



FAR EAST
HOSPITALITY
TRUST

4Q / FY 2018 Results Presentation

13 February 2019

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Results Highlights



Executive Summary – Performance vs LY

	4Q 2018	4Q 2017	Variance	FY 2018	FY 2017	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
Gross Revenue	28,919	25,718	12.4	113,678	103,825	9.5
Net Property Income	26,324	23,114	13.9	102,755	93,154	10.3
Income Available for Distribution	19,097	18,205	4.9	75,363	72,013	4.7
Distribution per Stapled Security (cents)	1.00	0.97	3.1	4.00	3.90	2.6

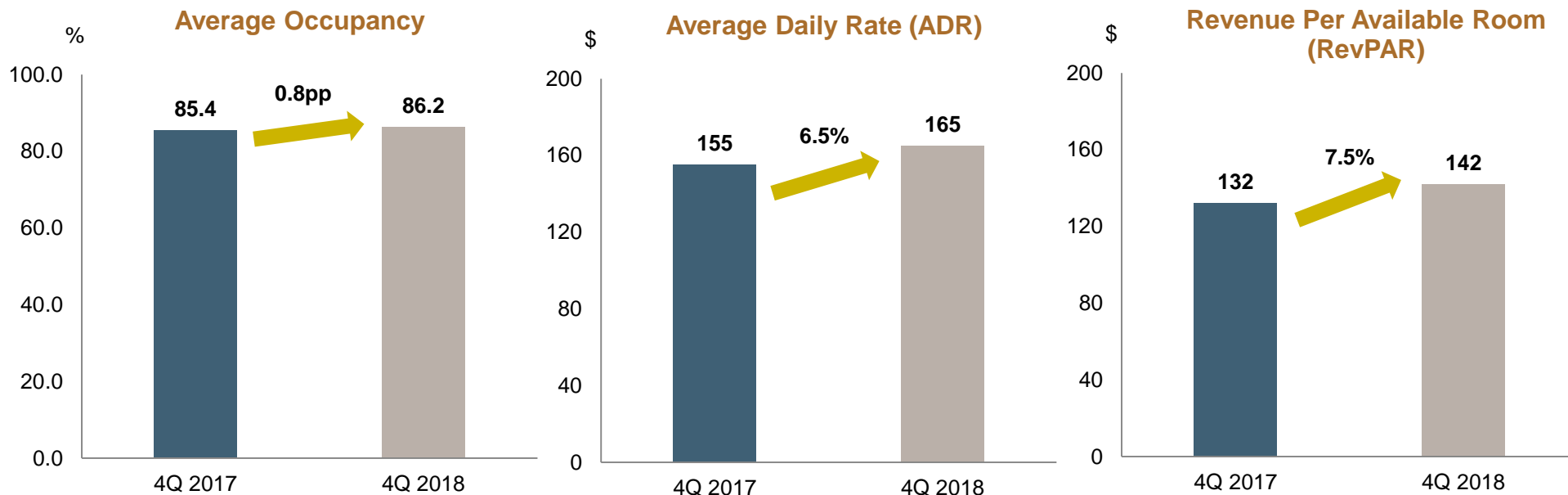


Portfolio Performance



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Portfolio Performance 4Q 2018 - Hotels

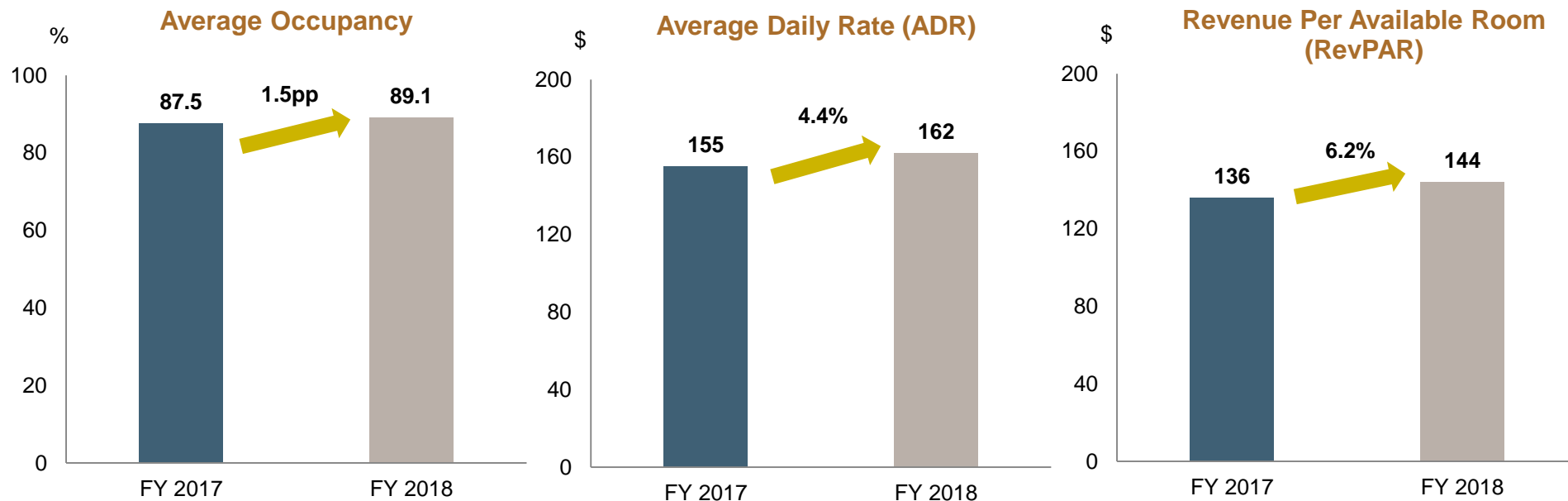


- Revenue per available room (“RevPAR”) of the hotel portfolio grew 7.5% year-on-year to S\$142 in 4Q 2018 with the average daily rate (“ADR”) growing by 6.5% and occupancy by 0.8pp.
- The performance improved year-on-year as the hotels benefitted from an uptick in overall market demand, the positive impact from the addition of Oasia Hotel Downtown to the portfolio and the recent renovation of Orchard Rendezvous Hotel (formerly known as Orchard Parade Hotel).



Note: 4Q 2018 figures include Oasia Hotel Downtown as part of the portfolio

Portfolio Performance FY 2018 - Hotels

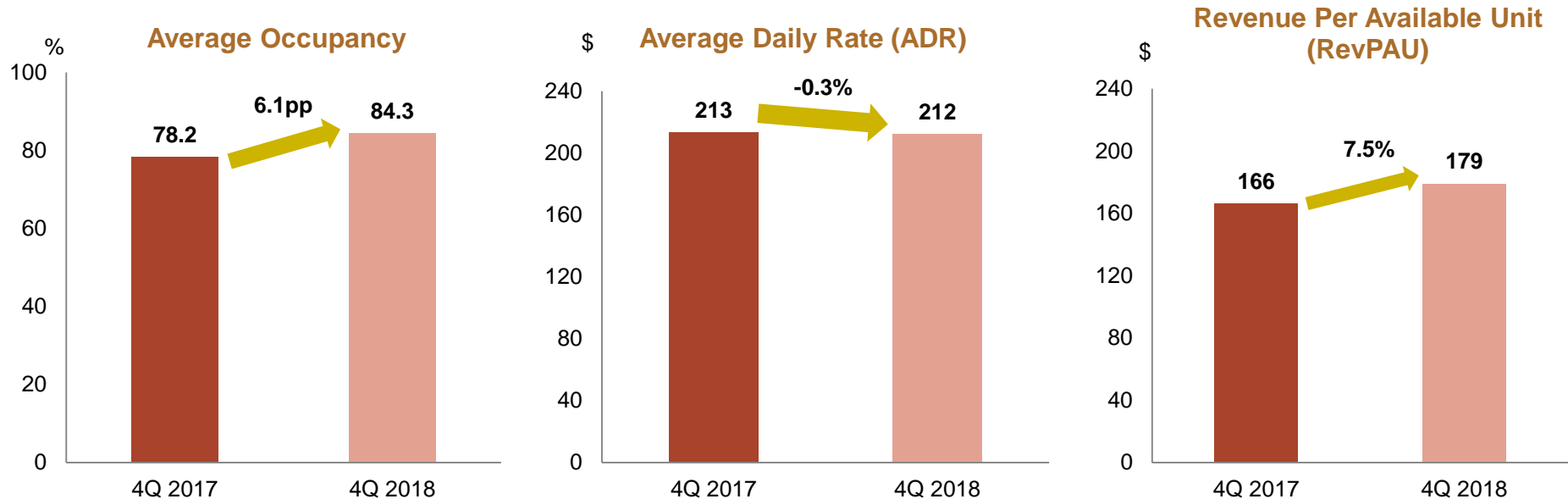


- Revenue per available room (“RevPAR”) of the hotel portfolio grew 6.2% to S\$144 due to an increase in both occupancy and average daily rate (“ADR”) of 1.5pp and 4.4% respectively.
- The overall improvement was partly attributed to the uplift from major biennial MICE events in 2018, e.g. Singapore Airshow in February and Food & Hotel Asia (FHA) in April.



Note: FY 2018 figures include Oasia Hotel Downtown as part of the portfolio (w.e.f. Apr 2018)

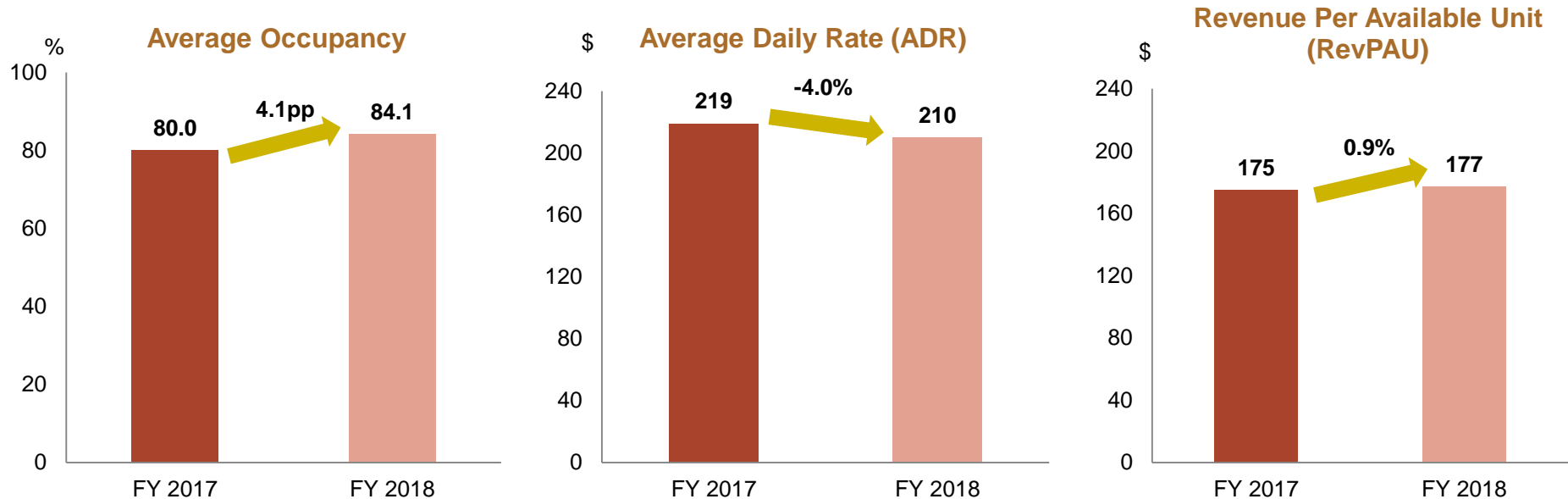
Portfolio Performance 4Q 2018 – Serviced Residences



- The serviced residences (“SRs”) portfolio showed a healthy improvement in 4Q 2018, with a year-on-year occupancy growth of 6.1pp. Average daily rate (“ADR”) in 4Q 2018 was marginally lower year-on-year by 0.3%.
- As a result, revenue per available unit (“RevPAU”) of the SR portfolio grew 7.5% to S\$179 in 4Q 2018.



Portfolio Performance FY 2018 – Serviced Residences

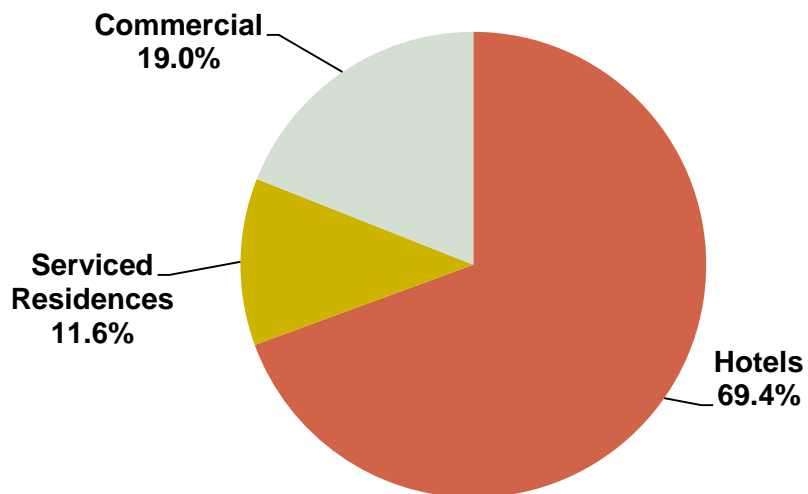


- There was a slight improvement in the performance of the SRs year-on-year in FY 2018. Average occupancy for the SRs improved 4.1pp to 84.1% while the average daily rate (“ADR”) was 4.0% lower at S\$210.
- Correspondingly, revenue per available unit (“RevPAU”) of the SR portfolio increased marginally by 0.9% year-on-year to S\$177.

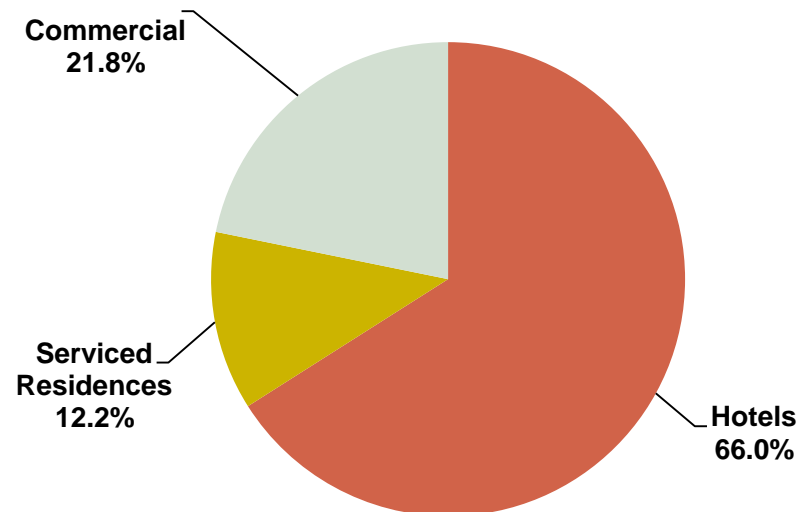


Breakdown of Gross Revenue – Total Portfolio

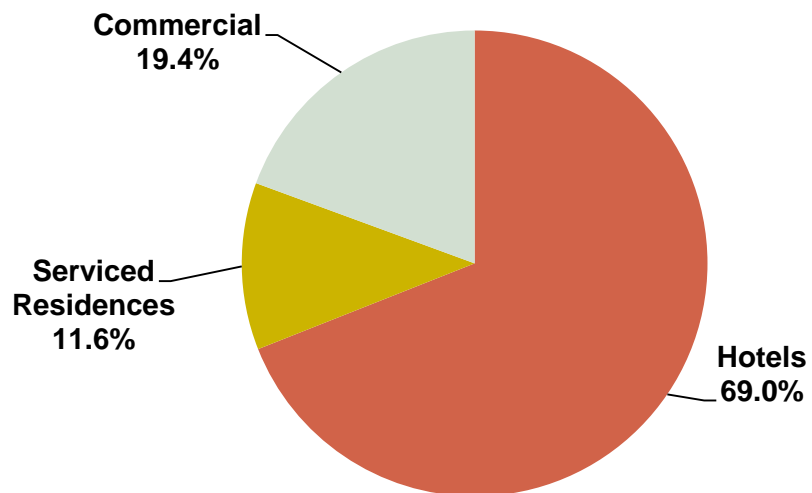
4Q 2018



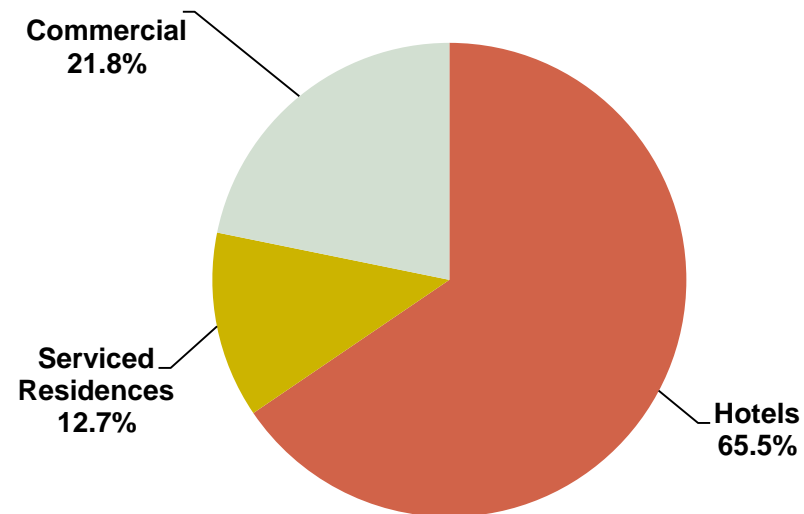
4Q 2017



FY 2018

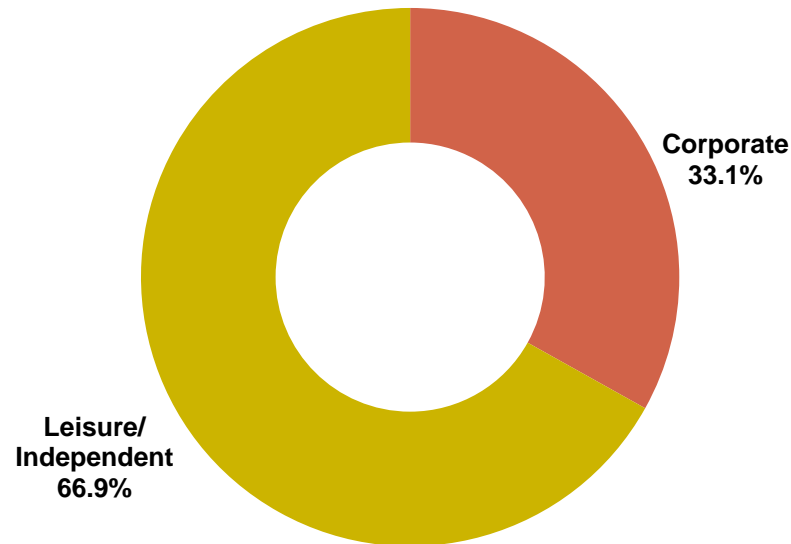


FY 2017

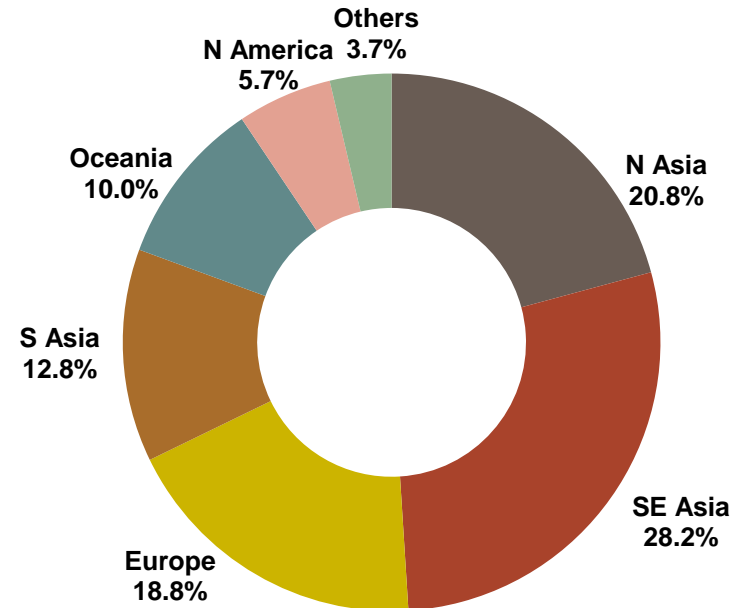


Market Segmentation 4Q 2018 – Hotels

Hotels (by Revenue)



Hotels (by Region)

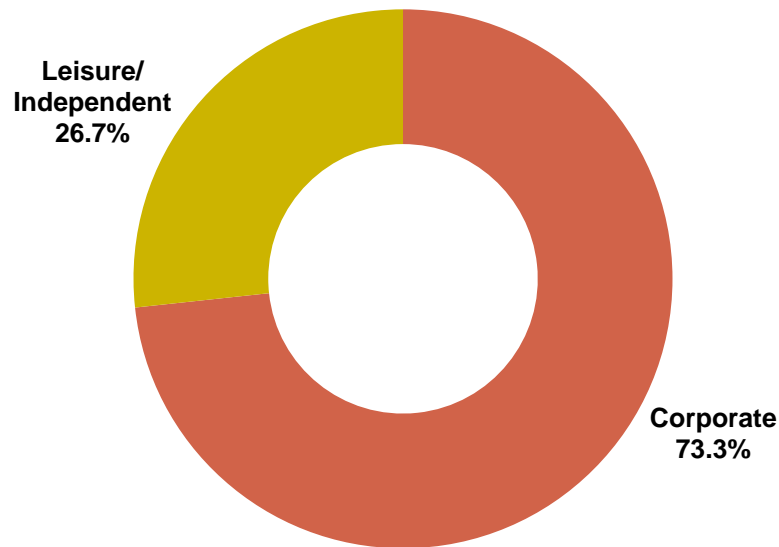


- The Corporate segment contributed 33.1% to the overall hotel revenue. The contribution from the Leisure segment has increased from 66.2% a year ago to 66.9%.
- The proportions of revenue contribution from South Asia, SE Asia and Europe have increased.

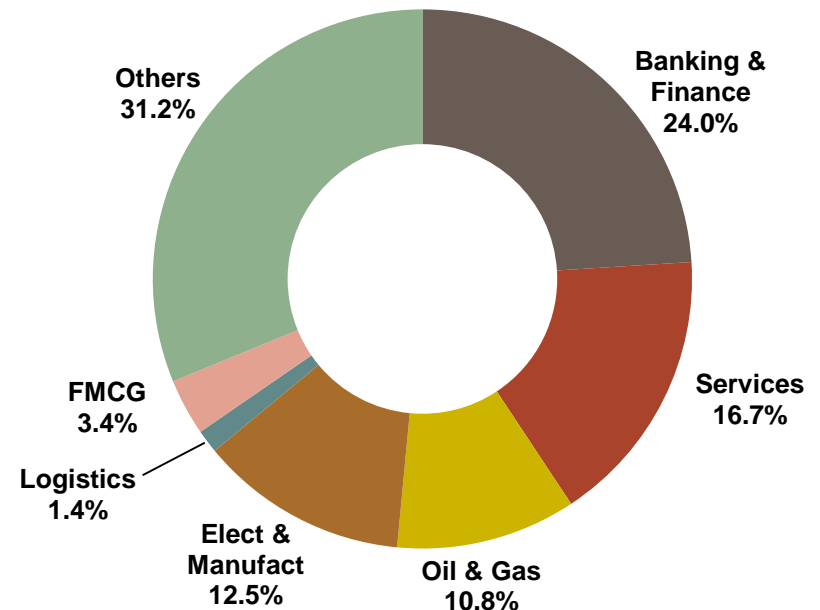


Market Segmentation 4Q 2018 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- Revenue contribution from the Corporate segment was 73.3% in 4Q 2018. The increase in online bookings has led to a larger contribution by the Leisure segment.
- The Banking & Finance, Electrical & Manufacturing, and FMCG industries delivered a year-on-year increase in revenue contribution for the quarter.



Capital Management

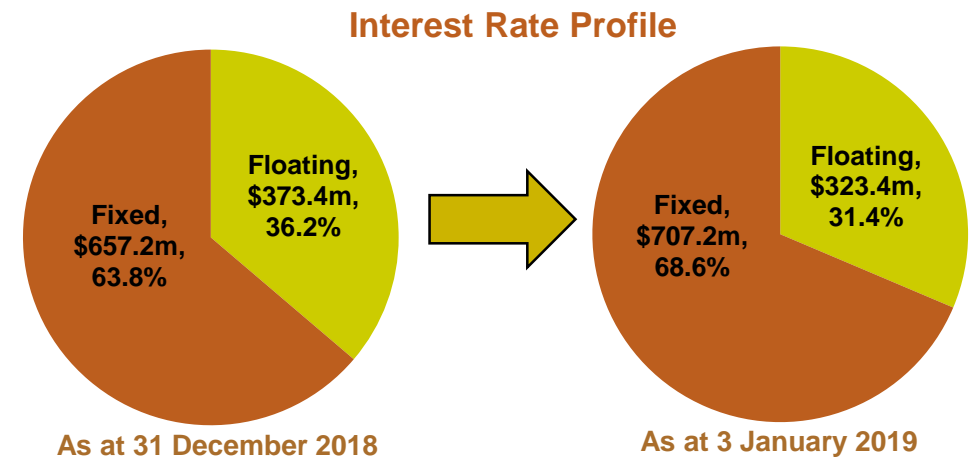
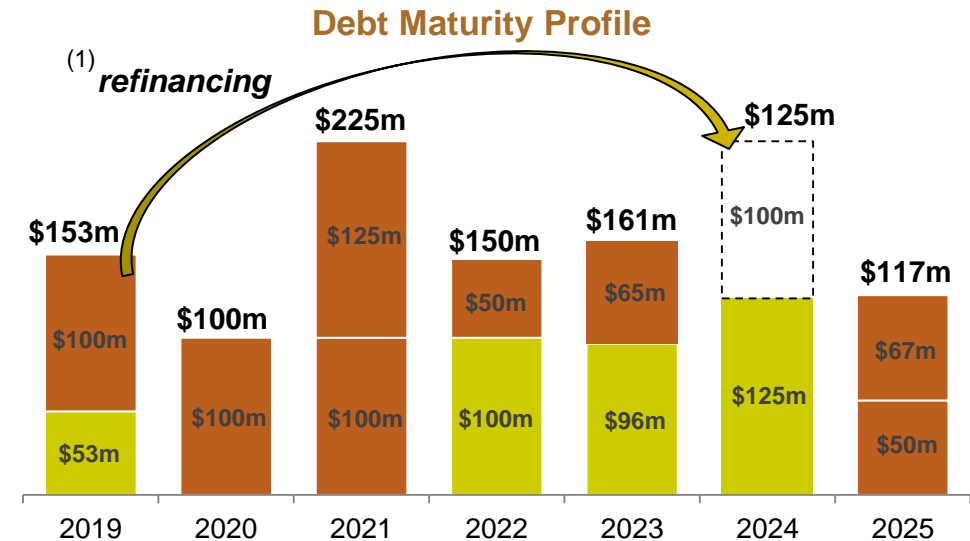


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Capital Management

As at 31 December 2018

Total debt	\$1,030.6m
Available revolving facility	\$247.3m
Gearing ratio	40.1%
Unencumbered asset as % total asset	100%
Proportion of fixed rate⁽²⁾	63.8%
Weighted average debt maturity	3.3 years
Average cost of debt	2.7%



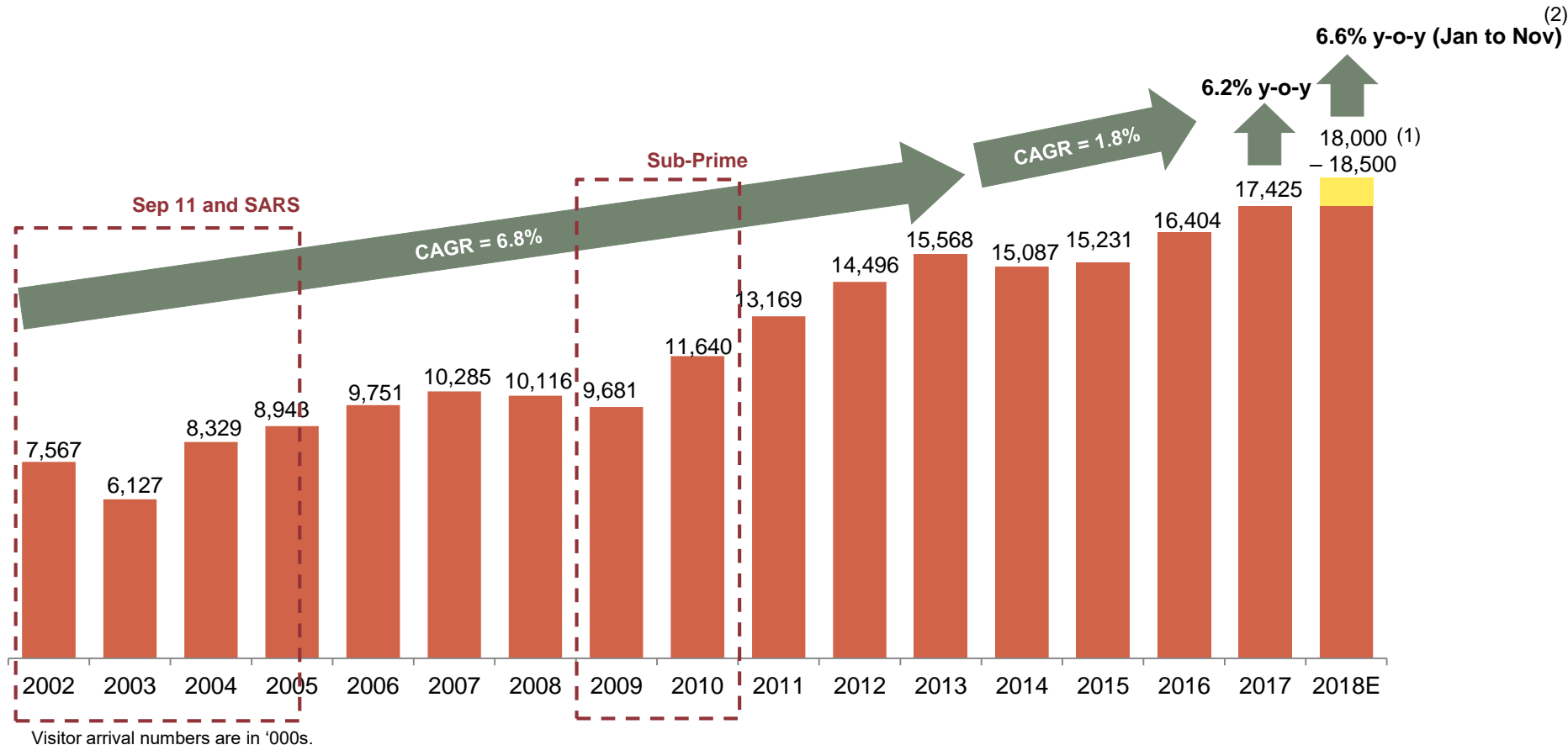
Note:

- (1) The REIT Manager has received commitment from the existing lender to refinance the term loan of S\$100.0 million ahead of its maturity in August 2019.
- (2) The REIT Manager has entered into a new interest rate swap contract in December 2018, effective in January 2019. The proportion of fixed rate borrowings would increase to about 68.6%.

Industry Outlook & Prospects



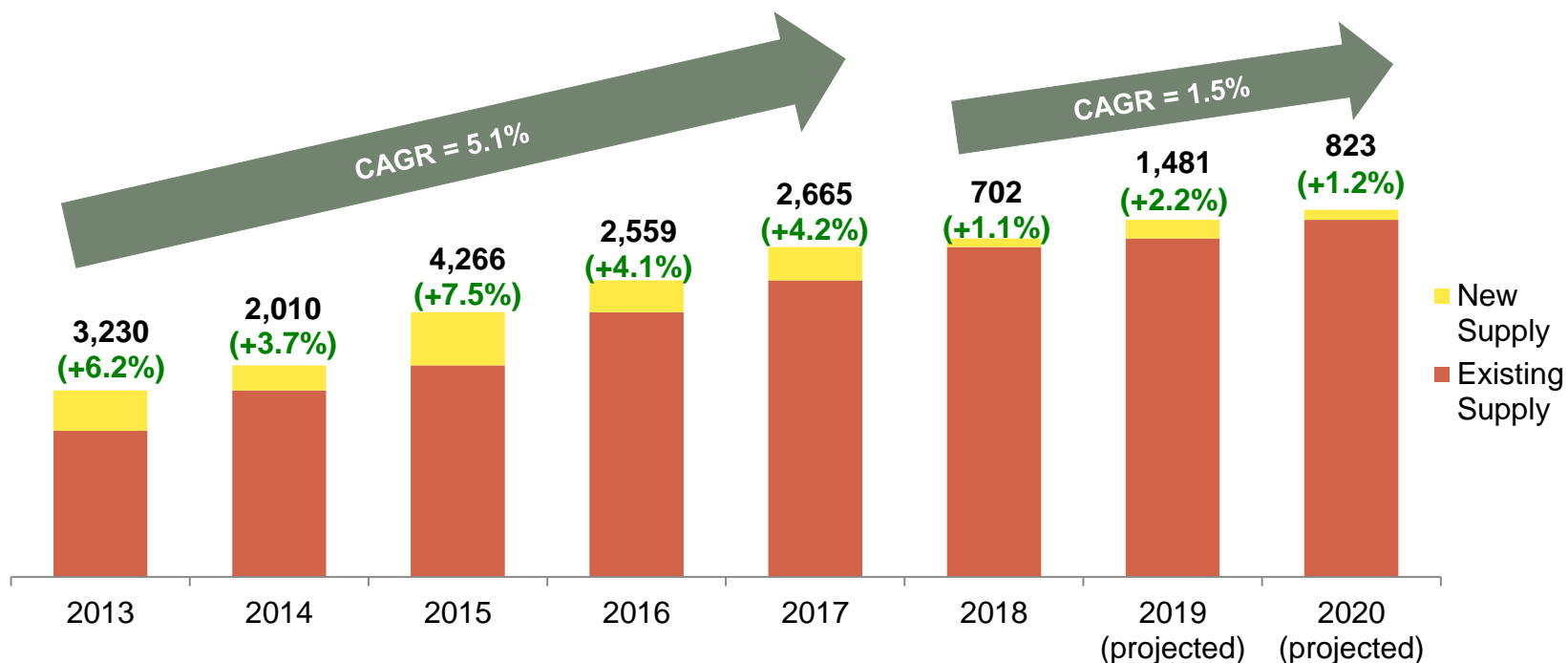
Historical and Forecast Visitor Arrivals in Singapore



- Visitor arrivals grew at a CAGR of 1.8% between 2014 to 2016.
- From the start of 2017, growth of arrivals has gained pace, with a year-on-year increase of 6.2% in 2017, and 6.6% for the period of Jan to Nov 2018.

Sources : (1) Far East H-Trust's projections
(2) Singapore Tourism Board, International Visitor Arrivals Statistics, as at 31 Dec 2018

Estimated Hotel Room Supply in Singapore



- Hotel supply is expected to show a CAGR of 1.5% between 2018 to 2020, as compared to 5.1% between 2013 to 2017. There was an increase in supply of 702 rooms in 2018, and a projected increase of 1,481 rooms in 2019 and 823 rooms in 2020.
- After a 4-year moratorium on the release of new hotel sites in the Government Land Sales (GLS) programme, the Urban Redevelopment Authority (URA) introduced two new sites in 2H2018 in tandem with the expected growth in visitor arrivals (Hotel Site on Club Street & White Site at Marina View). The URA also announced in December 2018 that a new hotel site at Sims Avenue will be added to the 1H2019 Reserve List.

Note: The above chart does not take into account closures for renovations and re-openings (e.g. re-opening of Swissotel The Stamford rooms which were under refurbishment)

Sources: Horwath/CBRE data and Far East H-Trust compilation
Channel News Asia, "New hotels cannot be built on non-designated sites: URA", 7 July 2014
The Straits Times, "Hotel sites among those offered in land sales scheme", 28 June 2018
URA website, "Release of first half 2019 Government Land Sales (GLS) Programme", 6 December 2018

Transformation of Tourism Landscape – Recent Developments

Singapore's Bicentennial Commemoration

2019 will mark 200 years of history for Singapore, and events have been lined up to commemorate the nation's bicentennial milestone, e.g. augmented reality trails of Singapore River, experiential showcases, heritage festivals, etc.



Leveraging of Fly-cruise connections

Costa Cruises, STB & CAG enter tripartite partnership which is expected to bring in over 100,000 international fly-cruise visitors to Singapore over 3 years



Strengthening of Singapore as global air hub

As Qantas resumed Sydney-London services via Singapore in April 2018, CAG & STB entered into a \$5 million, 3-year marketing partnership with them to grow traffic to and through Singapore



Tapping of Regional Secondary Cities

Continued promotion efforts by the Singapore Tourism Board (STB) to Tier 2 & 3 regional cities, to drive visitor arrivals



Transformation of Tourism Landscape – Upcoming Developments

Jewel Changi Airport (Expected Opening: early 2019)

Augmenting Changi Airport's status as a leading air hub serving 8 million passengers annually and provision of world-class retail experience



Revamp of Orchard Road

The Singapore government announced plans to revamp the Orchard Road shopping belt to include more activities and attractions, e.g. urban garden, living lab for a new innovation district

Plans to revamp Sentosa & Pulau Brani

Pulau Brani and Sentosa Island will be redeveloped and integrated with the Greater Southern Waterfront project. This whole area would include new tourism attractions and be branded as the Southern Gateway of Asia



Mandai Makeover (2023*)

Wildlife and nature heritage project, integrating new attractions with the Singapore Zoo, Night Safari, River Safari and Bird Park



*Opening Dates may be subject to change
Images from TODAY Online, TNP.sg, The Straits Times, Booking.com

- **Performance of Far East H-Trust's hotel portfolio reflects improvement**

- Operating environment for hotels in Singapore continues to trend in a positive direction, benefitting from a better balance in demand and supply in the industry.
 - International visitor arrivals grew 6.6% year-on-year in first 11 months of 2018¹
 - Contributing to this growth are developments such as the expansion of flight and cruise connectivities to key visitor markets and continued marketing and promotion efforts by the Singapore Tourism Board and the travel industry
 - New hotel room supply registered a more moderate increase of 1.1% in 2018², as compared to a growth of 5.1% between 2013 to 2017³. Supply is expected to increase by 2.2% in 2019.⁴

- **Slow corporate demand remains a factor**

- With higher trade policy uncertainties and slowing economic growth in key markets, the hospitality sector could see a dampening in corporate demand.
- The serviced residences have shown signs of turning around but corporate demand is still expected to remain subdued.

¹ STB Visitor Arrival Statistics

² Far East H-Trust's compilation

³ CBRE Report Data

⁴ Far East H-Trust's compilation



Details of Distribution

For Period From 1 October to 31 December 2018

Distribution per Stapled Security	1.00 cents
Ex-Date	20 February 2019
Books Closure Date	21 February 2019
Distribution Payment Date	28 March 2019



Thank You



Far East H-Trust Asset Portfolio Overview

Hotels



**Village Hotel
Albert Court**



**Village Hotel
Changi**



**The Elizabeth
Hotel**



**Village Hotel
Bugis**



**Oasia
Hotel Novena**



**Orchard
Rendezvous
Hotel**



**The
Quincy Hotel**



**Rendezvous
Hotel & Gallery**



**Oasia Hotel
Downtown**

**Total /
Weighted
Average**

Market Segment	Mid-tier	Mid-tier	Mid-tier	Mid-tier	Mid-tier / Upscale	Mid-tier / Upscale	Upscale	Upscale	Upscale	NA
Address	180 Albert Street, S'pore 189971	1 Netheravon Road, S'pore 508502	24 Mount Elizabeth, S'pore 228518	390 Victoria Street, S'pore 188061	8 Sinaran Drive, S'pore 307470	1 Tanglin Road, S'pore 247905	22 Mount Elizabeth Road, S'pore 228517	9 Bras Basah Road, S'pore 189559	100 Peck Seah St, S'pore 079333	
Date of Completion	3 Oct 1994	30 Jan 1990 ²	3 May 1993	19 Oct 1988	2 June 2011	20 June 1987 ²	27 Nov 2008	5 June 2000 ²	30 Dec 2015	
# of Rooms	210	380	256	393	428	388	108	298	314	2,775
Lease Tenure ¹	69 years	59 years	69 years	60 years	86 years	44 years	69 years	65 years	64 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	11,863	
Retail NLA (sq m)	1,003	805	583	1,166	NA	3,778	NA	2,799	NA	10,134
Office NLA (sq m)	NA	NA	NA	NA	NA	2,509	NA	NA	NA	2,509
Master Lessee / Vendor	First Choice Properties Pte Ltd	Far East Organization Centre Pte. Ltd.	Golden Development Private Limited	Golden Landmark Pte. Ltd.	Transurban Properties Pte. Ltd.	Far East Orchard Limited	Golden Development Private Limited	Serene Land Pte Ltd	Far East SOHO Pte Ltd	
Valuation (S\$ 'mil) ¹	127.2	209.2	163.7	232.4	330.0	431.1	83.3	282.1	236.4	2,095.4

¹ As at 31 December 2018

² Date of acquisition by Sponsor, as property was not developed by Sponsor

Far East H-Trust Asset Portfolio Overview

Serviced Residences

					
	Village Residence Clarke Quay	Village Residence Hougang	Village Residence Robertson Quay	Regency House	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Mid-tier	Upscale	NA
Address	20 Havelock Road, S'pore 059765	1 Hougang Street 91, S'pore 538692	30 Robertson Quay, S'pore 238251	121 Penang House, S'pore 238464	
Date of Completion	19 Feb 1998	30 Dec 1999	12 July 1996	24 Oct 2000	
# of Rooms	128	78	72	90	368
Lease Tenure ¹	74 years	75 years	72 years	75 years	NA
GFA/Strata Area (sq m)	17,858	14,257	10,570	10,723	53,408
Retail NLA (sq m)	2,213	NA	1,179	539	3,931
Office NLA (sq m)	Office: 1,474 Serviced Office: 823	NA	NA	2,295	4,592
Master Lessee / Vendor	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ¹	204.1	60.2	105.2	168.6	538.1

¹ As at 31 December 2018