

FAR EAST HOSPITALITY TRUST

Joint Venture with Far East Organization to Develop a New Hotel in Sentosa

22 September 2014

Important Notice

This presentation may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 current view of management on future events.

The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither FEO Hospitality Asset Management Pte. Ltd. (in its capacity as the manager of Far East Hospitality Real Investment Trust ("Far East H-REIT")) (the "REIT Manager"), DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT) (the "REIT Trustee"), FEO Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Far East Hospitality Business Trust) (the "Trustee-Manager") or any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of Far East Hospitality Trust ("Far East H-Trust") (which comprises Far East H-REIT and Far East H-BT) is not indicative of its future performance. Similarly, the past performance of the REIT Manager and the Trustee-Manager (collectively, the "Managers") is not indicative of their future performance.

The value of stapled securities in Far East H-Trust ("Stapled Securities"), and the income derived from them, may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by Far East H-Trust or the Managers, the REIT Trustee or any of their respective affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities (the "Stapled Securityholders") may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.

Table of Contents

A Overview of the Development

B Rationale and Benefit of the Joint Venture and the Development

C Method of Financing and Financial Effects

A. Overview of the Development

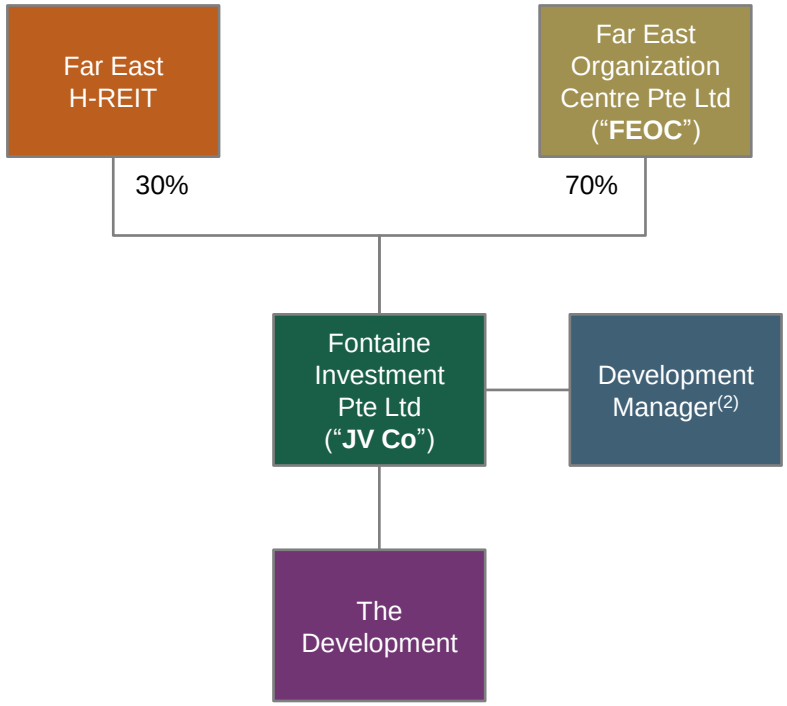


FAR EAST HOSPITALITY TRUST

Overview of the Development

Development Name	Outpost Hotel Sentosa and Village Hotel Sentosa (the "**Development**")
Description	Integrated development comprising 2 hotels with 850 keys
Market Segment	Mid Tier / Upscale
Land Tenure	60-year leasehold interest from 7 March 2014
Land Area	Approximately 44,685 sqm (480,987 sqft)
Maximum Permissible GFA	Approximately 35,748 sqm (384,790 sqft)
Far East H-REIT's Interest	30%
Expected Year of Completion	2018
Far East H-REIT's Agreed Proportion of Estimated Project-Related Cost	Approximately $133.1m[(1)]
Far East H-REIT ROFR	Upon completion, Far East H-REIT is entitled to purchase the remaining 70% of the Development should a sale be contemplated by FEOC

Structure of the Joint Venture



Notes:
[1] The Development will be funded by facilities secured by Far East H-REIT and JV Co
[2] A member of Far East Organization (the "Sponsor")

B. Rationale and Benefit of the Joint Venture and the Development



FAR EAST HOSPITALITY TRUST

Rationale and Benefit of the Joint Venture and the Development

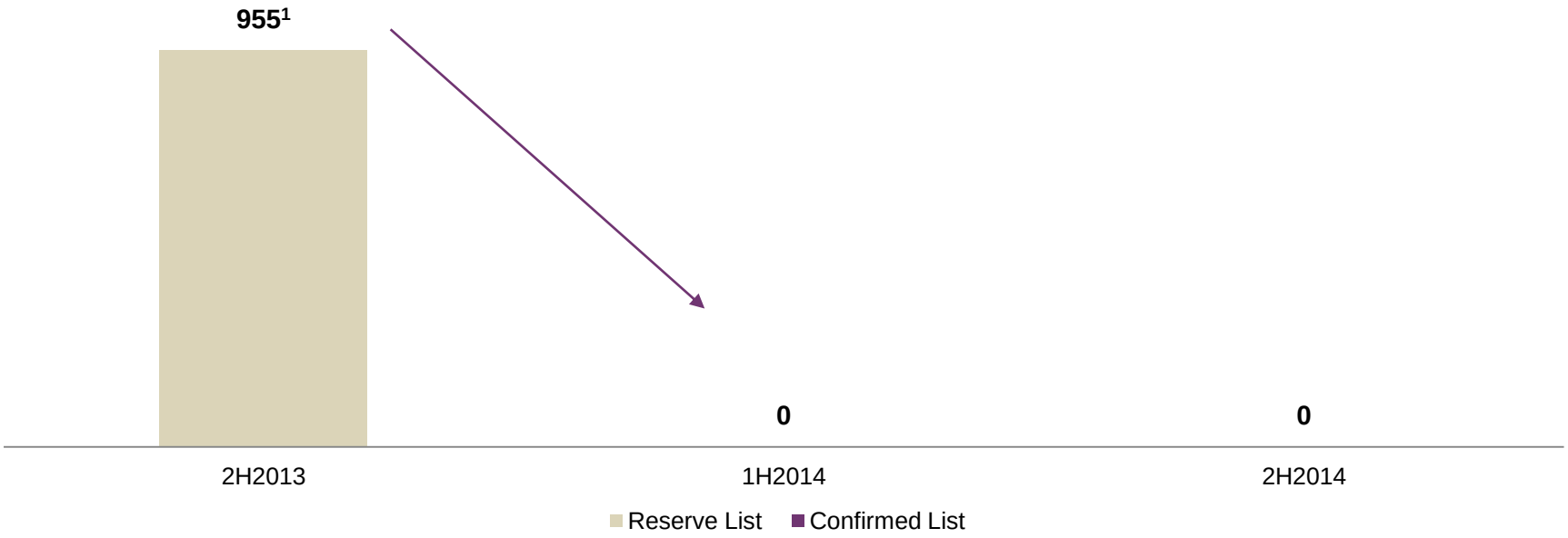
1. **Exclusive Opportunity to Enter into the Development at an Attractive Cost**
2. **Unique Property with Accessible Location**
3. **Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa**
4. **Alignment with REIT Manager's Strategy**
5. **Leverage on Sponsor's Development Expertise**



Exclusive Opportunity to Invest in a Hotel Development Project Given Scarcity of New Hotel Land Sites

- **Limited supply of hotel sites:** Unique opportunity to participate in a hotel development project in Singapore
  - No hotel sites put up for tender under the first and second half 2014 Government Land Sales Programme

Hotel Sites under Government Land Sales Programme
(estimated number of keys)



Sources: Urban Redevelopment Authority, Ministry of National Development announcements dated 25 June 2013, 18 December 2013, and 10 June 2014
[1]Hotel sites consist of Race Course Road/Perumal Road (320 keys), East Coast Road (600 keys) and Havelock Road (35 keys).

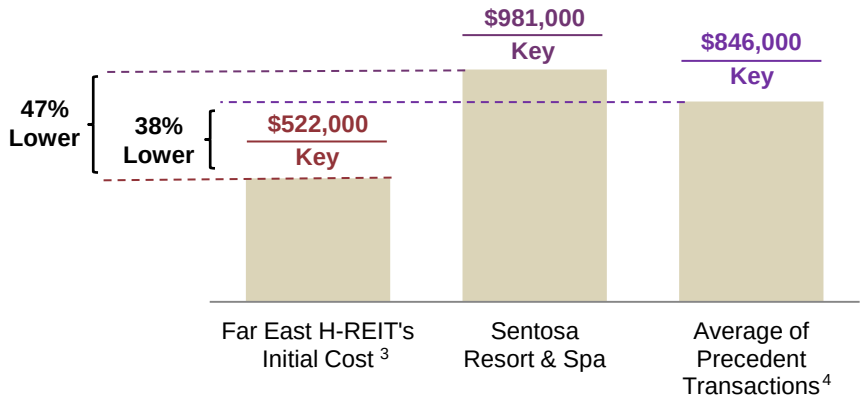
Early Entry Lowers the Cost of Investment to Far East H-REIT

Precedent Hotel Transactions in Singapore (FY2013 – FY2014)

Property	Date	Keys	Transacted Price (S$ mm)	Price per Key (S$)[1]
Ibis Novena	Mar-13	241	150	622,000
Park Hotel Clarke Quay	Apr-13	336	300	893,000
Hotel Windsor	May-13	225	163	724,000
Berjaya Hotel	May-13	49	50	1,020,000
Mandarin Orchard Singapore	Jul-13	1,051	1,180	1,123,000
Gallery Hotel	Aug-13	222	233	1,047,000
Rendezvous Grand Hotel	Aug-13	298	217	727,000
Sentosa Resort & Spa	Aug-13	215	211	981,000
Grand Park Orchard	Aug-13	308	1,150	NA
Hotel 1929	Sep-13	32	35	1,094,000
Park Regis[5]	Oct-13	203	250	NA
Park Avenue Changi Hotel & Suites	Nov-13	251	138	550,000
The Westin Singapore	Dec-13	305	468	1,534,000
InterContinental Singapore	Jul-14	406	497	1,224,000

High	**1,534,000**
Average	**961,583**
Average (excluding Boutique & 5 Star)[2]	**846,000**

Far East H-REIT's Price Per Key Comparison



- **Lower cost of investment:**
  - Lock in a lower cost of investment with entry into the Development at an early stage as compared to acquiring the Development post-completion
  - Allows Far East H-REIT to benefit from overall potential savings if it acquires the remaining 70.0% of the development post-completion, given Far East H-REIT's lower cost of investment in the initial 30.0% stake
- **Cost savings:**
  - Potential savings to Far East H-REIT of $324,000 per key as compared to if Far East H-REIT had purchased a new hotel, based on the average of market comparable transactions[4]

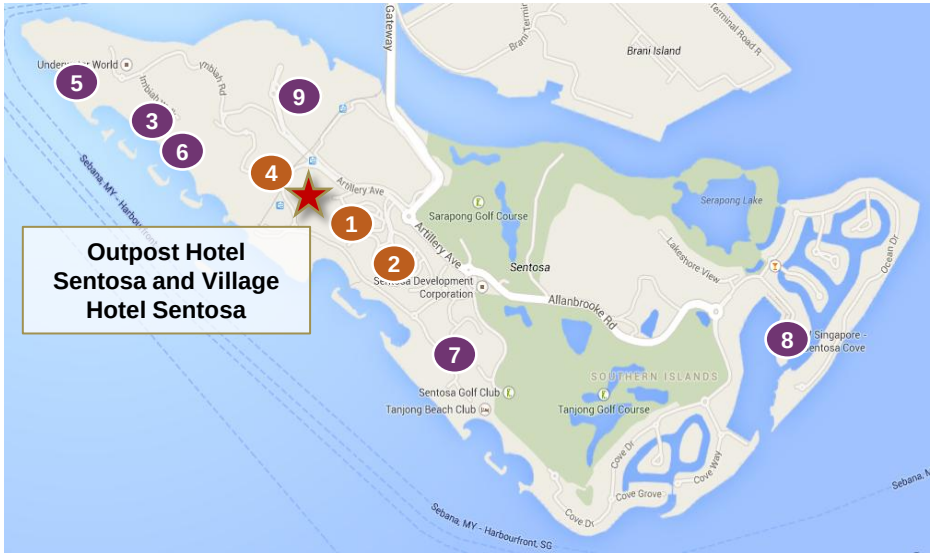
Source: Quarterly Research Bulletin, 13 January 2014, Knight Frank; Vendors' or Buyers' public filings
[1]Price per Key rounded to the nearest thousand
[2]Boutique Hotel transactions being Berjaya Hotel and Hotel 1929. Excludes 5 Star hotel transactions but included that of Mandarin Orchard Singapore and the Westin Singapore
[3]Far East H-REIT's initial value per key is calculated based on its 30% share of the cost and hotel rooms, which is $133.1m and 255 keys (based on total of 850 keys) respectively.
[4]Based on precedent transactions which excluded Boutique Hotel transactions but included that of Berjaya Hotel and Hotel 1929 and excluded 5 Star hotel transactions but included that of Mandarin Orchard Singapore and the Westin Singapore
[5]Transacted price based on newspaper reports and broker estimates

Rationale and Benefit of the Joint Venture and the Development

1. **Exclusive Opportunity to Enter into the Development at an Attractive Cost**
2. **Unique Property with Accessible Location**
3. **Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa**
4. **Alignment with REIT Manager's Strategy**
5. **Leverage on Sponsor's Development Expertise**



Heritage Property with Easy Access



Map of Sentosa
Source: Google Maps

Existing Heritage Hotels on Sentosa
Existing Hotels on Sentosa

1. Amara Sanctuary Resort Sentosa (140 keys)
2. Capella Singapore (112 keys)
3. Costa Sands Resort (49 keys)
4. Mövenpick Heritage Hotel Sentosa (191 keys)
5. Shangri-La's Rasa Sentosa (454 keys)
6. Siloso Beach Resort (196 keys)
7. The Singapore Resort & Spa Sentosa (215 keys)
8. W Singapore Sentosa Cove (240 keys)
9. Resorts World Sentosa
   - Festive Hotel (387 keys)
   - Hard Rock Hotel (364 keys)
   - Hotel Michael (476 keys)
   - Equarius Hotel (183 keys)
   - Crockfords Tower (by invite only)
   - Beach Villas (22 keys)
   - Ocean Suites (11 keys)
   - TreeTop Lofts (2 keys)

Far East H-REIT's first investment in Sentosa

Unique Property in Sentosa

- One of the four heritage hotels located in Sentosa
- Site was once the coastal defence artillery base and the British artillery barracks, which includes six blocks of barracks and a parade square

Easily Accessible Location

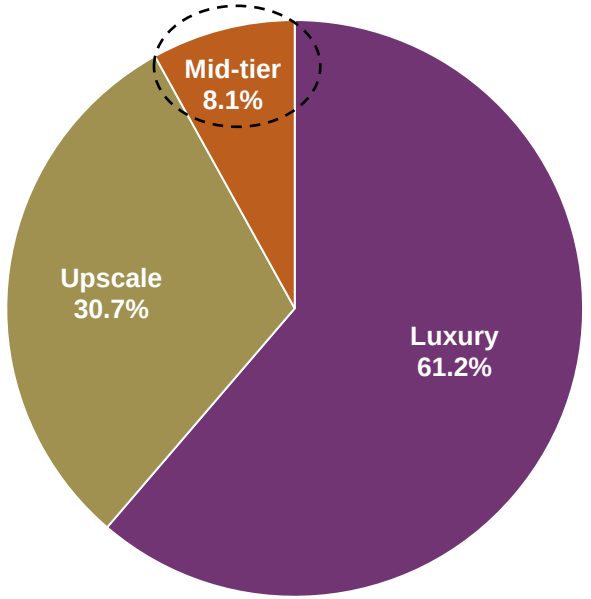
- A short walk away from Palawan Beach, as well as many of Sentosa's attractions and a myriad of F&B outlets
- Palawan Beach is currently home to the Port of Lost Wonder, Singapore's first ever kids' club by the beach
- Easily accessible via Sentosa's various transportation options, including the Sentosa Express beach station, beach tram and buses

Sources: SDC annual report 12/13, SDC announcement dated 12 March 2014, respective hotel websites

Capitalize on Shortage of Mid-Tier Accommodation in Sentosa

Hotel	Keys	Segment[1]
Hotel Michael	476	Luxury
Shangri-La's Rasa Sentosa	454	Luxury
Hard Rock Hotel	364	Luxury
W Singapore Sentosa Cove	240	Luxury
Equarius Hotel	183	Luxury
Capella Singapore	112	Luxury
Beach Villas	22	Luxury
Ocean Suites	11	Luxury
TreeTop Lofts	2	Luxury
Crockfords Tower	By Invitation Only	Luxury
Festive Hotel	387	Upscale
The Singapore Resort & Spa Sentosa	215	Upscale
Movenpick Heritage Hotel Sentosa	191	Upscale
Amara Sanctuary Resort Sentosa	140	Upscale
Siloso Beach Resort	196	Mid-tier
Costa Sands Resort	49	Mid-tier
Total	**3,042**	

Breakdown of Keys per Hotel Segment



Far East H-REIT believes that the Property is well-positioned to fill the gap in Mid-Tier Accommodation on Sentosa

Sources: SDC annual report 12/13, SDC announcement dated 12 March 2014, respective hotel websites

[1]Hotels categorized into Luxury, Upscale, and Mid-tier segments under the Singapore Tourism Board's revised tiering or scaling system.

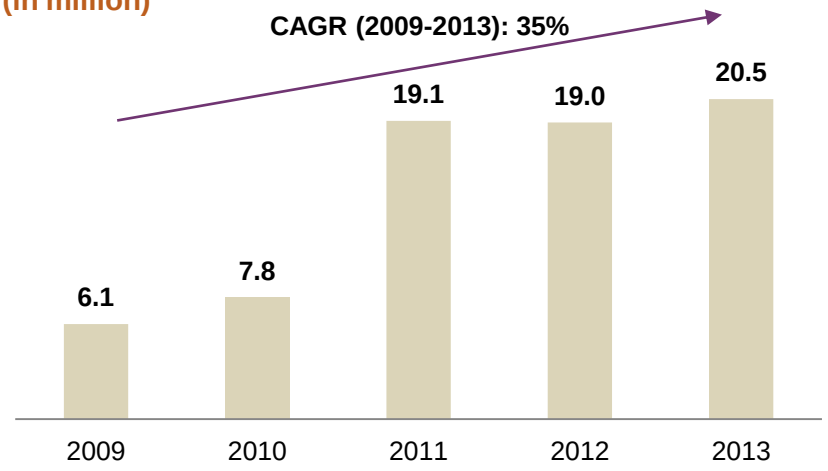
Rationale and Benefit of the Joint Venture and the Development

1. **Exclusive Opportunity to Enter into the Development at an Attractive Cost**
2. **Unique Property with Accessible Location**
3. **Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa**
4. **Alignment with REIT Manager's Strategy**
5. **Leverage on Sponsor's Development Expertise**



Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa

Annual Visitors to Sentosa
(in million)





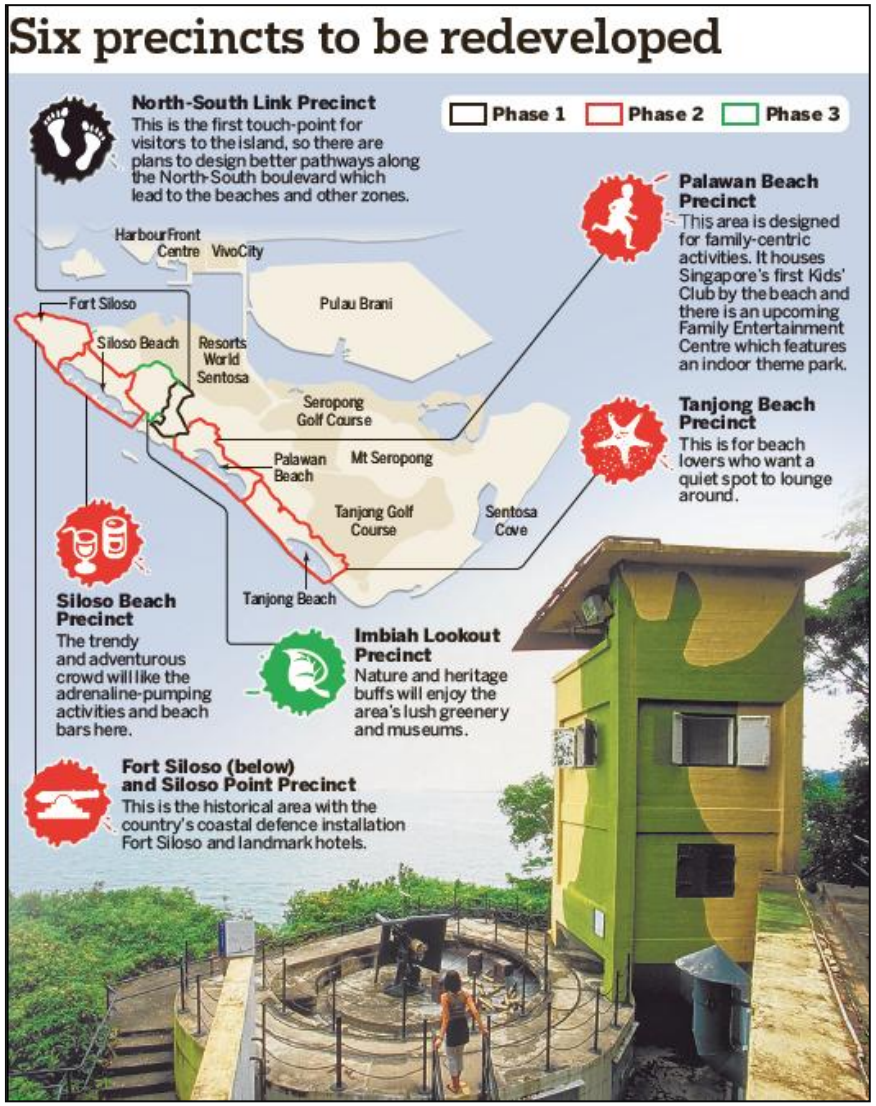


- SDC is continuously developing Sentosa as Singapore's leisure and lifestyle destination for both local and foreign guests
  - **Wings of Time:**
    - Spectacular night display of water, laser and fire effects set to a majestic set and panoramic views
    - Replaced "Songs of the Sea" show in June 2014
  - **Madame Tussauds Singapore:**
    - Wax museum with 10 themed interactive zones, with a boat ride known as "The Spirit of Singapore"
    - Opening in end October 2014
  - **Images of Singapore:**
    - Multimedia displays and life-sized tabelus depicting Singapore's history
    - Refreshed attraction to open by end 2014
- More covered walkways and cycleways for better connections to Sentosa
  - Cycleways into and around Sentosa and almost 3km of covered walkways to shelter pedestrians
  - In line with ongoing construction of Sentosa Gateway Tunnel, slated to connect outbound traffic from Sentosa with Kampong Bahru Road and Keppel Road by next year

Note: Annual number of visitors to Sentosa is based on 12 months ended 31 March

Sources: SDC annual reports 08/09, 09/10,10/11, 11/12, and 12/13, SDC announcement dated 12 March 2014, Factiva
Straits Times, "More covered walkways and cycleways suggested for better connections to Sentosa", 8 September 2014
Sentosa Website

Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa



- SDC is planning a major facelift for Sentosa in the next 5 years and inviting developers to bid
- Creation of themed zones with distinct identity:
  - **Palawan Beach:**
    - Theme: Family oriented environment
    - 11,500 sqm family entertainment centre that will house KidZania, an indoor edutainment theme
    - This will fully transform Palawan Beach into a family-centric attraction, catering for both indoor and outdoor play
  - **Siloso Beach:**
    - Theme: Entertainment and lifestyle
    - AJ Hackett Bungy Jump – the only double swing bungy of its kind in the world
  - **Imbiah Lookout:**
    - Theme: Nature and heritage
    - Will give nature and heritage lovers the greenery and serenity they seek

Source: Straits Times, "Sentosa to get major facelift complete with themed zones", 15 August 2014

Rationale and Benefit of the Joint Venture and the Development

1. **Exclusive Opportunity to Enter into the Development at an Attractive Cost**
2. **Unique Property with Accessible Location**
3. **Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa**
4. **Alignment with REIT Manager's Strategy**
5. **Leverage on Sponsor's Development Expertise**



In Line with REIT Manager's Strategy to Expand Far East H-REIT's Presence in Singapore and Enhance Portfolio Diversification

1 Regency House



Number of Units: 90

2 Village Residence Robertson Quay



Number of Units: 72

3 Village Residence Clarke Quay



Number of Units: 128

4 Village Residence Hougang



Number of Units: 78

5 Village Hotel Albert Court



Number of Keys: 210

6 Village Hotel Bugis

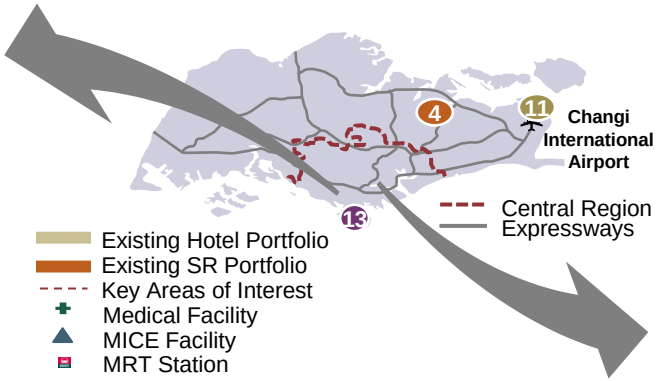


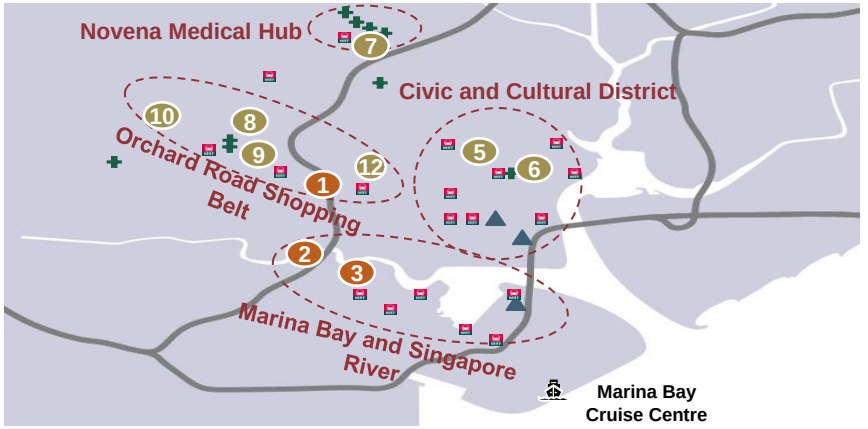
Number of Keys: 393

13 Outpost Hotel Sentosa and Village Hotel Sentosa



Number of Keys: 850





12 Rendezvous Hotel Singapore



Number of Keys: 298

11 Village Hotel Changi



Number of Keys: 380

10 Orchard Parade Hotel



Number of Keys: 388

9 The Quincy Hotel



Number of Keys: 108

8 The Elizabeth Hotel



Number of Keys: 256

7 Oasia Hotel Singapore

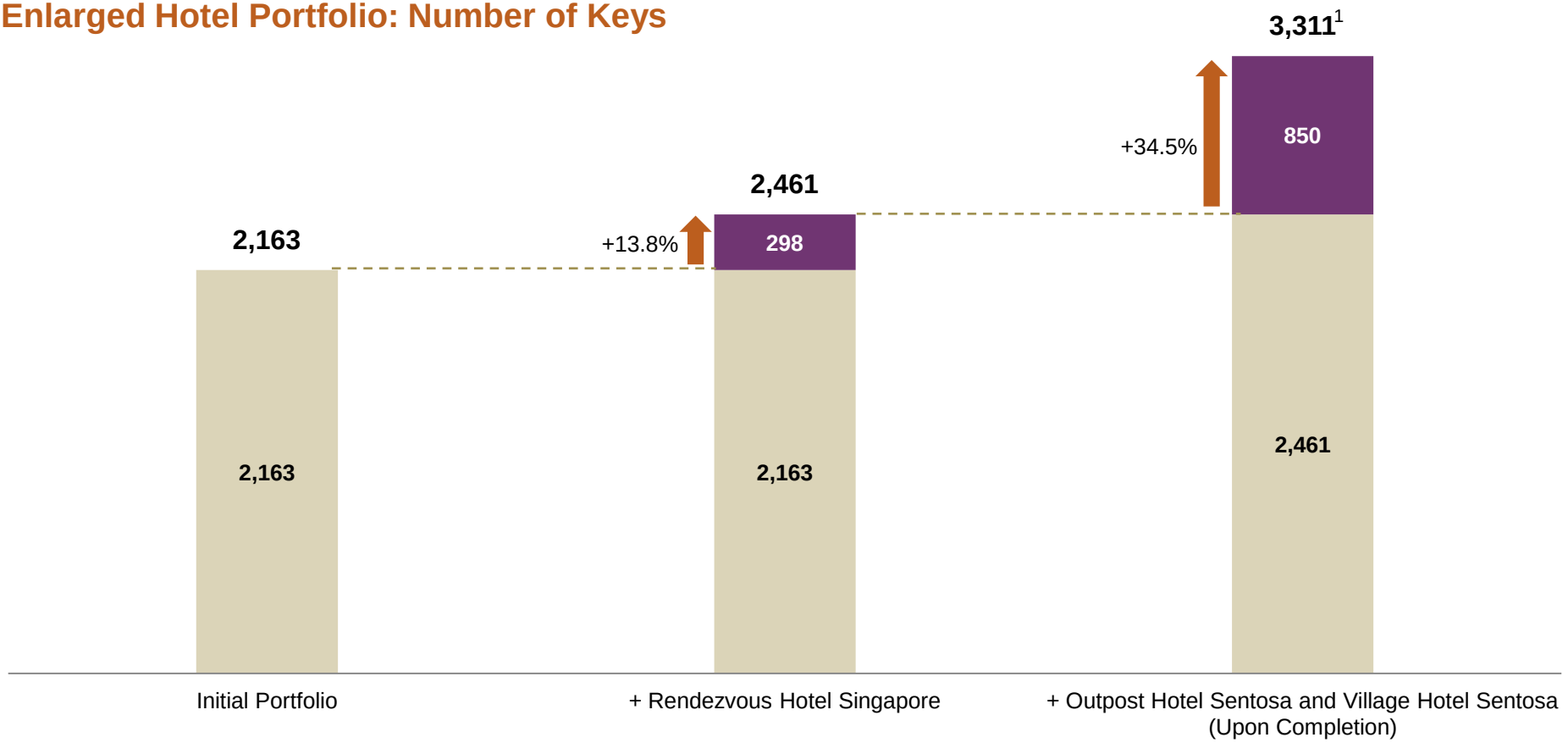


Number of Keys: 428

Far East H-REIT's proportionate share of total costs is expected to be within its development limit under the Property Funds Appendix. In addition, the REIT Manager has opted not to receive a development management fee from Far East H-REIT

Growing Far East H-REIT's Portfolio in Singapore

Enlarged Hotel Portfolio: Number of Keys



Note: * Based on 850 keys

Post-completion of the Development, the number of keys in Far East H-REIT's hotel portfolio is expected to increase by 34.5%, from 2,461 to 3,311[1]

Source: Far East H-Trust annual report 2013

[1]Assuming Far East H-REIT acquires the remaining 70% of the Development post-completion

Rationale and Benefit of the Joint Venture and the Development

1. **Exclusive Opportunity to Enter into the Development at an Attractive Cost**
2. **Unique Property with Accessible Location**
3. **Well-Positioned to Benefit from Continuous Efforts to Rejuvenate Sentosa**
4. **Alignment with REIT Manager's Strategy**
5. **Leverage on Sponsor's Development Expertise**



Leverage on Sponsor's Track Record of Developing Hospitality Properties through Repurposing Conservation Buildings



Village Hotel Albert Court

- Between 2003 and 2004, as part of asset enhancement initiatives, Far East Organization converted retail space into 74 hotel rooms which expanded the hotel into a 210-room hotel
- 136 Superior and Deluxe rooms were also upgraded recently. The upgrading was completed in June 2014

Source: Far East H-Trust



AMOY Singapore

- The current AMOY Singapore was part of a Far East Organization redevelopment project which converted office space into a 37-room boutique hotel.
- The property is currently undergoing Phase II of the conversion which will add an additional 60 keys upon completion

Source: Far East Organization

Far East Organization has an established track record of successfully developing and managing hospitality assets, and repurposing conservation buildings for contemporary use

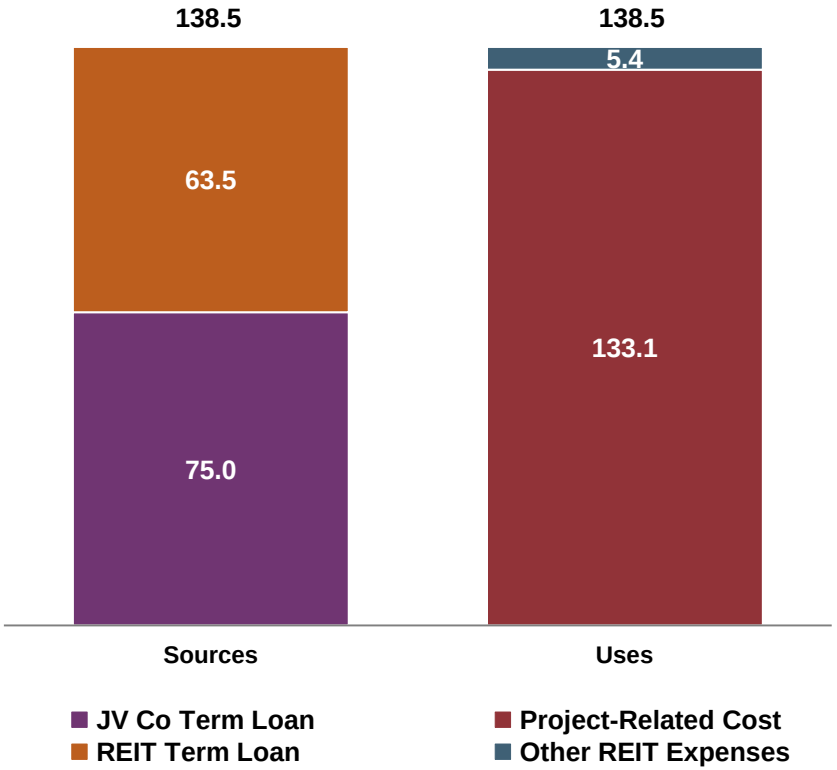
C. Method of Financing and Financial Effects



FAR EAST HOSPITALITY TRUST

Method of Financing and Financial Effects

Estimated Required Financing[1]
(in $m)



Number of Keys	▪ 850
Estimated Required Financing	▪ $138.5m
Debt Facilities	▪ 100% debt funded ▪ $75.0 million to be funded by JV Co Term Loan ▪ $63.5 million to be funded by Far East H-REIT Term Loan ▪ Facilities will be drawn down progressively to fund the Development
Cost of Debt	▪ Estimated to be 2.5% p.a.
Tenure	▪ 5 + 2 years, to be finalised
Far East H-REIT's Gearing	▪ Not expected to exceed 35% post-completion of the Development

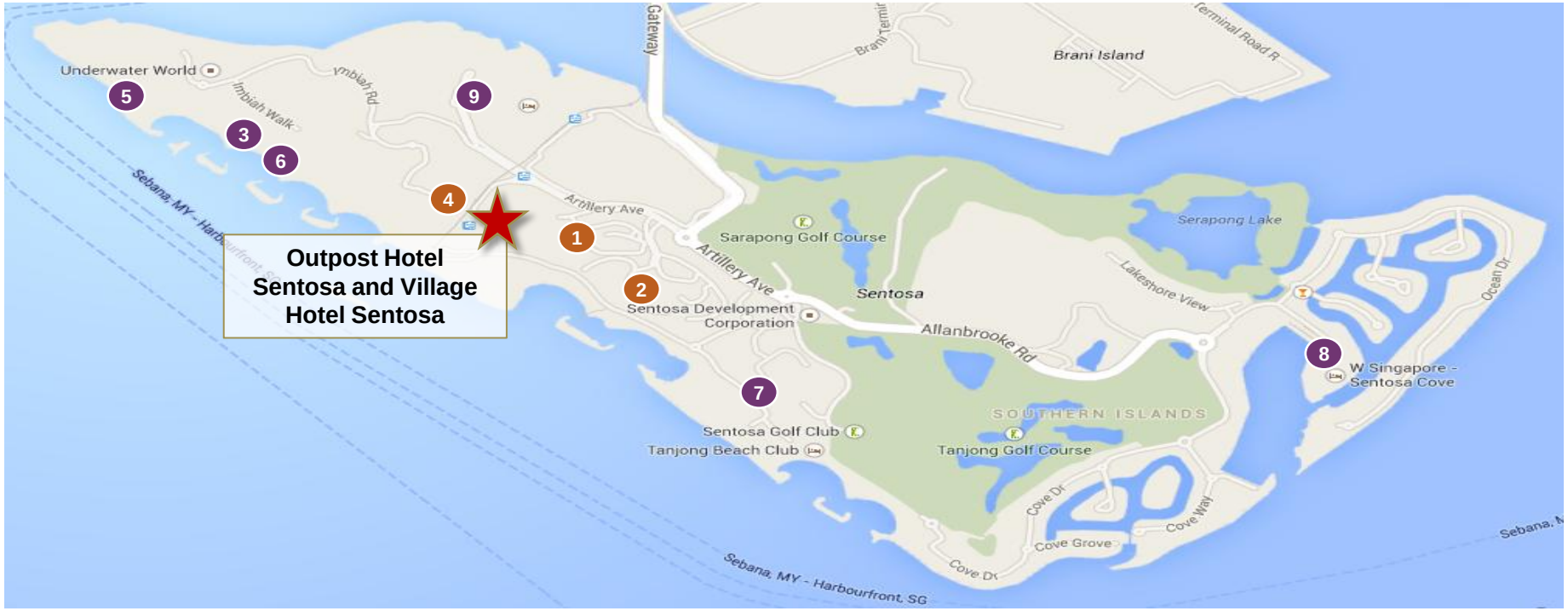
Note:
[1] Far East H-REIT's share of the project-related cost and other expenses

Appendix – Outpost Hotel Sentosa and Village Hotel Sentosa



FAR EAST HOSPITALITY TRUST

Outpost Hotel Sentosa and Village Hotel Sentosa



Map of Sentosa
Source: Google Maps

Existing Heritage Hotels on Sentosa
Existing Hotels on Sentosa

1. Amara Sanctuary Resort Sentosa (140 keys)
2. Capella Singapore (112 keys)
3. Costa Sands Resort (49 keys)
4. Mövenpick Heritage Hotel Sentosa (191 keys)
5. Shangri-La's Rasa Sentosa (454 keys)
6. Siloso Beach Resort (196 keys)
7. The Singapore Resort & Spa Sentosa (215 keys)
8. W Singapore Sentosa Cove (240 keys)
9. Resorts World Sentosa
   - Festive Hotel (387 keys)
   - Hard Rock Hotel (364 keys)
   - Hotel Michael (476 keys)
   - Equarius Hotel (183 keys)
   - Crockfords Tower (by invite only)
   - Beach Villas (22 keys)
   - Ocean Suites (11 keys)
   - TreeTop Lofts (2 keys)

Layout Plan

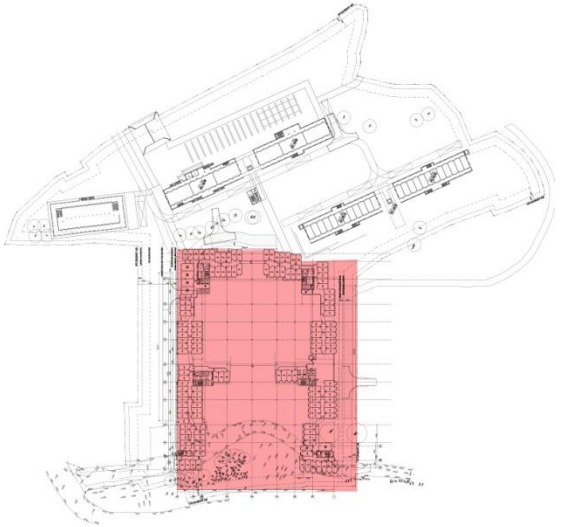


Layout plan of the conservation buildings – Outpost Hotel Sentosa and commercial spaces

Note: Artist's impression. Actual plan may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Layout Plan





Layout plan of the new wing

Note: Artist's impression. Actual plan may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Preserving Sentosa's Heritage



Retaining Sentosa's heritage buildings at the Parade Square, the development aims to redefine island retreat for Singaporeans and overseas guests alike.

Note: Artist's impression. Actual view may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Preserving Sentosa's Heritage



As part of Sentosa Development Corporation's ecotourism plan, the development is designed to create a seamless environment with the site's existing green environment, preserving heritage trees that lie within the property.

Note: Artist's impression. Actual view may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Bringing Together Two Distinctive Hotel Concepts



A respite from the hustle and bustle of city living, the new hotel wing is fronted by cascading pools.

Note: Artist's impression. Actual view may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Bringing Together Two Distinctive Hotel Concepts



The development embraces the concept of an archipelago, characterised by water bodies and lush greenery, reinforcing Sentosa's position as a world-class resort and leisure destination.

Note: Artist's impression. Actual view may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

A Respite from the City



Strategically located in the central part of Sentosa on elevated ground, the hotels overlook Palawan Beach and the South China Sea, offering spectacular views.

Note: Artist's impression. Actual view may differ when Outpost Hotel Sentosa and Village Hotel Sentosa are completed.

Thank You

Key Contacts:

Gerald Lee
Chief Executive Officer
Tel: +65 6833 6600
Email: geraldlee@fareast.com.sg

Gregory Sim
Chief Financial Officer
Tel: +65 6833 6677
Email: gregorysim@fareast.com.sg