



1Q 2014 Results Presentation

29 April 2014

Agenda

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Results Highlights



Executive Summary - Performance

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

- **Gross revenue of \$30.7 million was 9.1% higher year-on-year, mainly attributable to the contribution from Rendezvous Hotel Singapore (“RHS”), which was acquired on 1 August 2013.**
- **In line with the higher gross revenue, net property income was \$27.6 million, an increase of 6.3%.**
- **Taking into account the enlarged stapled security base, distribution per stapled security (“DPS”) for 1Q 2014 was 1.30 cents, 5.8% lower year-on-year, mainly due to the softer performance of the hotels.**

*The results of Rendezvous Hotel Singapore (“RHS”) and Rendezvous Gallery (collectively “Rendezvous Property”) for the period of 1 January to 31 March 2014 have been included in the 1Q 2014 results.

¹148,304,059 new stapled securities were issued to Hotel Rendezvous Private Limited (a wholly-owned subsidiary of The Straits Trading Company Limited) and Golden Development Private Limited (a member of Far East Organization group of companies) as part of the acquisition cost of Rendezvous Hotel Singapore and Rendezvous Gallery on 1 August 2013.



Financial Results From 1 January to 31 March 2014

	1Q 2014*	1Q 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Master lease rental	24,935	23,471	1,464	6.2
Retail and office revenue	5,734	4,639	1,095	23.6
Gross revenue	30,669	28,110	2,559	9.1
Property tax	(2,107)	(1,693)	(414)	(24.4)
Property insurance	(45)	(17)	(28)	(164.7)
MCST contribution	(14)	(12)	(2)	(16.7)
Retail and office expenses	(767)	(297)	(470)	(158.2)
Property manager fees	(134)	(120)	(14)	(11.7)
Other property expenses	(8)	(9)	1	11.1
Property expenses	(3,075)	(2,148)	(926)	(43.1)
Net property income	27,594	25,962	1,632	6.3
REIT Manager's fees	(2,979)	(2,680)	(299)	(11.1)
Trustee's fees	(78)	(69)	(9)	(13.0)
Other trust expenses	(180)	(160)	(20)	(12.5)
Trust level expenses	(3,237)	(2,909)	(328)	(11.3)
Total finance costs	(4,192)	(3,732)	(460)	(12.3)
Net income before tax and fair value changes	20,165	19,321	844	4.4
Fair value change in interest rate swap	177	(139)	N.M.	N.M.
Total return for the period before income tax	20,342	19,182	1,160	6.0

*The results of Rendezvous Property for the period of 1 January to 31 March 2014 have been included in the 1Q 2014 results.



Statement of Distribution to Stapled Securityholders

	1Q 2014*	1Q 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	20,342	19,182	1,160	6.0
Income tax expense	-	-	-	-
Total return for the period after income tax	20,342	19,182	1,160	6.0
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in stapled securities	2,682	2,144	538	25.1
Amortisation of debt upfront cost	200	168	32	19.0
Trustee's fees	78	69	9	13.0
Other Adjustment	(4)	25	N.M.	N.M.
Amortisation of realised interest rate swap cost	-	409	N.M.	N.M.
Fair value change in interest rate swap	(177)	139	N.M.	N.M.
Net tax adjustment	2,779	2,954	(175)	(5.9)
Income available for distribution	23,121	22,136	985	4.5

*The results of Rendezvous Property for the period of 1 January to 31 March 2014 have been included in the 1Q 2014 results.



Details of Distribution

For Period From 1 Jan to 31 Mar 2014

Distribution per Stapled Security	1.30 cents
Ex-Date	6 May 2014
Books Closure Date	8 May 2014
Distribution Payment Date	13 June 2014



Portfolio Performance



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Portfolio Performance – Key Highlights for 1Q 2014

Hotels

- **The average occupancy of the hotel portfolio was 83.4%, 2.1pp lower than 1Q 2013**, mainly due to the softer average occupancy in January 2014, which was in line with the overall weakness in the upscale and mid-tier segments of the Singapore hotel industry.
- **The average daily rate (“ADR”) of \$190 was a 1.2% increase over the previous year.** This was attributable to the more favourable room rates in February 2014 due to the Singapore Airshow, which helped to neutralize the lower room rates in January 2014.
- **RevPAR for 1Q 2014 was \$159, a decrease of 1.3% year-on-year.**



Portfolio Performance – Key Highlights for 1Q 2014

Serviced Residences

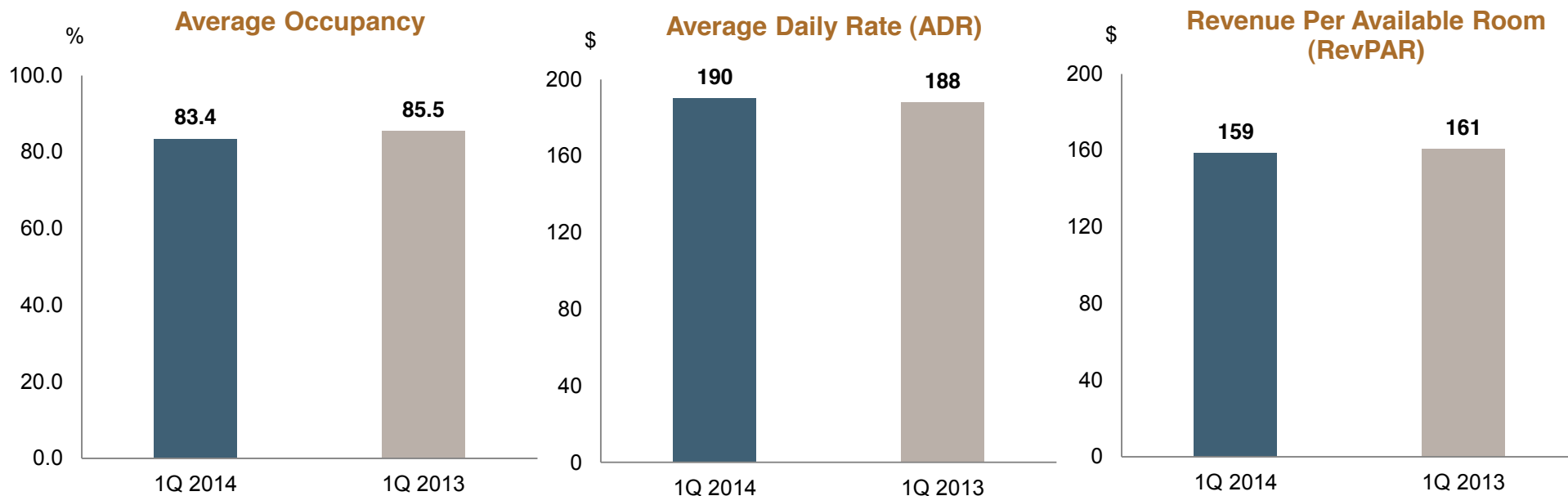
- **Serviced residences achieved a marginally higher revenue per available serviced residence unit (“RevPAU”) of \$221 in 1Q 2014, representing an increase of 1.2% year-on-year.** The improvement in the RevPAU was due to the higher average occupancy achieved which offset the lower ADR.

Excluded Commercial Premises

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



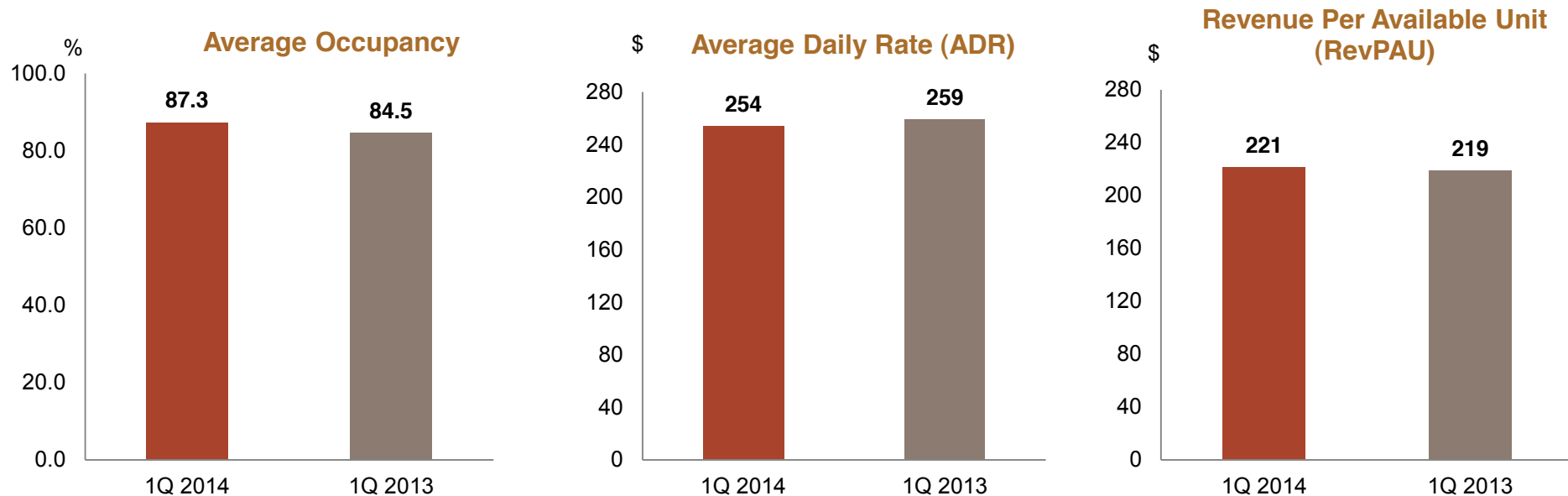
Portfolio Performance 1Q 2014 - Hotels



	1Q 2014	1Q 2013	Variance
Average Occupancy (%)	83.4	85.5	-2.1 pp
ADR (\$)	190	188	+1.2%
RevPAR(\$)	159	161	-1.3%

Note: Charts for 1Q 2014 include RHS

Portfolio Performance 1Q 2014 – Serviced Residences

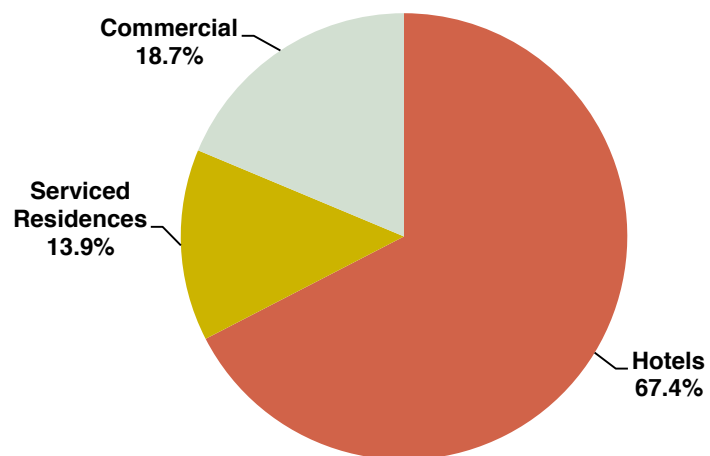


	1Q 2014	1Q 2013	Variance
Average Occupancy (%)	87.3	84.5	+2.8pp
ADR (\$)	254	259	-2.0%
RevPAU (\$)	221	219	+1.2%

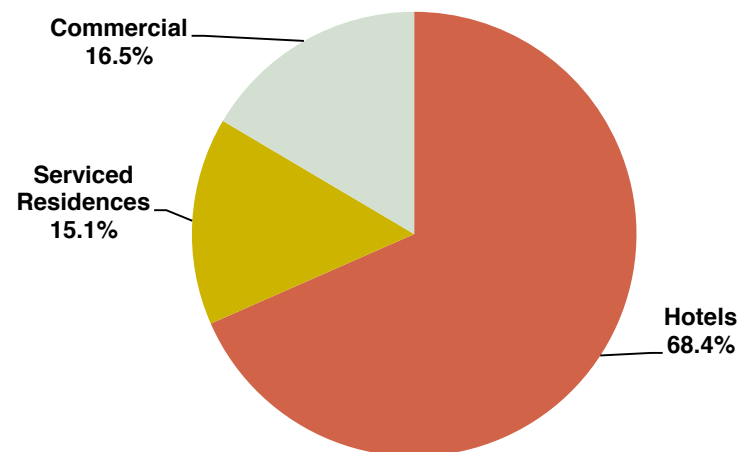


Breakdown of Gross Revenue – Total Portfolio

1Q 2014



1Q 2013



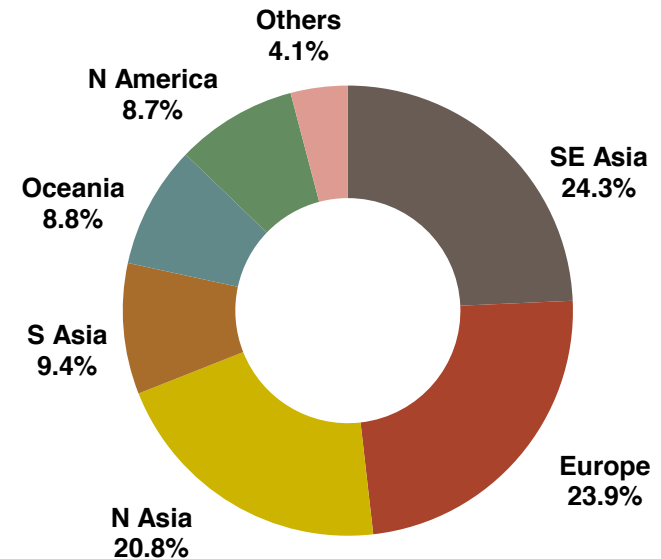
Note: Chart for 1Q 2014 includes RHS

Market Segmentation 1Q 2014 - Hotels

Hotels (by Revenue)



Hotels (by Region)

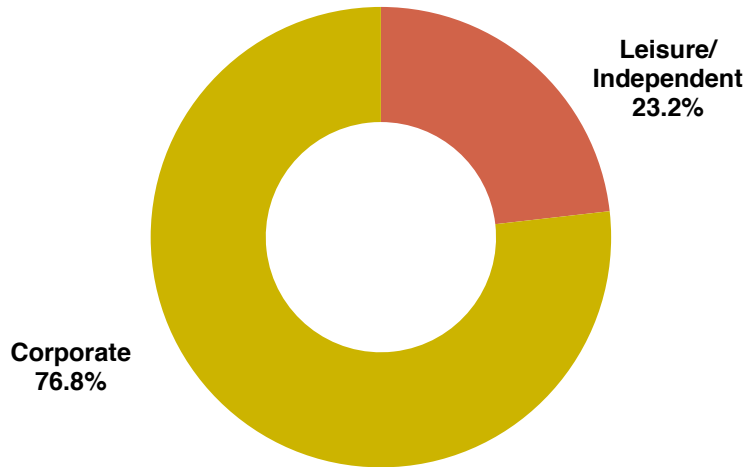


- The Corporate segment contributed 45.0% of 1Q 2014 hotel revenue, compared to 47.2% in the previous quarter.
- The stronger Singapore Dollar continued to affect bookings from India and Malaysia. Japan was the fastest growing market in 1Q 2014.

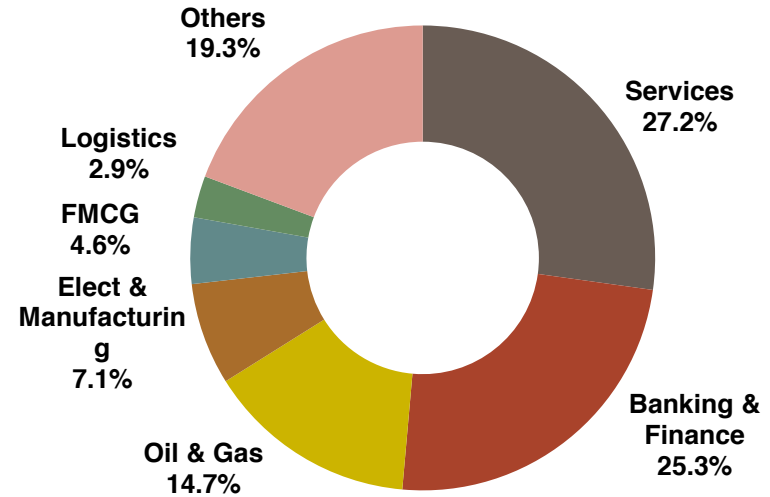


Market Segmentation 1Q 2014 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- The Corporate segment contributed 76.8% of revenue for Serviced Residences in 1Q 2014, compared to 81.2% in the previous quarter.
- Guest profile by industry remained relatively unchanged for the Serviced Residences.



Capital Management

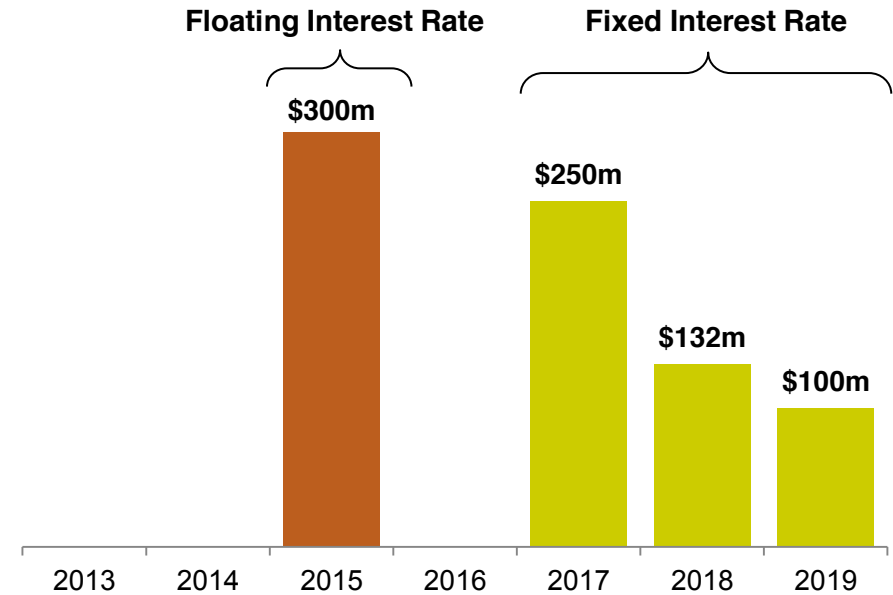


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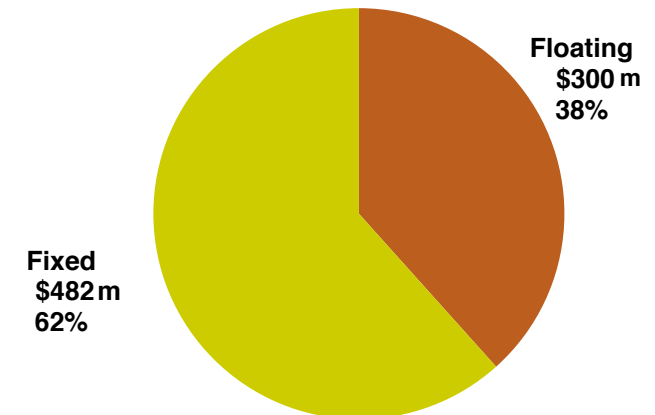
Capital Management

Total debt	\$782m
Available revolving facility	\$75 m
Gearing ratio	30.9%
Unencumbered asset as % total asset	100%
Proportion of fixed rate	62%
Weighted average debt maturity	3.1 years
Average cost of debt	2.2%

Debt Maturity Profile



Interest Rate Profile



Asset Enhancement Initiatives



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Asset Enhancement Initiatives – Completed in Jan 2014

Rendezvous Hotel Singapore



The property has undergone refurbishment of its reception lobby, lobby bar and club rooms to reposition it as an art-inspired hotel.

Asset Enhancement Initiatives – Ongoing Refurbishments

Regency House

Before



After

Upgrade of 41 Studio Apartments and breakfast lounge.

Expected completion in 2Q 2014.



Asset Enhancement Initiatives – Ongoing Refurbishments

Village Hotel Albert Court

Before



After

**Upgrade of 135 Superior and Deluxe Rooms and all corridors.
Expected completion in 3Q 2014.**



Asset Enhancement Initiatives – Ongoing Refurbishments

Village Hotel Changi

Before



After

**The hotel is undergoing refurbishment of 303 rooms
(Painting of walls, change of flooring and drapes, refurbish couch and desk).**

Expected completion in 4Q 2014.



Market & Portfolio Outlook



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Market Environment

- **Singapore Economy**

- 1Q 2014

- Singapore economy grew by 5.1% yoy and 0.1% qoq in 1Q 2014

- 2014

- Economists expect GDP growth of 3.8% in 2014, in line with the government's forecast of 2-4%
 - Singapore economy to post modest growth in 2014, in light of uncertainties in global macroeconomic environment
 - External-oriented sectors expected recover and provide support to growth

- **Singapore Hospitality Market**

- Jan-Feb 2014

- According to STB, RevPAR across all hotel segments grew by 3.5% year-on-year
 - RevPAR of Upscale and Mid-tier hotels grew by 3.7% and 2.0% year-on-year respectively

Sources :

Ministry of Trade and Industry, "Singapore's GDP grew by 5.1 per cent in the first quarter of 2014", 14 Apr 2014

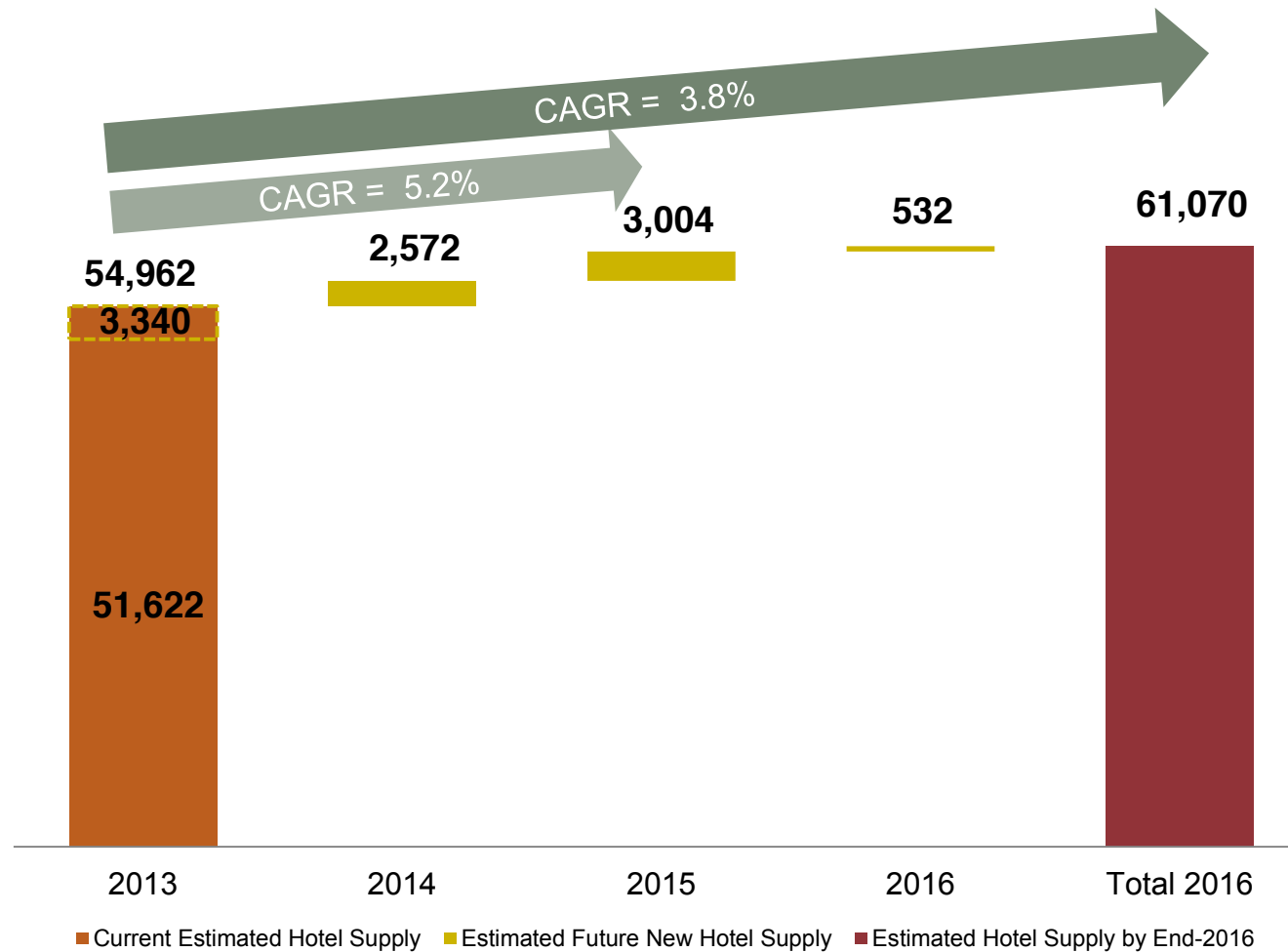
Today Online, "Economists slightly trim Singapore 2014 GDP forecasts: MAS survey", 19 Mar 2014

Ministry of Trade and Industry, "MTI Maintains 2014 GDP Growth at 2.0 to 4.0 Per Cent", 20 Feb 2014

Singapore Tourism Board, Hotel Statistics (Preliminary, 7 Apr 2014

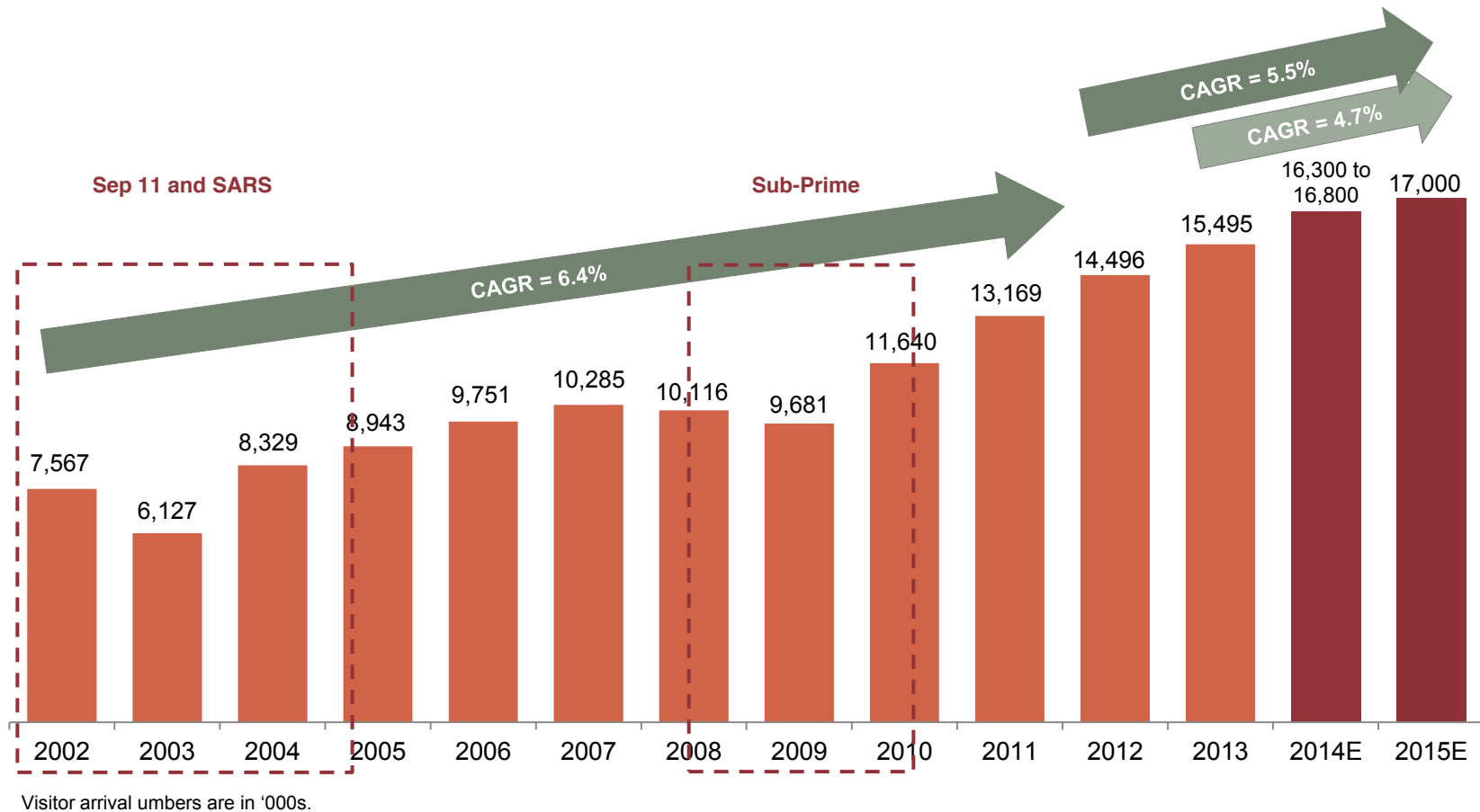


Hotel Room Supply in Singapore



Hotel supply is expected to increase at a CAGR of 3.8% from 2013 to 2016

Historical and Forecast Visitor Arrivals in Singapore



- **Visitor arrivals are projected to grow at a CAGR of 5.5% from 2012 to 2015**

Sources : IPO Prospectus dated 16 Aug 2012 (2002 to 2011 visitor arrivals)

Singapore Tourism Board, International Visitor Arrivals Statistics, 10 Dec 2013 (2012 visitor arrivals) and 28 Feb 2014 (2013 visitor arrivals)

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

Singapore Tourism Board, "Singapore sets out to triple tourism receipts to S\$30 billion by 2015, 11 Jan 2005 (2015E visitor arrivals)



Transformation of Tourism Landscape – Upcoming Developments



Singapore Sports Hub (2014)

Hosting world-class concerts, entertainment and sports events



National Gallery Singapore (2015*)

The largest gallery to showcase Singaporean and Southeast Asian arts



Changi Terminal 4 (2017*) & Project Jewel (2018*)

Catering for greater air traffic and creating a unique airport hub experience



Novena Health City (2018*)

Integrating health services, research and education, commercial and leisure facilities



Creating Unique Tourist Experiences & Driving MICE

\$15 mil Association Development Fund and MICE 2020 Roadmap to develop capabilities and engage visitors



*Opening Dates may be subject to change

Key Events in 2014

Biennial Events



Food & Hotel Asia Exhibition

8 - 11 April 2014
Tuesday - Friday
Singapore Expo



WasteMET Asia 2014

Asia's International Waste Management &
Environmental Technology Exhibition and Conference

2 - 4 June 2014 | Sands Expo and Convention Center
Marina Bay Sands, Singapore

New and Regular Events



17 - 20 June 2014
Marina Bay Sands, Singapore



17 - 20 June 2014
Marina Bay Sands, Singapore



Outlook & Prospects

- **STB forecasts visitor arrivals to Singapore to grow 5.2% - 8.4% to 16.3 million - 16.8 million visitors in 2014¹**, supported by stronger events calendar and opening of Singapore Sports Hub
- **An estimated 2,572 new hotel rooms expected to be added to the Singapore market in 2014, representing a growth rate of 4.7% yoy²**
- **Operating environment remains competitive in the near term** due to:
 - Prudent business travel expenditure
 - Concentration of new room supply in mid-tier and upscale segments
 - Strength of Singapore Dollar relative to currencies from other developed and regional economies
- **Planned asset enhancement initiatives** at The Elizabeth Hotel, Village Hotel Albert Court, Village Hotel Changi and Regency House **to further increase the competitiveness of these properties**

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

(2) Jones Lang LaSalle



Thank You



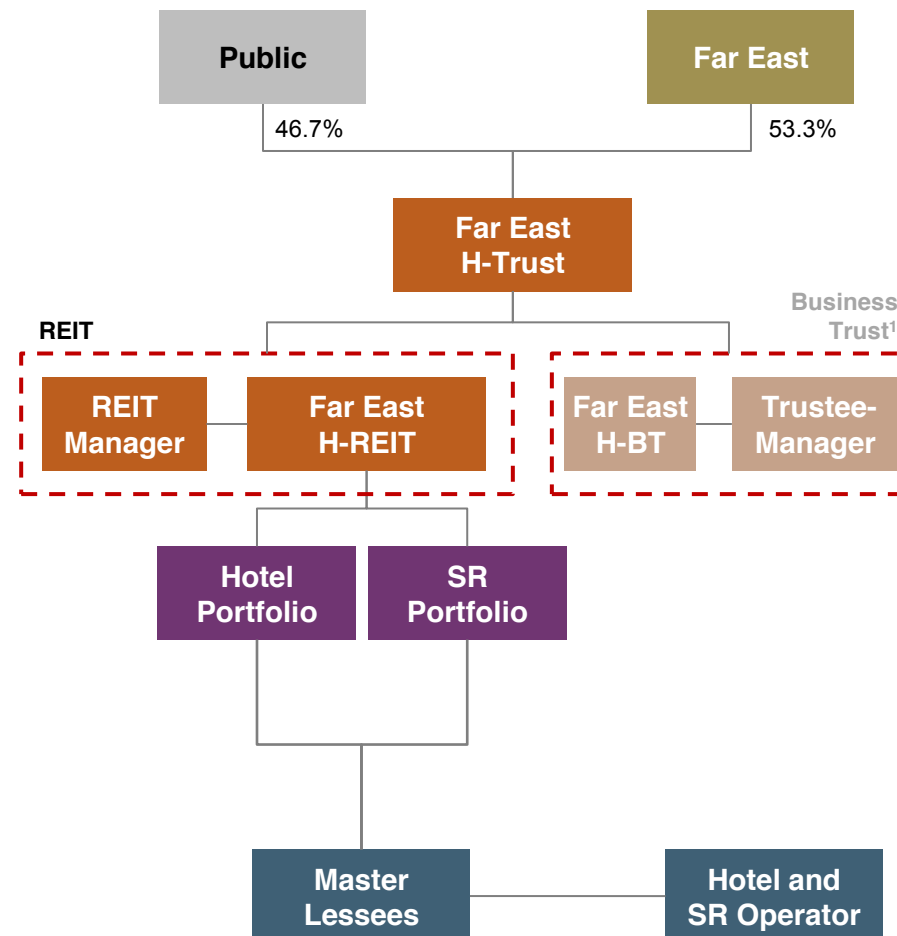
Appendix



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Overview of Far East H-Trust

Issuer	Far East Hospitality Trust
Sponsor	Far East Organization group of companies
REIT Manager	FEO Hospitality Asset Management Pte. Ltd.
Investment Mandate	Hospitality and hospitality-related assets in Singapore
Portfolio	12 properties valued at approximately S\$2.47 billion 8 hotel properties ("Hotels") and 4 serviced residences ("SR" or "Serviced Residences")
Hotel and SR Operator	Far East Hospitality Management (S) Pte Ltd
Master Lessees	Sponsor companies, part of the Far East Organization group of companies



¹ Dormant at Listing Date and master lessee of last resort

Far East H-Trust Asset Portfolio Overview

Hotels

									
	Village Hotel Albert Court	Village Hotel Changi	The Elizabeth Hotel	Village Hotel Bugis	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Rendezvous Hotel & Gallery	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Mid-tier	Mid-tier	Mid-tier / Upscale	Mid-tier / 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	
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	
# of Rooms	210	380	256	393	428	388	108	298	2,461
Lease Tenure ¹	74 years	64 years	74 years	65 years	91 years	49 years	74 years	70 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	
Retail NLA (sq m)	1,003	778	583	1,164	NA	3,761	NA	2,824	10,113
Office NLA (sq m)	NA	NA	NA	NA	NA	2,509	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.	Orchard Parade Holdings Limited	Golden Development Private Limited	Serene Land Pte Ltd	
Valuation (S\$ 'mil) ¹	128.0	255.0	193.0	230.0	330.0	428.0	86.0	277.0	1,927.0

¹ As at 31 Dec 2013

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	79 years	80 years	77 years	80 years	NA
GFA/Strata Area (sq m)	17,858	14,635	10,570	10,723	53,808
Retail NLA (sq m)	2,213	NA	1,179	539	3,931
Office NLA (sq m)	Office: 1,474 Serviced Office: 696	NA	NA	2,307	4,477
Master Lessee / Vendor	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ¹	202.2	67.3	114.7	163.5	547.7

¹ As at 31 Dec 2013