



Far East Hospitality Trust

Unaudited Financial Statements Announcement

For the fourth quarter and financial year ended 31 December 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 fourth quarter and financial year ended 31 December 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					
	4Q 2014 S\$'000	4Q 2013 S\$'000	Better / (Worse) %	FY 2014 S\$'000	FY 2013 ^(a) S\$'000	Better / (Worse) %
Master lease rental	24,501	28,051	(12.7)	98,486	102,693	(4.1)
Retail and office revenue	5,779	5,513	4.8	23,233	19,785	17.4
Gross revenue	30,280	33,564	(9.8)	121,719	122,478	(0.6)
Property tax	(1,724)	(1,999)	13.8	(8,014)	(7,388)	(8.5)
Property insurance	(33)	(18)	(83.3)	(169)	(83)	(103.6)
MCST contribution	(17)	(14)	(21.4)	(58)	(47)	(23.4)
Retail and office expenses	(718)	(927)	22.5	(2,836)	(2,579)	(10.0)
Property manager fees	(136)	(124)	(9.7)	(550)	(469)	(17.2)
Other property expenses	–	(19)	N.M.	(66)	(34)	(94.1)
Property expenses	(2,628)	(3,101)	15.3	(11,693)	(10,600)	(10.3)
Net property income	27,652	30,463	(9.2)	110,026	111,878	(1.7)
REIT Manager's fees	(3,032)	(3,109)	2.5	(12,017)	(11,493)	(4.6)
Trustee's fees	(79)	(78)	(1.3)	(316)	(293)	(7.8)
Other trust expenses	(44)	(119)	63.0	(1,416)	(557)	(154.2)
REIT and BT level expenses	(3,155)	(3,306)	4.6	(13,749)	(12,343)	(11.4)
Interest expense	(4,755)	(4,278)	(11.2)	(17,492)	(15,169)	(15.3)
Total finance costs ^(b)	(4,755)	(4,278)	(11.2)	(17,492)	(15,169)	(15.3)
Share of results of joint venture	(1)	–	N.M.	(1)	–	N.M.
Net income before tax and fair value changes	19,741	22,879	(13.7)	78,784	84,366	(6.6)
Fair value change in interest rate swap ^(c)	(1,053)	1,240	N.M.	(756)	7,933	N.M.
Fair value change in investment properties ^(d)	(6,686)	45,861	N.M.	(6,686)	45,861	N.M.
Total fair value changes	(7,739)	47,101	N.M.	(7,442)	53,794	N.M.
Total return for the period before income tax	12,002	69,980	(82.8)	71,342	138,160	(48.4)
Income tax expense	–	–	–	–	–	–
Total return for the period after income tax	12,002	69,980	(82.8)	71,342	138,160	(48.4)

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(a)(i) Statements of Total Return of Far East H-REIT and Far East H-Trust

	Far East H-TRUST					
	4Q 2014 S\$'000	4Q 2013 S\$'000	Better / (Worse) %	FY 2014 S\$'000	FY 2013 ^(a) S\$'000	Better / (Worse) %
Master lease rental	24,501	28,051	(12.7)	98,486	102,693	(4.1)
Retail and office revenue	5,779	5,513	4.8	23,233	19,785	17.4
Gross revenue	30,280	33,564	(9.8)	121,719	122,478	(0.6)
Property tax	(1,724)	(1,999)	13.8	(8,014)	(7,388)	(8.5)
Property insurance	(33)	(18)	(83.3)	(169)	(83)	(103.6)
MCST contribution	(17)	(14)	(21.4)	(58)	(47)	(23.4)
Retail and office expenses	(718)	(927)	22.5	(2,836)	(2,579)	(10.0)
Property manager fees	(136)	(124)	(9.7)	(550)	(469)	(17.2)
Other property expenses	–	(19)	N.M.	(66)	(34)	(94.1)
Property expenses	(2,628)	(3,101)	15.3	(11,693)	(10,600)	(10.3)
Net property income	27,652	30,463	(9.2)	110,026	111,878	(1.7)
REIT Manager's fees	(3,032)	(3,109)	2.5	(12,017)	(11,493)	(4.6)
Trustee's fees	(79)	(78)	(1.3)	(316)	(293)	(7.8)
Other trust expenses	(44)	(119)	63.0	(1,417)	(559)	(153.5)
REIT and BT level expenses	(3,155)	(3,306)	4.6	(13,750)	(12,345)	(11.4)
Interest expense	(4,755)	(4,278)	(11.2)	(17,492)	(15,169)	(15.3)
Total finance costs ^(b)	(4,755)	(4,278)	(11.2)	(17,492)	(15,169)	(15.3)
Share of results of joint venture	(1)	–	N.M.	(1)	–	N.M.
Net income before tax and fair value changes	19,741	22,879	(13.7)	78,783	84,364	(6.6)
Fair value change in interest rate swap ^(c)	(1,053)	1,240	N.M.	(756)	7,933	N.M.
Fair value change in investment properties ^(d)	(6,686)	45,861	N.M.	(6,686)	45,861	N.M.
Total fair value changes	(7,739)	47,101	N.M.	(7,442)	53,794	N.M.
Total return for the period before income tax	12,002	69,980	(82.8)	71,341	138,158	(48.4)
Income tax expense	–	–	–	–	–	–
Total return for the period after income tax	12,002	69,980	(82.8)	71,341	138,158	(48.4)

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 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 period from 1 August 2013 to 31 December 2013 have been included in the FY 2013 results of Far East H-REIT and Far East H-Trust respectively.
- (b) The higher finance costs in the current year were mainly due to loans relating to the acquisition of RHS and investment in Fontaine Investment Pte Ltd drawn on 1 August 2013 and 22 September 2014 respectively.
- (c) This relates to unrealised differences arising from fair valuation of interest rate swaps.
- (d) This relates to independent valuations of the 8 Hotels and 4 Serviced Residences undertaken by Knight Frank Pte Ltd and CBRE Pte Ltd respectively on 31 December 2014. The fair value change in investment properties of \$6.7 million which has been recognised in the Statement of Total Return of Far East H-REIT has no impact on the income available for distribution to holders of Stapled Securities.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(a)(ii) Distribution Statements

	Far East H-REIT					
	4Q 2014 S\$'000	4Q 2013 S\$'000	Better / (Worse) %	FY 2014 S\$'000	FY 2013 ^(a) S\$'000	Better / (Worse) %
Total return after tax	12,002	69,980	(82.8)	71,342	138,160	(48.4)
Add/(Less) Non tax deductible/(tax chargeable) items:						
- REIT Manager's fees paid/payable in Stapled Securities ^(b)	2,728	2,487	9.7	10,815	9,194	17.6
- Trustee's fees	79	78	1.3	316	293	7.8
- Amortisation of debt upfront cost	346	205	68.8	955	738	29.4
- Amortisation of realised interest rate swap cost	-	(573)	N.M.	-	-	-
- Fair value change in interest rate swap	1,053	(1,240)	N.M.	756	(7,933)	N.M.
- Fair value change in investment properties	6,686	(45,861)	N.M.	6,686	(45,861)	N.M.
- Project Sentosa – Professional fee	(190)	-	N.M.	345	-	N.M.
- Project Sentosa – Finance cost	43	-	N.M.	46	-	N.M.
- Share of results of joint venture	1	-	N.M.	1	-	N.M.
- Other adjustments ^(c)	110	(4)	N.M.	233	8	N.M.
Net tax adjustment	10,856	(44,908)	N.M.	20,153	(43,561)	N.M.
Income available for distribution	22,858	25,072	(8.8)	91,495	94,599	(3.3)

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(a)(ii) Distribution Statements

	Far East H-TRUST					
	4Q 2014 S\$'000	4Q 2013 S\$'000	Better / (Worse) %	FY 2014 S\$'000	FY 2013 ^(a) S\$'000	Better / (Worse) %
Total return after tax	12,002	69,980	(82.8)	71,341	138,158	(48.4)
Add/(Less) Non tax deductible/(tax chargeable) items:						
- REIT Manager's fees paid/payable in Stapled Securities ^(b)	2,728	2,487	9.7	10,815	9,194	17.6
- Trustee's fees	79	78	1.3	316	293	7.8
- Amortisation of debt upfront cost	346	205	68.8	955	738	29.4
- Amortisation of realised interest rate swap cost	-	(573)	N.M.	-	-	-
- Fair value change in interest rate swap	1,053	(1,240)	N.M.	756	(7,933)	N.M.
- Fair value change in investment properties	6,686	(45,861)	N.M.	6,686	(45,861)	N.M.
- Project Sentosa – Professional fee	(190)	-	N.M.	345	-	N.M.
- Project Sentosa – Finance cost	43	-	N.M.	46	-	N.M.
- Share of results of joint venture	1	-	N.M.	1	-	N.M.
- Other adjustments ^(c)	110	(4)	N.M.	233	8	2,812.5
Net tax adjustment	10,856	(44,908)	N.M.	20,153	(43,561)	N.M.
Income available for distribution	22,858	25,072	(8.8)	91,494	94,597	(3.3)

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 period from 1 August 2013 to 31 December 2013 have been included in the results for the financial year ended 31 December 2013 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 period last year.
- (c) This relates to Moody's initial rating fees, Fitch and Moody's annual rating fees, non-tax deductible professional fee, deferred income and amortization of rental deposits.

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

	Note	As at 31 December 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		2,476,100	2,476,100	–	2,474,700	2,474,700	–
Investment in joint venture	(a)	15,599	15,599	–	–	–	–
Current assets							
Cash and cash equivalents		20,845	20,845	–	29,108	29,108	–
Prepayments		120	120	–	149	149	–
Trade and other receivables		19,256	19,256	30	21,818	21,818	30
Interest rate swaps	(b)	5,334	5,334	–	6,090	6,090	–
Total current assets		45,555	45,555	30	57,165	57,165	30
Total assets		2,537,254	2,537,254	30	2,531,865	2,531,865	30
Current liabilities							
Trade and other payables		3,284	3,309	5	4,420	4,445	5
Borrowings	(c)	115,530	115,530	–	–	–	–
Accruals		4,262	4,260	2	2,348	2,347	1
Rental deposits		1,907	1,907	–	2,243	2,243	–
Deferred income		90	90	–	90	90	–
Total current liabilities		125,073	125,096	7	9,101	9,125	6
Non-current liabilities							
Borrowings		679,644	679,644	–	779,484	779,484	–
Rental deposits		6,992	6,992	–	6,364	6,364	–
Deferred income		1,502	1,502	–	1,592	1,592	–
Total non-current liabilities		688,138	688,138	–	787,440	787,440	–
Total liabilities		813,211	813,234	7	796,541	796,565	6
Net assets		1,724,043	1,724,020	23	1,735,324	1,735,300	24
<u>Represented by:</u>							
Unitholders' funds							
Unitholders' funds of Far East H-REIT		1,724,020	1,724,020	–	1,735,300	1,735,300	–
Unitholders' funds of Far East H-BT		23	–	23	24	–	24
		1,724,043	1,724,020	23	1,735,324	1,735,300	24

Footnote:

- (a) This represents 30% stake in Fontaine Investment Pte Ltd that Far East H-REIT acquired on 22 September 2014.
- (b) This relates to the fair value of interest rate swaps used to hedge interest rate risk.
- (c) 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\$100 million term loan that is maturing in August 2015.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014

(d)

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

	As at 31 December 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	115,530	115,530	—	—
Amounts repayable after one year	679,644	679,644	779,484	779,484
Total borrowings at amortised cost	795,174	795,174	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, four-year, five-year and seven-year terms. The three-year term loan of S\$100 million will mature in August 2015.

In December 2014, total term loan of \$200 million have been refinanced ahead of its maturity in August 2015. The refinanced loans of S\$100 million each with DBS Bank Ltd and The Hongkong Shanghai Banking Corporation Limited are for tenure of 7-year and 4-year respectively.

Far East H-REIT has in place \$100 million of uncommitted revolving credit facilities ("RCF"). On 22 September 2014, \$15.6 million was drawn from the RCF to finance the injection of Far East H-REIT's 30% equity share in Fontaine Investment Pte Ltd.

Total borrowing carried at amortised cost as at 31 December 2014 was \$795.2 million and RCF of \$84.4 million remains undrawn.

Gearing as at 31 December 2014 was 31.4%.

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

	Far East H-REIT					
	4Q 2014	4Q 2013	Better / (Worse)	FY 2014	FY 2013	Better / (Worse)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Cash flows from operating activities						
Total return before income tax	12,002	69,980	(82.8)	71,342	138,158	(48.4)
Adjustments for:						
Finance costs	4,755	4,278	11.2	17,492	15,169	15.3
Fair value change in interest rate swaps	1,053	(1,240)	N.M.	756	(7,933)	N.M.
Fair value change in investment properties	6,686	(45,861)	N.M.	6,686	(45,861)	N.M.
REIT Manager's fees issuable in Stapled Securities	2,728	2,487	9.7	10,815	9,194	17.6
Share of results of joint venture	1	–	N.M.	1	–	N.M.
Deferred income recognised	(22)	(23)	4.3	(90)	(90)	–
Operating profit before working capital changes	27,203	29,621	(8.2)	107,002	108,637	(1.5)
Changes in working capital						
Trade and other receivables	652	(1,313)	N.M.	2,591	(995)	N.M.
Trade and other payables	1,496	1,013	47.8	(253)	1,934	N.M.
Rental deposits	–	478	N.M.	218	992	(78.0)
Cash flows generated from operating activities	29,351	29,799	(1.5)	109,558	110,568	(0.9)
Cash flows from investing activities						
Capital expenditure on investment properties ^(a)	(1,590)	(1,335)	(19.1)	(8,086)	(2,502)	(223.2)
Investment in joint venture ^(b)	–	–	–	(15,600)	–	N.M.
Acquisition of investment properties	–	–	–	–	(197,824)	N.M.
Cash flows used in investing activities	(1,590)	(1,335)	(19.1)	(23,686)	(200,326)	88.2
Cash flows from financing activities						
Proceeds from borrowings ^(c)	200,000	–	N.M.	215,600	132,150	63.1
Issued of stapled securities	–	–	–	–	67,839	N.M.
Repayment of borrowings ^(c)	(200,000)	–	N.M.	(200,000)	–	N.M.
Finance costs paid	(4,712)	(3,563)	(32.2)	(16,298)	(13,867)	(17.5)
Distribution to Stapled Security holders ^(d)	(23,425)	(16,562)	(41.4)	(93,437)	(102,914)	9.2
Cash flows (used in)/generated from financing activities	(28,137)	(20,125)	(39.8)	(94,135)	83,208	N.M.
Net increase/(decrease) in cash and cash equivalents	(376)	8,339	N.M.	(8,263)	(6,550)	(26.2)
Cash and cash equivalents at beginning of the period	21,221	20,769	2.2	29,108	35,658	(18.4)
Cash and cash equivalents at end of the period	20,845	29,108	(28.4)	20,845	29,108	(28.4)

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

	Far East H-Trust					
	4Q 2014 S\$'000	4Q 2013 S\$'000	Better / (Worse) %	FY 2014 S\$'000	FY 2013 S\$'000	Better / (Worse) %
Cash flows from operating activities						
Total return before income tax	12,002	69,980	(82.8)	71,341	138,158	(48.4)
Adjustments for:						
Finance costs	4,755	4,278	11.2	17,492	15,169	15.3
Fair value change in interest rate swaps	1,053	(1,240)	N.M.	756	(7,933)	N.M.
Fair value change in investment properties	6,686	(45,861)	N.M.	6,686	(45,861)	N.M.
REIT Manager's fees issuable in Stapled Securities	2,728	2,487	9.7	10,815	9,194	17.6
Share of results of joint venture	1	–	N.M.	1	–	N.M.
Deferred income recognised	(22)	(23)	4.3	(90)	(90)	–
Operating profit before working capital changes	27,203	29,621	(8.2)	107,001	108,637	(1.5)
Changes in working capital						
Trade and other receivables	652	(1,313)	N.M.	2,591	(995)	N.M.
Trade and other payables	1,496	1,013	47.8	(252)	1,934	N.M.
Rental deposits	–	478	N.M.	218	992	(78.0)
Cash flows generated from operating activities	29,351	29,799	(1.5)	109,558	110,568	(0.9)
Cash flows from investing activities						
Capital expenditure on investment properties ^(a)	(1,590)	(1,335)	(19.1)	(8,086)	(2,502)	(223.2)
Investment in joint venture ^(b)	–	–	–	(15,600)	–	N.M.
Acquisition of investment properties	–	–	–	–	(197,824)	N.M.
Cash flows used in investing activity	(1,590)	(1,335)	(19.1)	(23,686)	(200,326)	88.2
Cash flows from financing activities						
Proceeds from borrowings ^(c)	200,000	–	N.M.	215,600	132,150	63.1
Issued of stapled securities	–	–	–	–	67,839	N.M.
Repayment of borrowings ^(c)	(200,000)	–	N.M.	(200,000)	–	N.M.
Finance costs paid	(4,712)	(3,563)	(32.2)	(16,298)	(13,867)	(17.5)
Distribution to Stapled Security holders ^(d)	(23,425)	(16,562)	(41.4)	(93,437)	(102,914)	9.2
Cash flows (used in)/generated from financing activities	(28,137)	(20,125)	(39.8)	(94,135)	83,208	N.M.
Net increase/(decrease) in cash and cash equivalents	(376)	8,339	N.M.	(8,263)	(6,550)	(26.2)
Cash and cash equivalents at beginning of the period	21,221	20,769	2.2	29,108	35,658	(18.4)
Cash and cash equivalent at end of the period	20,845	29,108	(28.4)	20,845	29,108	(28.4)

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 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) The amount of S\$15.6 million was drawn from the revolving credit facility to finance 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) S\$200 million term loans of S\$100 million each with DBS Bank Ltd and The Hongkong and Shanghai Banking Corporation Limited that are maturing in August 2015 have been refinanced in December 2014 for tenure of 7-year and 4-year respectively. The debt maturing profile of Far East H-REIT as at 31 December 2014 was 3.5 years.
- (d) Distribution to Stapled Securityholders in 4Q 2014 relates to the quarter from 1 July 2014 to 30 September 2014, paid on 10 December 2014. In the prior period, the distribution was for the period from 1 August 2013 to 30 September 2013, paid on 18 December 2013.

Distribution to Stapled Securityholders during the financial year 2014 relates to the period from 1 October 2013 to 30 September 2014. In the prior period, the distribution was for the period from 27 August 2012 to 30 September 2013.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 October 2014 to 31 December 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 October 2014	1,638,602	94,113	1,732,715	28	(5)	23	1,732,738
Operations							
Increase in net assets resulting from operations	–	12,002	12,002	–	#	#	12,002
	–	12,002	12,002	–	#	#	12,002
Unitholders' transactions							
- Payment of REIT Manager's fees ^(a)	2,728	–	2,728	–	–	–	2,728
- Distribution to Stapled Securityholders ^(b)	–	(23,425)	(23,425)	–	–	–	(23,425)
Net increase/(decrease) in net assets resulting from unitholders' transactions	2,728	(23,425)	(20,697)	–	–	–	(20,697)
Balance at 31 December 2014	1,641,330	82,690	1,724,020	28	(5)	23	1,724,043

Footnotes:

Less than \$1,000

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the 4Q 2014. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to Stapled Securityholders relates to the quarter from 1 July 2014 to 30 September 2014 paid on 10 December 2014.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 October 2013 to 31 December 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 October 2013	1,628,028	51,368	1,679,396	28	(4)	24	1,679,420
Operations							
Increase in net assets resulting from operations	–	69,980	69,980	–	#	#	69,980
	–	69,980	69,980	–	#	#	69,980
Unitholders' transactions							
- Issue of stapled securities							
- Payment of REIT Manager's fees ^(a)	2,486	–	2,486	–	–	–	2,486
- Distribution to Stapled Securityholders ^(b)	–	(16,562)	(16,562)	–	–	–	(16,562)
Net increase/(decrease) in net assets resulting from unitholders' transactions	2,486	(16,562)	(14,076)	–	–	–	(14,076)
Balance at 31 December 2013	1,630,514	104,786	1,735,300	28	(4)	24	1,735,324

Footnotes:

Less than \$1,000

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the 4Q 2013. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to Stapled Securityholders relates to the period from 1 August 2013 to 30 September 2013 paid on 18 December 2013.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2014 to 31 December 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	–	71,342	71,342	–	(1)	(1)	71,341
	–	71,342	71,342	–	(1)	(1)	71,341
Unitholders' transactions							
- Payment of REIT Manager's fees ^(a)	10,815	–	10,815	–	–	–	10,815
- Distribution to Stapled Securityholders ^(b)	–	(93,437)	(93,437)	–	–	–	(93,437)
Net increase/(decrease) in net assets resulting from unitholders' transactions	10,815	(93,437)	(82,622)	–	–	–	(82,622)
Balance at 31 December 2014	1,641,330	82,690	1,724,020	28	(5)	23	1,724,043

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 31 December 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 September 2014.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 January 2013 to 31 December 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	–	138,160	138,160	–	(2)	(2)	138,158
	–	138,160	138,160	–	(2)	(2)	138,158
Unitholders' transactions							
- Payment of REIT Manager's fees ^(a)	9,194	–	9,194	–	–	–	9,194
- Issue of stapled securities	137,952	–	137,952	–	–	–	137,952
- Issue cost capitalized ^(b)	2	–	2	(2)	–	(2)	–
- Distribution to Stapled Securityholders ^(c)	–	(102,914)	(102,914)	–	–	–	(102,914)
Net increase/(decrease) in net assets resulting from unitholders' transactions	147,148	(102,914)	44,234	(2)	–	(2)	44,232
Balance at 31 December 2013	1,630,515	104,785	1,735,300	28	(4)	24	1,735,324

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 31 December 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 30 September 2013.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014

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

	4Q 2014 Far East H-Trust No. of Stapled Securities	4Q 2013 Far East H-Trust No. of Stapled Securities
Stapled Securities in issue at 1 October	1,771,273,342	1,759,346,490
New Stapled Securities issued		
- As payment of REIT Manager's fees	3,362,374	2,589,349
Total issued Stapled Securities	1,774,635,716	1,761,935,839
Stapled Securities to be issued:		
- As payment of REIT Manager's fees	3,365,532	2,983,039
Total issued and issuable Stapled Securities at 31 December	1,778,001,248	1,764,918,878

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 fourth quarter and financial year ended 31 December 2014
6 Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period ended 31 December 2014

	4Q 2014 Far East H- Trust	4Q 2013 Far East H- Trust	FY 2014 Far East H- Trust	FY 2013 Far East H- Trust
Weighted average number of Stapled Securities in issue	1,773,575,837	1,761,119,631	1,768,762,186	1,671,509,323
Total return for the period after tax (\$\$)	12,002,000	69,980,000	71,341,000	138,158,000
EPS based on weighted average number of Stapled Securities in issue (cents)	0.68	3.97	4.03	8.27
Total number of issued and issuable Stapled Securities at end of period	1,778,001,248	1,764,918,878	1,778,001,248	1,764,918,878
Distribution to Stapled Securityholders (\$\$)	22,858,000	25,072,000	91,494,000	94,597,000
DPS based on the total number of Stapled Securities entitled to distribution (cents)	1.28	1.42	5.14	5.64

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 December 2014 Far East H-Trust	31 December 2013 Far East H-Trust
Total number of issued and issuable Stapled Securities at end of period	1,778,001,248	1,764,918,878
Net asset value per Stapled Security (cents)	96.97	98.32

Footnotes:

The number of Stapled Securities used for computation of actual NAV per Stapled Security as at 31 December 2014 is 1,778,001,248 comprising:

- (i) 1,764,918,878 Stapled Securities in issue and issuable as at 31 December 2013; and
- (ii) 13,082,370 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 31 December 2014.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
8 A review of the performance for the quarter ended 31 December 2014
8(a) Statement of net income and distribution of Far East Hospitality Trust

	4Q 2014	4Q 2013	Better / (Worse)		FY 2014	FY 2013	Better / (Worse)	
				%				%
Gross revenue (S\$'000)	30,280	33,564	(3,284)	(9.8)	121,719	122,478	(759)	(0.6)
Net property income (S\$'000)	27,652	30,463	(2,811)	(9.2)	110,026	111,878	(1,852)	(1.7)
Income available for distribution (S\$'000)	22,858	25,072	(2,214)	(8.8)	91,494	94,597	(3,103)	(3.3)
Distribution per Stapled Security (cents)	1.28	1.42	(0.14)	(9.9)	5.14	5.64	(0.50)	(8.9)

8(b) Review of the performance of fourth quarter and financial year ended 31 December 2014
4Q 2014 vs 4Q 2013

Gross Revenue for 4Q 2014 was \$30.3 million or 9.8% lower than 4Q 2013.

The 4Q 2014 average occupancy for the hotel portfolio was 3.6pp below last year and the average daily rate ("ADR") was 4.0% lower. Rates were softer as a result of weaker corporate business and an increase in hotel room supply which restrained the ability to grow the ADR. The average revenue per available room ("RevPAR") was \$153 or 8.0% below the \$166 attained in Q4 2013.

The average occupancy for the serviced residences was 6.3pp lower than 4Q 2013 and the average room rate attained was 0.8% lower. The drop in occupancy was largely due to the completion of the renovation of the studio units at Regency House as the property built up its long-stay customer base. As a result, 4Q 2014 revenue per available serviced residence unit ("RevPAU") was \$208 or 7.8% lower than the \$226 achieved in the same quarter last year.

The revenue from the excluded commercial premises was \$5.8 million for 4Q 2014, an increase of 4.8% from 4Q 2013. The better performance of the excluded commercial premises has cushioned the softer contribution from the hotels and serviced residences.

A snapshot of the Hotels and SRs performance in 4Q 2014 is set out below:

	4Q 2014		4Q 2013		Better / (Worse)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	82.4	83.2	86.0	89.5	(3.6pp)	(6.3pp)
Average Daily Rate (S\$)	186	250	193	252	(4.0%)	(0.8%)
RevPAR / RevPAU (S\$)	153	208	166	226	(8.0%)	(7.8%)

The **Net Property Income** was \$27.7 million or 9.2% below Q4 2013.

The **Income Available for Distribution** was \$22.3 million, or 8.8% below fourth quarter last year and **Distribution per Stapled Security** was 1.28, or 9.9% below the last year.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014

FY 2014 vs FY 2013

Gross Revenue for FY 2014 was \$121.7 million or 0.6% below FY 2013.

A host of factors including regulation on outbound travel in China, regional currency dynamics, aviation mishaps, and geopolitical events negatively affected the visitor arrivals into Singapore for 2014. A combination of this decrease in visitorship to Singapore and the increased supply of hotel rooms during FY 2014 placed competitive pressure on both occupancy and ADR. Occupancy for the hotel portfolio of 83.3% during FY 2014 was 3.1pp below last year. The hotel ADR of \$187 fell short of last year's rates by 2.5%. As a result, the RevPAR was \$155, 6.0% lower than last year's RevPAR of \$165.

The serviced residences experienced challenges as a decrease in project groups caused heavier reliance on individual stays. Average occupancy was 87.5% or 1.5pp below last year and ADR was \$251 or 1.4% below last year's ADR of \$254. Consequently, RevPAU was \$219 or 3.1% below last year's RevPAU of \$226.

The stable rental revenue from the excluded commercial premises (i.e. retail and office spaces) amounted to \$23.2 million for the twelve months in FY 2014, 17.4% higher than last year. This growth helped to moderate the lower contribution from the hotels and serviced residences.

A snapshot of the performance of the Hotels and SRs in FY 2014 is set out below:

	FY 2014		FY 2013		Better / (Worse)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	83.3	87.5	86.4	89.0	(3.1pp)	(1.5pp)
Average Daily Rate (S\$)	187	251	191	254	(2.5%)	(1.4%)
RevPAR / RevPAU (S\$)	155	219	165	226	(6.0%)	(3.1%)

The **Net Property Income** of \$110.0 million was 1.7% below the \$111.9 million reached last year.

Income Available for Distribution was \$91.5 million or 3.3% below last year and **Distribution per Stapled Security** was 5.14 cents or 8.9% lower than FY 2013.

9 Variance between forecast and the actual results

No forecast has been disclosed.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 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.

According to the Singapore Tourism Board (“STB”), international visitor arrivals to Singapore had fallen 3.4% year-on-year for the first eleven months of 2014¹. Main contributing factors include the sharp decrease in arrivals from China which saw a contraction of 25.7% during this period², and the strong Singapore currency which has affected leisure traffic from some regional countries. While there seemed to be some moderation in the decline in the Chinese arrivals in the recent months³, it may take a while before visitorship from China returns to its previous level.

The softness in corporate travel amidst the uncertain economic environment could continue to weigh on the demand for accommodation. This weakness could be partially mitigated by the hosting of major events such as 2015 Southeast Asian Games and Interpol World 2015, the opening of new and diverse attractions such as Singapore Pinacothèque de Paris and the National Gallery Singapore, and possible improvement in the visitorship from China.

An estimated 3,000 new hotel rooms are expected to come on-stream in 2015⁴. The upcoming new hotel room supply alongside the potential softness in demand are likely to perpetuate the competitive landscape and compress room rates.

The longer term outlook of the hospitality market remains positive. This is underpinned by the Singapore government’s continuous efforts to maintain Singapore as the preferred destination for business and leisure travellers. A key tenet of such efforts is enhancing the Singapore tourism landscape to broaden and enrich the experience of visitors. This includes renewing and rejuvenating existing tourism offerings such as the development of the Mandai region into an integrated wildlife precinct, and the major facelift for Sentosa to become an attractive lifestyle destination for both local and foreign visitors. In addition, the strengthening of the tourism infrastructures and sharpening of the industry competitiveness through capabilities upgrading in support of the development of the tourism sector are expected to further entrench Singapore as a key business centre and MICE destination.

As part of its proactive approach towards capital management, Far East H-Trust has completed the refinancing of \$200 million borrowings ahead of its maturity in August 2015. Discussions on refinancing the remaining \$100 million borrowings due in August 2015 have commenced and will be concluded ahead of its maturity.

As at 31 December 2014, Far East H-Trust’s financial position remained stable amidst the uncertain interest rate environment, with 60% of its debt portfolio secured at fixed interest rates. The average cost of debt is approximately 2.2% per annum and the weighted average debt to maturity is 3.5 years.

¹ STB International Visitor Arrivals Statistics, as at 8 January 2015

² Same as footnote 1

³ Same as footnote 1

⁴ Jones Lang LaSalle report issued as at March 2014 and Far East H-Trust’s compilation

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014

11 DISTRIBUTIONS
Current financial period

Any distribution declared for the current period?	Yes
Distribution period	Distribution for the quarter from 1 October 2014 to 31 December 2014
Distribution type	Taxable income
Distribution per stapled security	1.28 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 March 2015
Books closure date	23 February 2015
Stapled Securityholders must complete and return Form A or Form B, as applicable	4 March 2015

Corresponding period of the preceding financial period

Any distribution declared for the current period?	Yes
Distribution period	Distribution for the quarter from 1 October 2013 to 31 December 2013
Distribution type	Taxable income
Distribution per stapled security	1.42 cents

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 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

28 March 2014

Books closure date

20 February 2014

Stapled Securityholders must complete and return Form A or Form B, as applicable

10 March 2014

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.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
14 Segment revenue and results for operating segments
(a) Operating segments for the year ended 31 December 2014

	Hotels and serviced residences \$'000	Retails and offices and others \$'000	Total \$'000
Gross revenue	98,486	23,233	121,719
Segment net property income	92,243	17,783	110,026
REIT Manager's fees			(12,017)
Trustee's fees			(316)
Other trust expenses			(1,417)
Finance costs			(17,492)
Net income before tax and fair value changes			78,784
Fair value change in investment properties	(26,760)	20,074	(6,686)
Fair value change in derivative financial instruments			(756)
Share of results of joint venture			(1)
Total return for the year before income tax			71,341
Income tax expense			-
Total return for the year after income tax before distribution			71,341

(b) Operating segments for the year ended 31 December 2013

	Hotels and serviced residences \$'000	Retails and offices and others \$'000	Total \$'000
Gross revenue	102,693	19,785	122,478
Segment net property income	96,666	15,212	111,878
REIT Manager's fees			(11,493)
Trustee's fees			(293)
Other trust expenses			(559)
Finance costs			(15,169)
Net income before tax and fair value changes			84,364
Fair value change in investment properties	2,154	43,707	45,861
Fair value change in derivative financial instruments			7,933
Total return for the period before income tax			138,158
Income tax expense			-
Total return for the period after income tax before distribution			138,158

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014
15. 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.

16. Breakdown of gross revenue and net income

	FY 2014 \$'000	FY 2013 \$'000	Better / (Worse) %
Gross revenue reported for first half year	60,292	57,443	5.0
Net income for first half year	35,470	50,074	(29.2)
Gross revenue reported for second half year	61,427	65,035	(5.5)
Net income for second half year	35,872	88,084	(59.5)

17. Breakdown of annual distribution for the current full year and its previous full year is as follow:

In respect of the period	2014 \$'000	2013 \$'000
1 October 2013 to 31 December 2013	25,062	–
1 January 2014 to 31 March 2014	22,986	–
1 April 2014 to 30 June 2014	21,964	–
1 July 2014 to 30 September 2014	23,425	–
27 August 2012 to 31 December 2012 ^(a)	–	33,585
1 January 2013 to 31 March 2013	–	22,201
1 April 2013 to 31 July 2013 ^(b)	–	30,566
1 August 2013 to 30 September 2013	–	16,562
	93,437	102,914

Footnote

- (a) Far East H-Trust was constituted on 1 August 2012 and listed on SGX-ST on 27 August 2012. Its first distribution for the period from 27 August 2012 to 31 December 2012 was paid on 21 March 2013.
- (b) In connection with the acquisition of Rendezvous Hotel Singapore and Rendezvous Gallery, 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.

Unaudited Financial Statements Announcement for the fourth quarter and financial year ended 31 December 2014

18. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the REIT Manager and Trustee-Manager confirm that there is no person occupying managerial position in the REIT Manager and the Trustee-Manager, who is related to a director or the chief executive officer or a substantial shareholder of the REIT Manager or the Trustee-Manager of Far East H-Trust.

By Order of the Board

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Asset Management Pte. Ltd.
(Company Registration No. 201102629K)
11 February 2015

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201210698W)
11 February 2015

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 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.