N.M.
Net increase/(decrease) in cash and cash equivalents	2,419	(6,094)	N.M.	(7,887)	(14,889)	47.0
Cash and cash equivalents at beginning of the period	18,802	26,863	(30.0)	29,108	35,658	(18.4)
Cash and cash equivalents at end of the period	21,221	20,769	2.2	21,221	20,769	2.2

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
**1(c) Consolidated Cash Flow Statements
Far East H-REIT and Far East H-Trust**

	Far East H-Trust					
	3Q 2014	3Q 2013	Change + / (-)	Nine Months 2014	Nine Months 2013	Change + / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Cash flows from operating activities						
Total return before income tax	23,869	18,105	31.8	59,339	68,179	(13.0)
Adjustments for:						
Finance costs	4,297	4,249	1.1	12,737	10,891	16.9
Fair value change in interest rate swaps	(3,979)	2,904	N.M.	(297)	(6,693)	95.6
REIT Manager's fees issuable in Stapled Securities	2,743	2,377	15.4	8,087	6,707	20.6
Deferred income recognised	(22)	18	N.M.	(67)	(67)	–
Operating profit before working capital changes	26,908	27,653	(2.7)	79,799	79,017	1.0
Changes in working capital						
Trade and other receivables	4,434	(2,122)	N.M.	1,939	318	509.7
Trade and other payables	(653)	2,071	N.M.	(1,749)	1,835	N.M.
Rental deposits	(115)	682	N.M.	218	514	(57.6)
Cash flows generated from operating activities	30,574	28,284	8.1	80,207	81,684	(1.8)
Cash flows from investing activities						
Capital expenditure on investment properties ^(a)	(2,397)	(958)	(150.2)	(6,496)	(1,167)	(456.6)
Investment in associates ^(b)	(15,600)	–	N.M.	(15,600)	–	N.M.
Acquisition of investment properties	–	(198,078)	N.M.	–	(198,078)	N.M.
Cash flows used in investing activity	(17,997)	(199,036)	(91.0)	(22,096)	(199,245)	88.9
Cash flows from financing activities						
Proceeds from borrowings ^(b)	15,600	131,490	(88.1)	15,600	131,490	(88.1)
Issued of stapled securities	–	67,838	N.M.	–	67,838	N.M.
Finance costs paid	(3,794)	(4,104)	7.6	(11,586)	(10,304)	(12.4)
Distribution to Stapled Security holders ^(c)	(21,964)	(30,566)	28.1	(70,012)	(86,352)	18.9
Cash flows (used in)/generated from financing activities	(10,158)	164,658	N.M.	(65,998)	102,672	N.M.
Net increase/(decrease) in cash and cash equivalents	2,419	(6,094)	N.M.	(7,887)	(14,889)	47.0
Cash and cash equivalents at beginning of the period	18,802	26,863	(30.0)	29,108	35,658	(18.4)
Cash and cash equivalent at end of the period	21,221	20,769	2.2	21,221	20,769	2.2

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

**1(c) Consolidated Cash Flow Statements
Far East H-REIT and Far East H-Trust****Footnotes:**

N.M. – Not Meaningful

- (a) Capital expenditure incurred in 2014 mainly relates to asset enhancements carried out at Village Hotel Albert Court, Village Hotel Changi and Regency House.
- (b) Investment in an associate relates to Far East H-REIT's 30% equity stake in Fontaine Investment Pte Ltd in connection with the development of a new hotel site located at Artillery Avenue, Sentosa. The investment is fully debt funded.
- (c) Distribution to Stapled Securityholders in 3Q 2014 relates to the quarter from 1 April 2014 to 30 June 2014, paid on 12 September 2014. In the prior period, the distribution was for the period from 1 April 2013 to 31 July 2013, paid on 11 September 2013.

Distribution to Stapled Securityholders in the first nine month of 2014 relates to the period from 1 October 2013 to 30 June 2014. In the prior period, the distribution was for the period from 27 August 2012 to 31 July 2013.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 July 2014 to 30 September 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 July 2014	1,635,859	92,208	1,728,067	28	(5)	23	1,728,090
Operations							
Increase in net assets resulting from operations	–	23,869	23,869	–	#	#	23,869
	–	23,869	23,869	–	#	#	23,869
Unitholders' transactions							
- Payment of REIT Manager's fees ^(a)	2,743	–	2,743	–	–	–	2,743
- Distribution to Stapled Securityholders ^(b)	–	(21,964)	(21,964)	–	–	–	(21,964)
Net increase/(decrease) in net assets resulting from unitholders' transactions	2,743	(21,964)	(19,221)	–	–	–	(19,221)
Balance at 30 September 2014	1,638,602	94,113	1,732,715	28	(5)	23	1,732,738

Footnotes:

Less than \$1,000

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the 3Q 2014. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to Stapled Securityholders relates to the quarter from 1 April 2014 to 30 June 2014, paid on 12 September 2014.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
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 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 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							
- Issue of stapled securities							
- Payment of REIT Manager's fees ^(a)	2,377	–	2,377	–	–	–	2,377
- Issue of stapled securities fees ^(b)	137,952	–	137,952	–	–	–	137,952
- Distribution to Stapled Securityholders ^(c)	–	(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) 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.
- (b) New Stapled Securities have been issued as part satisfaction of the Rendezvous Hotel purchase consideration.
- (c) 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.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2014 to 30 September 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
Operations							
Increase/(decrease) in net assets resulting from operations	–	59,340	59,340	–	(1)	(1)	59,339
	–	59,340	59,340	–	(1)	(1)	59,339
Unitholders' transactions							
- Payment of REIT Manager's fees ^(a)	8,087	–	8,087	–	–	–	8,087
- Distribution to Stapled Securityholders ^(b)	–	(70,012)	(70,012)	–	–	–	(70,012)
Net increase/(decrease) in net assets resulting from unitholders' transactions	8,087	(70,012)	(61,925)	–	–	–	(61,925)
Balance at 30 September 2014	1,638,602	94,113	1,732,715	28	(5)	23	1,732,738

Footnotes:

- (a) This represents the Stapled Securities issued and issuable as partial satisfaction of the management fee incurred for the period from 1 January 2014 to 30 September 2014. The Stapled Securities are issued within 30 days from the quarter end.
- (b) Distribution to Stapled Securityholders relates to period from 1 October 2013 to 30 June 2014.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
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 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
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 ^(a)	6,707	–	6,707	–	–	–	6,707
- Issue of stapled securities	137,952	–	137,952	–	–	–	137,952
- Issue cost capitalized ^(b)	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) 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 were issued within 30 days from quarter end.
- (b) New Stapled Securities have been issued as part satisfaction of the Rendezvous Hotel purchase consideration.
- (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 2014
1(d)(ii) Details of Changes in Issued and Issuable Stapled Securities

	3Q 2014 Far East H-Trust No. of Stapled Securities	3Q 2013 Far East H-Trust No. of Stapled Securities
Stapled Securities in issue at 1 July	1,768,218,116	1,608,768,939
New Stapled Securities issued		
- As payment of REIT Manager's fees	3,055,226	2,273,492
- As payment of acquisition fees	-	2,273,059
- As part payment of purchase consideration	-	146,031,000
Total issued Stapled Securities	1,771,273,342	1,759,346,490
Stapled Securities to be issued:		
- As payment of REIT Manager's fees	3,362,374	2,589,349
Total issued and issuable Stapled Securities at 30 September	1,774,635,716	1,761,935,839

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.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
6 Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period ended 30 September 2014

	3Q 2014 Far East H- Trust	3Q 2013 Far East H- Trust	3Q 2014 YTD Far East H- Trust	3Q 2013 YTD Far East H- Trust
Weighted average number of Stapled Securities in issue	1,770,310,282	1,708,657,826	1,767,151,801	1,641,310,977
Total return for the period after tax (S\$)	23,869,000	18,105,000	59,339,000	68,179,000
EPS based on weighted average number of Stapled Securities in issue (cents)	1.35	1.06	3.36	4.15
Total number of issued and issuable Stapled Securities at end of period	1,774,635,716	1,761,935,839	1,774,635,716	1,761,935,839
Distribution to Stapled Securityholders (S\$)	23,452,000	24,198,000	68,636,000	69,525,000
DPS based on the total number of Stapled Securities entitled to distribution (cents)	1.32	1.41	3.86	4.22

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:-

	30 September 2014 Far East H-Trust	30 September 2013 Far East H-Trust
Total number of issued and issuable Stapled Securities at end of period	1,774,635,716	1,761,935,839
Net asset value per Stapled Security (cents)	97.64	95.32

Footnotes:

The number of Stapled Securities used for computation of actual NAV per Stapled Security as at 30 September 2014 is 1,774,635,716 comprising:

- (i) 1,764,918,878 Stapled Securities in issue and issuable as at 31 December 2013; and
- (ii) 9,716,838 Stapled Securities issuable to the REIT Manager, in consideration of 90% of the REIT Manager’s fees payable for the period from 1 January 2014 to 30 September 2014.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014
8 A review of the performance for the quarter ended 30 September 2014
8(a) Statement of net income and distribution of Far East Hospitality Trust

	3Q 2014	3Q 2013	Change +/- (-)		Nine Months 2014	Nine Months 2013	Change +/- (-)	
				%				%
Gross revenue (S\$'000)	31,147	31,472	(325)	(1.0)	91,439	88,915	2,524	2.8
Net property income (S\$'000)	28,189	28,518	(329)	(1.2)	82,374	81,415	959	1.2
Income available for distribution (S\$'000)	23,452	24,198	(746)	(3.1)	68,636	69,525	(889)	(1.3)
Distribution per Stapled Security (cents)	1.32	1.41	(0.09)	(6.4)	3.86	4.22	(0.36)	(8.5)

8(b) Review of the performance of third quarter and nine months ended 30 September 2014
3Q 2014 vs 3Q 2013

Gross revenue in 3Q 2014 of S\$31.1 million was 1.0% lower than the S\$31.5 million achieved in the same period last year primarily due to the weaker performance in the hotel portfolio against last year.

Average hotel occupancy of 87.1% in 3Q 2014 was 0.8pp above the 3Q 2013 occupancy rate of 86.3%. The 3Q 2014 hotel average daily rate ("ADR") of S\$183 fell 4.8% against the 3Q 2013 ADR of S\$193. Given the more challenging environment, the hotels took in more group business to boost occupancy.

As the increase in occupancy was unable to compensate for the drop in ADR, the revenue per available room ("RevPAR") in 3Q 2014 was S\$160, 3.9% lower than the RevPAR of S\$166 in 3Q2013 for the hotel portfolio.

For the serviced residence ("SR") portfolio, the revenue per available unit ("RevPAU") of S\$230 in 3Q 2014 showed a marginally positive year-on-year variance of 0.3% due to a 2.0pp increase in occupancy over last year. The larger contribution from longer stay business at the SRs helped to improve the occupancy to compensate for the drop in rates.

A snapshot of the hotels and SRs performance in 3Q 2014 is set out below:

	3Q 2014		3Q 2013		Change +/- (-)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	87.1	92.2	86.3	90.2	0.8pp	2.0pp
Average Daily Rate (S\$)	183	250	193	254	(4.8%)	(1.9%)
RevPAR / RevPAU (S\$)	160	230	166	229	(3.9%)	0.3%

The stable income from the excluded commercial premises (i.e. retail and office spaces) has cushioned the softer contribution from the master lease rental. Revenue from the commercial premises for 3Q 2014 was S\$5.9 million, or 16.8% increase from S\$5.0 million recorded in 3Q 2013.

Net property income for 3Q 2014 was S\$28.2 million, or 1.2% lower than the S\$28.5 million recorded in the corresponding quarter last year.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

Income available for distribution for 3Q 2014 of S\$23.5 million was 3.1% lower than the S\$24.2 million recorded in 3Q 2013. Distribution per stapled security ("DPS") for 3Q 2014 was 1.32 cents, or 6.4% lower year-on-year, mainly due to the softer performance of the hotels.

Nine months 2014 vs 2013

Gross revenue of S\$91.4 million for first nine months of 2014 was 2.8% higher than the S\$88.9 million recorded for the corresponding period last year. This variance was mainly attributable to the contribution from RHS which was acquired on 1 August 2013.

The average occupancy for the first nine months of 2014 for the hotel portfolio was 83.5%, 2.9pp lower year-on-year. 3Q 2014 showed an improvement in occupancy. However the softer performance in the first half of 2014 has lowered the average occupancy for the first nine months. The hotel portfolio ADR for the first nine months was S\$187 against S\$191 achieved last year, a 2.0% decline year-on-year. This was mainly due to a more intensified competitive landscape which has led to a lower ADR in the first nine months of 2014.

As a result of the abovementioned factors, RevPAR achieved in the first nine months of 2014 was S\$156, a 5.3% decline against the RevPAR of S\$165 achieved in the same period last year.

The RevPAU of the SR portfolio for the first nine months in 2014 was S\$223, a decline of 1.4% against S\$226 recorded in the same period last year. This was mainly due to the weaker RevPAU performance in 2Q 2014, despite the comparatively stronger RevPAU performances in the first and third quarters in 2014.

A snapshot of the performance of the hotels and SRs in the first nine months of 2014 is set out below:

	9 Months 2014		9 Months 2013		Change + / (-)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	83.5	88.9	86.5	88.8	(2.9pp)	0.1pp
Average Daily Rate (S\$)	187	251	191	255	(2.0%)	(1.5%)
RevPAR / RevPAU (S\$)	156	223	165	226	(5.3%)	(1.4%)

The income recorded from the excluded commercial premises (i.e. retail and office spaces) in the first nine months of 2014 was S\$17.5 million, a 22.3% increase from S\$14.3 million recorded in the corresponding period last year. The excluded commercial premises continued to provide a steady income stream to the portfolio which helped to cushion the impact from the softer performance of the hotels and SRs.

The net property income for the first nine months of 2014 was S\$82.4 million, an increase of 1.2% over the S\$81.4 million recorded in the corresponding period in 2013.

Income available for distribution for the first nine months of 2014 was S\$68.6 million, a 1.3% decrease year-on-year. Distribution per stapled security for the first nine months of 2014 was 3.86 cents, or 8.5% lower year-on-year.

9 Variance between forecast and the actual results

No forecast has been disclosed.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

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.

Based on the latest statistics from the Singapore Tourism Board, international visitor arrivals to Singapore decreased 3.3% year-on-year for the first eight months of 2014¹. This was due mainly to the decline in Chinese arrivals which saw a contraction of 29.2% for the same period year-on-year. Inbound international visitor arrivals over the coming months could continue to remain soft in light of the uncertain economic environment and the strong Singapore currency.

Taking into consideration the abovementioned and with more than 1,500 new rooms opened in the first nine months of 2014 and approximately 3,000 new rooms expected to come on-stream in 2015², the operating environment for the Singapore hospitality market is expected to remain challenging in the near term.

The longer term outlook for the tourism sector however remains positive as Singapore continues to strengthen its position as the regional hub for business and as a leisure destination. The enhancement of the tourism landscape and infrastructure, such as the opening of the Singapore Sports Hub and various new attractions is expected to further improve Singapore's attractiveness for both business and leisure travelers.

On 22 September 2014, Far East H-Trust announced its participation in the development of a new \$443.8m hotel project on Sentosa together with Far East Organization Centre Pte. Ltd., a member of its Sponsor, Far East Organization. Far East H-Trust will hold a 30% stake in the development and this will be fully funded by debt. The development is expected to be completed in 2018 and Far East H-Trust will be working closely with the Sponsor during the development phase.

On the asset enhancement initiatives front, soft refurbishment of 303 rooms at Village Hotel Changi has been completed. Refurbishment of 41 studio apartments at Regency House has also been completed. These asset enhancement works will enable the properties to be positioned more competitively going forward.

As at 30 September 2014, Far East H-Trust's financial position remained stable amidst the uncertain interest rate environment, with 60% of its debt portfolio, or all of its debt maturing beyond 2016, secured at fixed interest rates. The average cost of debt is approximately 2.2% per annum and the weighted average debt to maturity is 2.5 years.

¹ STB International Visitor Arrivals Statistics, as at 13 October 2014.

² Jones Lang LaSalle report issued as at March 2014 and Far East H-Trust's compilation.

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

11 DISTRIBUTIONS
Current financial period

Any distribution declared for the current period?	Yes
Distribution period	Distribution for the quarter from 1 July 2014 to 30 September 2014
Distribution type	Taxable income
Distribution per stapled security	1.32 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	10 December 2014
Books closure date	17 November 2014
Stapled Securityholders must complete and return Form A or Form B, as applicable	26 November 2014

Corresponding period of the preceding financial period

Any distribution declared for the current period?	Yes
Distribution period	Distribution for the quarter from 1 August 2013 to 30 September 2013
Distribution type	Taxable income
Distribution per stapled security	0.94 cents

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

Tax rate
Taxable income distribution

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.

Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.

All other investors received their distributions after deduction of tax at the rate of 17%.

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

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

Unaudited Financial Statements Announcement for the third quarter and nine months ended 30 September 2014

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 30 September 2014 to be false and misleading in any material respect.

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Asset Management Pte. Ltd.
(Company Registration No. 201102629K)
07 November 2014

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201210698W)
07 November 2014

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.

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.