



2H / FY 2022

Results Presentation

14 February 2023

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Financial Highlights



Executive Summary for 2H 2022 – Performance vs LY

	2H 2022	2H 2021	Variance
	S\$'000	S\$'000	%
Gross Revenue	42,581	41,679	2.2
Hotels	30,011	28,500	5.3
Serviced Residences (“SR”)	5,024	5,463	(8.0)
Commercial Premises	7,546	7,716	(2.2)
Net Property Income	39,874	38,979	2.3
Income Available for Distribution			
- Before release of retention sum	30,200	29,529	2.3
- After release of retention sum	30,200	32,994	(8.5)

- Gross revenue increased 2.2% year-on-year to S\$42.6 million, led mainly by growth from the Hotel segment which increased 5.3% from S\$28.5 million to S\$30.0 million. **Excluding Central Square, gross revenue would have grown 10.7% year-on-year.**
- The decline of revenue in the SR segment and Commercial Premises segment was due to the divestment of Central Square which was completed on 24 March 2022. **Excluding Central Square and rental rebates provided to tenants in 2H 2021, revenue for the two segments would have grown 35.3% and 8.8% year-on-year respectively.**
- Income available for distribution in 2H 2021 of S\$33.0 million included the release of S\$3.5 million of taxable income which was retained from 1H 2021. **Excluding the release of S\$3.5 million in 2H 2021, income available for distribution to Stapled Securityholders would have increased 2.3% on the back of higher net property income.**



Executive Summary for 2H 2022 – Performance vs LY

	2H 2022	2H 2021	Variance
	S\$'000	S\$'000	%
Distribution to Stapled Securityholders comprises:	34,443	30,258	13.8
- from taxable income	29,665	28,083	5.6
- from tax-exempt income	597	2,175	(72.6)
- from other gains	4,181	-	N.M.
Distribution per Stapled Security (“DPS”) (cents)	1.73	1.53	13.1

- Distribution to Stapled Securityholders for 2H 2022 grew 13.8% to S\$34.4 million on the back of higher net property income and distribution of other gains from the divestment of Central Square.
- The higher distribution translates to a DPS of 1.73 cents for 2H 2022 compared to 1.53 cents for the same period in the previous year.



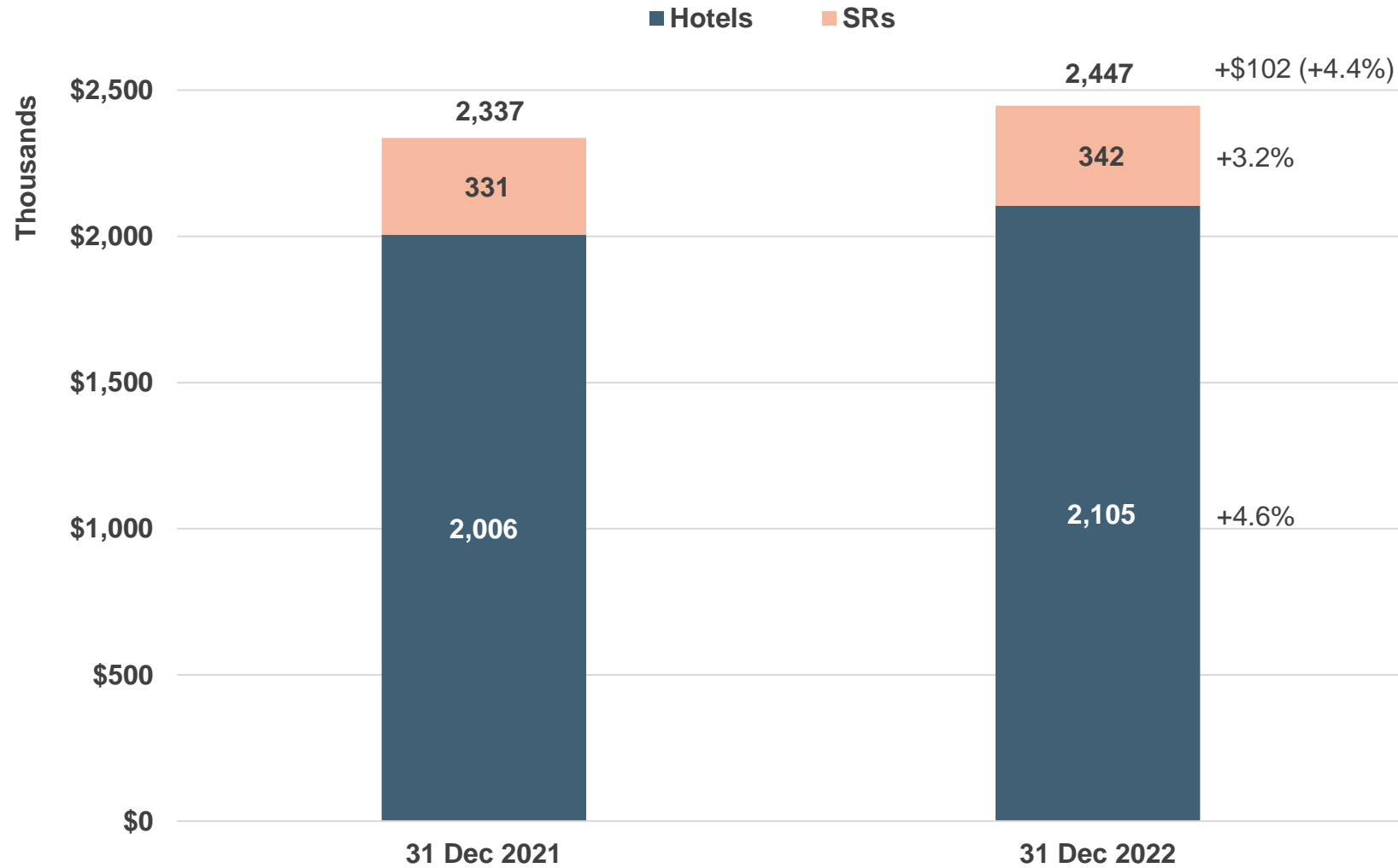
Executive Summary for FY 2022 – Performance vs LY

	FY 2022	FY 2021	Variance
	S\$'000	S\$'000	%
Gross Revenue	83,579	83,248	0.4
Hotels	58,511	57,000	2.7
Serviced Residences (“SR”)	10,272	11,172	(8.1)
Commercial Premises	14,796	15,076	(1.9)
Net Property Income	77,329	75,172	2.9
Finance Expenses	(18,440)	(19,874)	7.2
REIT Manager’s Fees	(9,430)	(9,442)	0.1
Income Available for Distribution	58,986	54,847	7.5
Distribution to Stapled Securityholders	65,024	51,952	25.2
Distribution per Stapled Security (“DPS”) (cents)	3.27	2.63	24.3

- Gross revenue for FY 2022 grew 0.4% year-on-year to S\$83.6 million led by growth from the Hotel segment which increased 2.7%.
- **Excluding the effects of Central Square’s divestment, gross revenue would have grown 7.0% year-on-year with contributions from the SRs and Commercial Premises having grown 23.3% and 16.9% year-on-year respectively.**
- **Distribution to Stapled Securityholders grew 25.2%** to S\$65.0 million on the back of higher net property income, lower finance expenses, and sharing of gains from the divestment of Central Square, translating into a higher DPS of 3.27 cents.



Portfolio Valuation

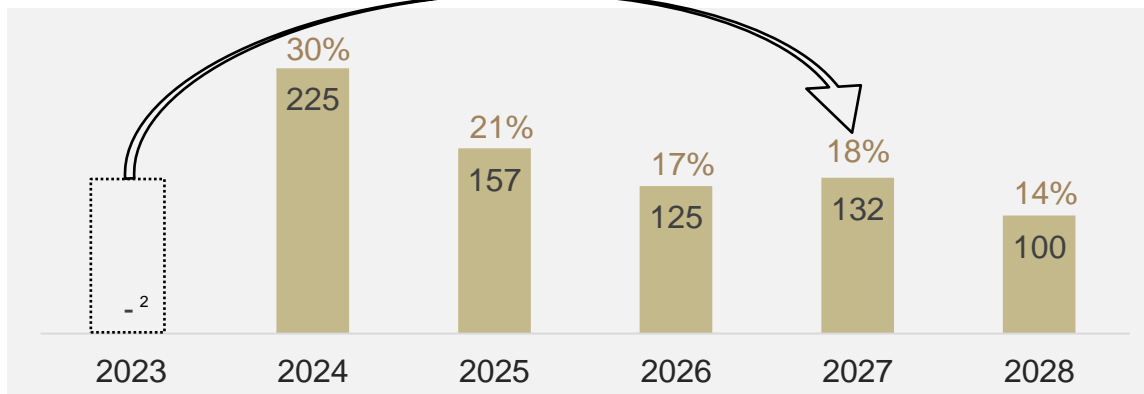


Capital Management

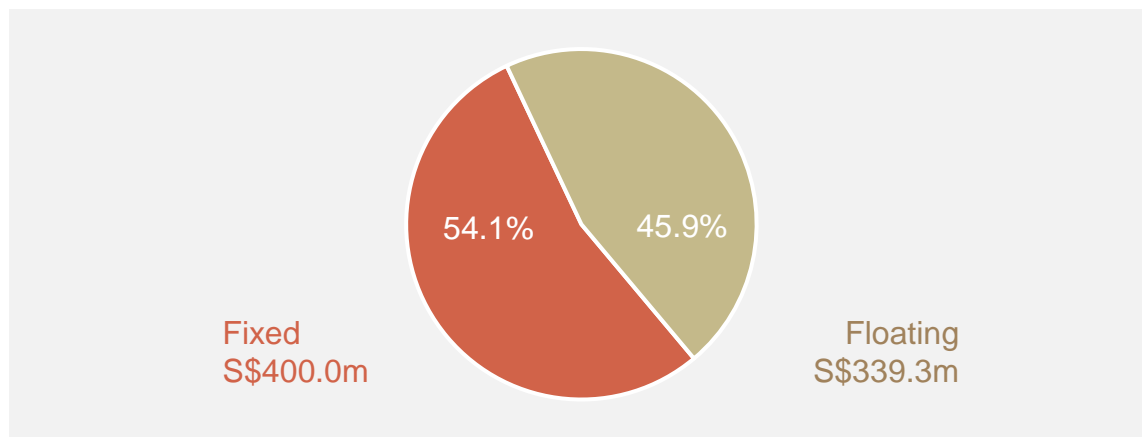
As at 31 Dec 2022

Total Debt	S\$739.3m
Available Revolving Facility	S\$300.0m
Aggregate Leverage	32.0%
Unencumbered Asset as % Total Asset	100%
Proportion of Fixed Rate	54.1%
Weighted Average Debt Maturity	3.1 years
Average Cost of Debt	2.2%
Interest Coverage Ratio¹	3.8x

Debt Maturity Profile



Interest Rate Profile



¹ Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 3.6x based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.

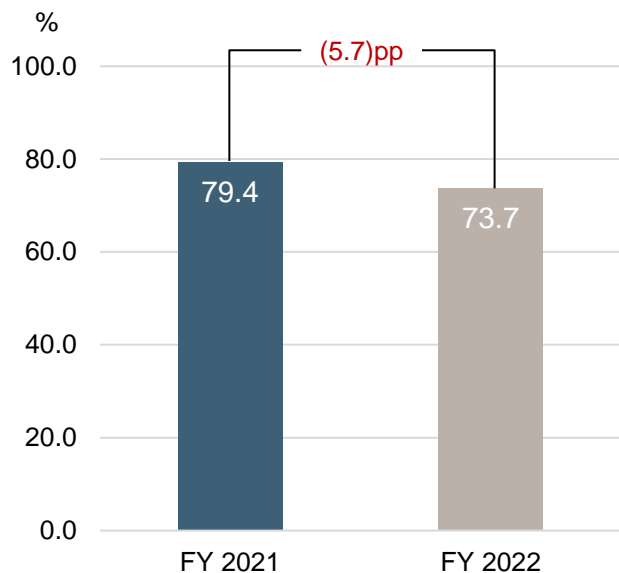
² Early refinancing was completed in December 2022 for two term loans which were due to mature in April 2023.

Portfolio Performance

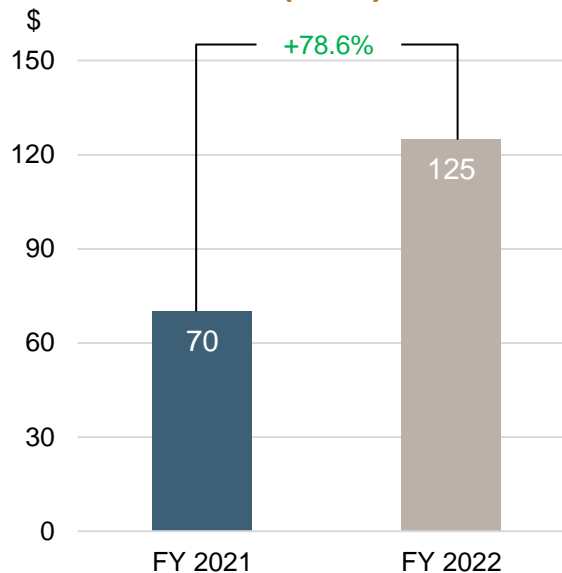


Portfolio Performance FY 2022 – Hotels

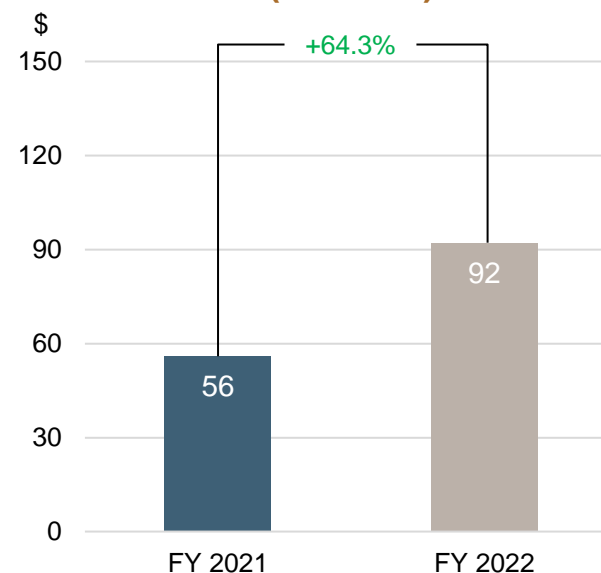
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Room (RevPAR)

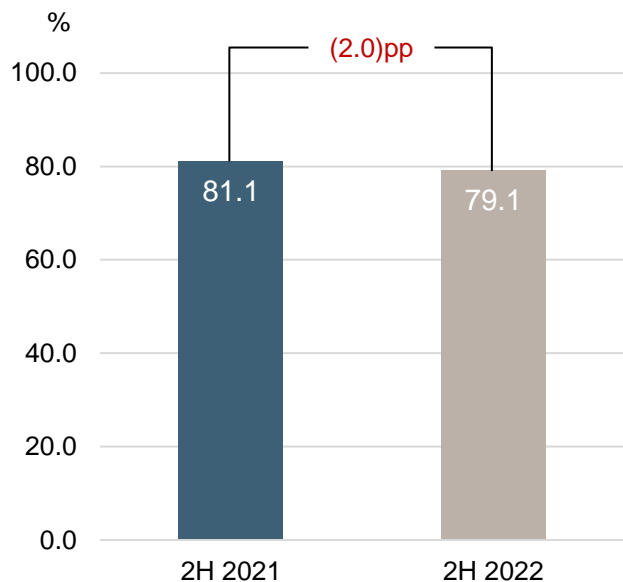


- ADR grew on the back of healthy demand from corporate groups and improved pick-up from leisure travellers following Singapore's relaxation and streamlining of border measures in April 2022. Contracts with the Government for isolation purposes were also renewed at higher rates.
- Average occupancy declined 5.7pp to 73.7% as some hotels in the portfolio exited the government contracts at the end of 2021 and The Elizabeth Hotel was also closed for part of the year for renovation and officially relaunched as Vibe Hotel Singapore Orchard in November 2022.
- Correspondingly, RevPAR grew 64.3% to S\$92.

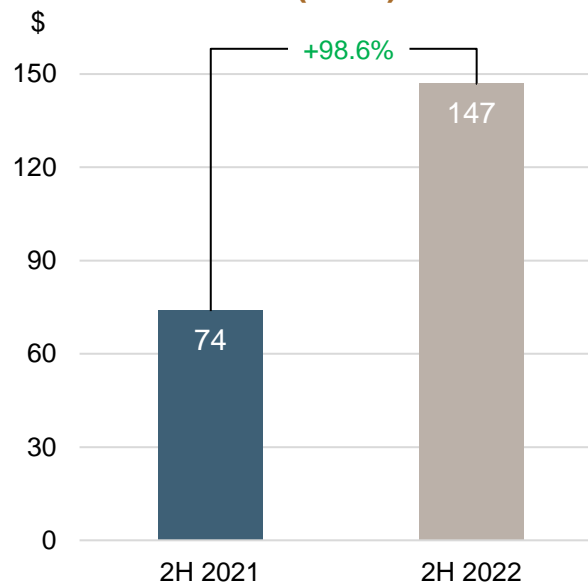


Portfolio Performance 2H 2022 – Hotels

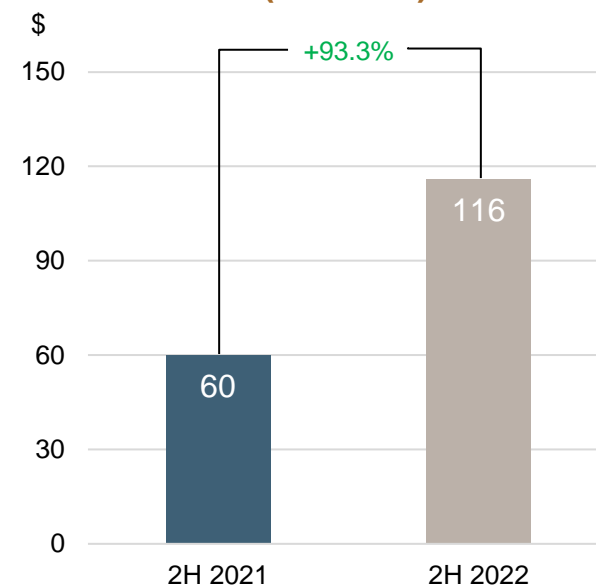
Average Occupancy



Average Daily Rate (ADR)



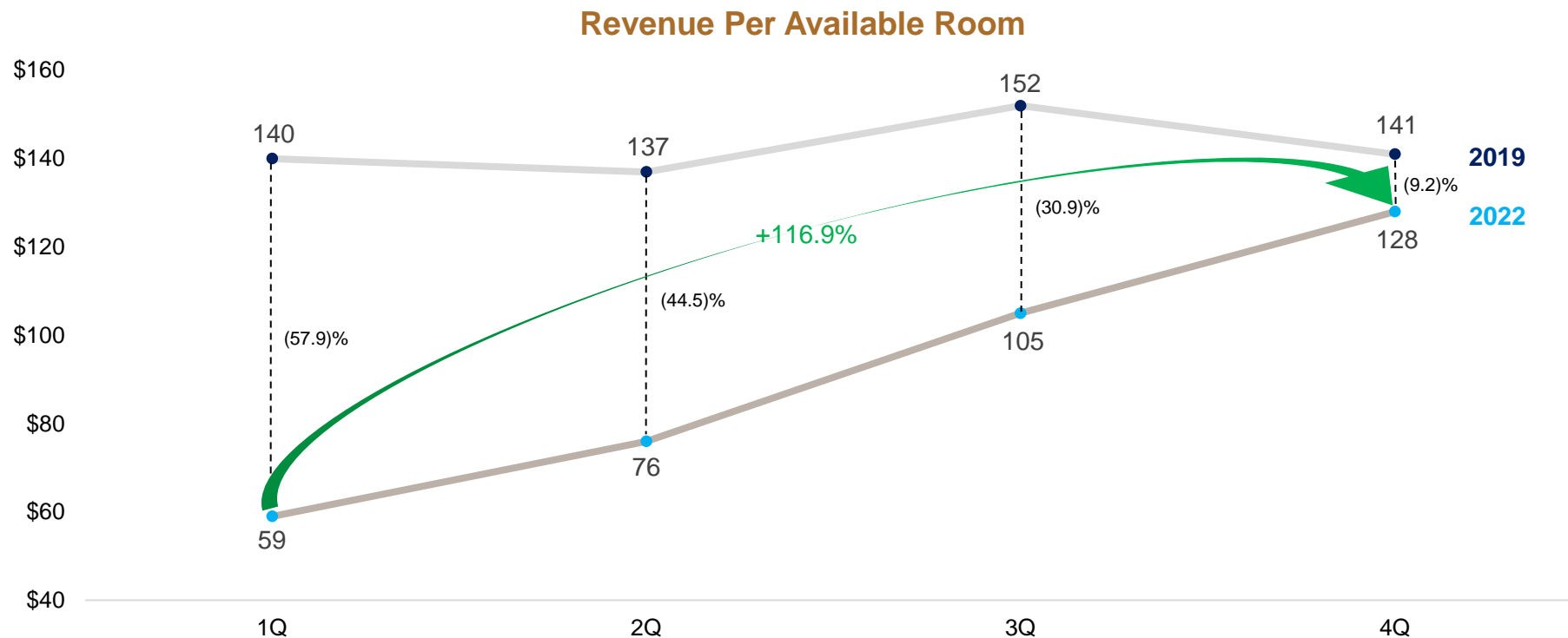
Revenue Per Available Room (RevPAR)



- ADR grew 98.6% year-on-year to S\$147 as demand persisted through the second half of 2022 with an increase in leisure and business travellers and the return of high-profile events. Higher contracted rates from remaining government contracts and the launch of Vibe Hotel Singapore Orchard also helped to lift ADR.
- Occupancy declined 2.0pp year-on-year to 79.1% as some hotels in the portfolio exited the government contracts at the end of 2021. The Elizabeth Hotel was also closed for renovation for part of the second half of 2022.
- As a result, RevPAR increased 93.3% year-on-year to S\$116.



Portfolio Performance by Quarter – Hotels

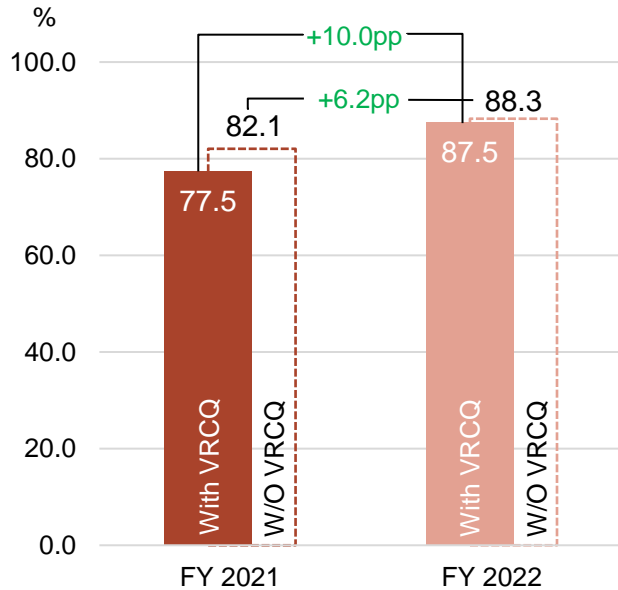


- Since the reopening of borders in late April 2022, Hotels have seen quarter-on-quarter improvements in RevPAR from S\$59 to S\$128.
- RevPAR for 4Q 2022 of S\$128 formed about 90% of the RevPAR for the same period in FY 2019. Over the year, RevPAR grew 117% from S\$59 to S\$128 in the last quarter.

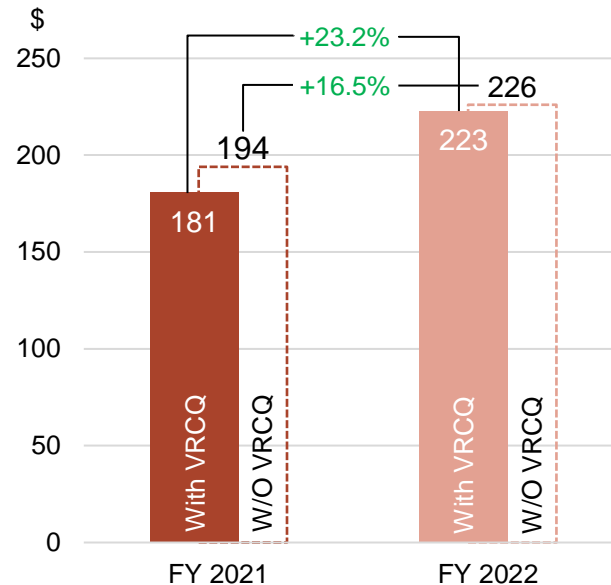


Portfolio Performance FY 2022 – Serviced Residences

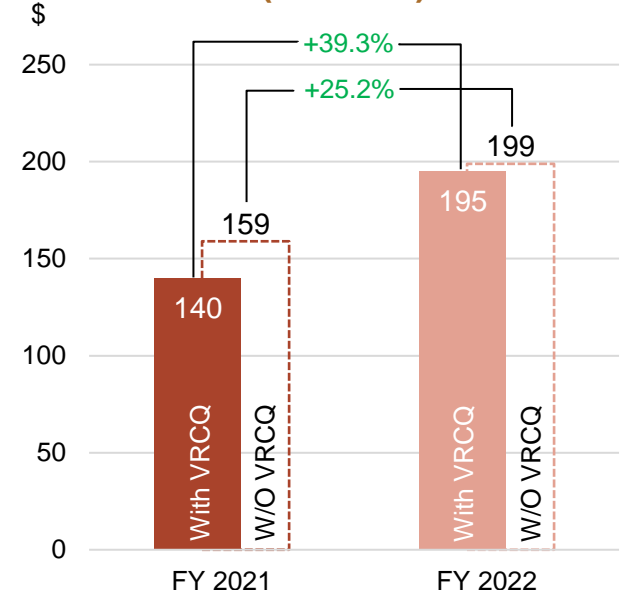
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Unit (RevPAU)



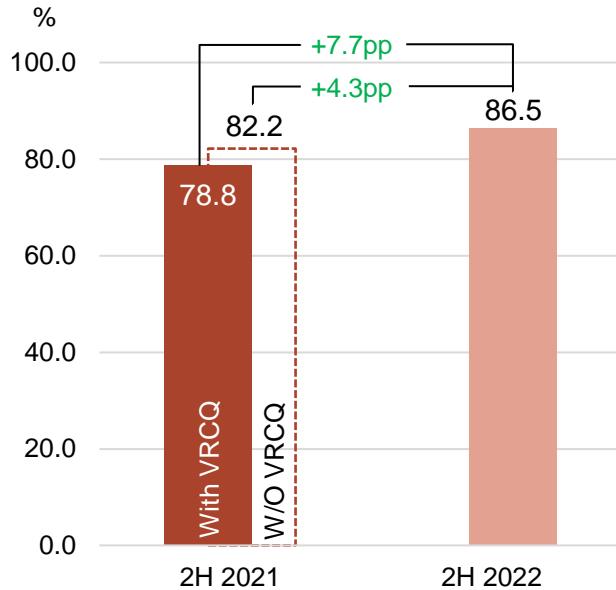
- SRs continued to do well in FY 2022, exceeding the performance achieved in FY 2019.
- Buoyed by the tight supply and continued inflow of professionals and project groups, average occupancy for the full year grew 10.0pp to 87.5%, while ADR increased 23.2% to S\$223. RevPAU registered an 39.3% YoY increase to S\$195.
- SR portfolio performed above the fixed rent level throughout the year.



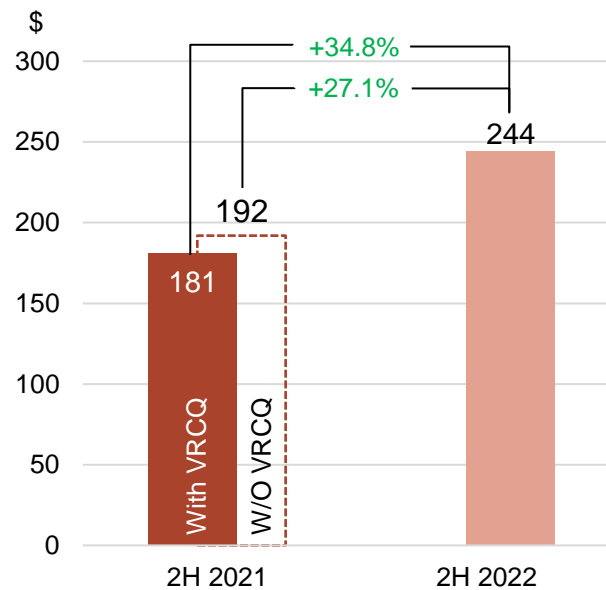
Note:
Village Residence Clark Quay ("VRCQ") is a part of Central Square which was divested on 24 March 2022.

Portfolio Performance 2H 2022 – Serviced Residences

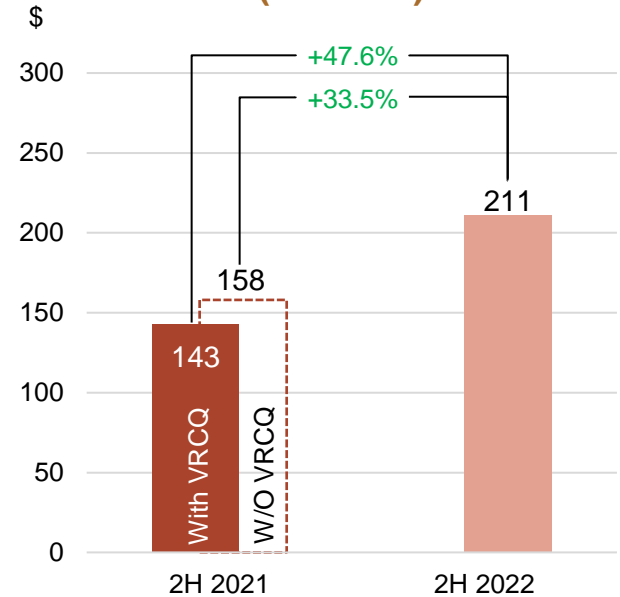
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Unit (RevPAU)

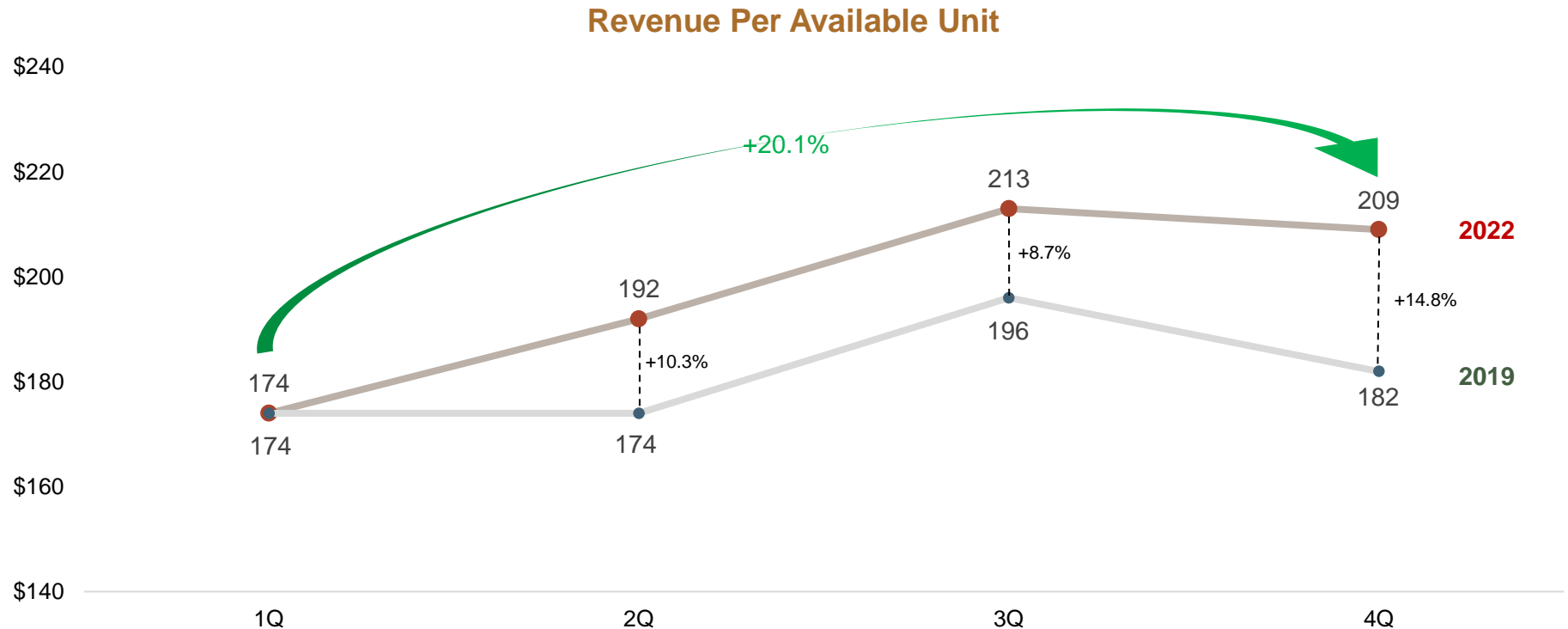


- SRs continued their strong performance in 2H 2022, aided by an increased mix of short-stay guests with higher rates.
- Average occupancy of SRs increased 7.7pp year-on-year to 86.5% and ADR grew 34.8% to S\$244. As a result, RevPAU was 47.6% higher at S\$211. Excluding VRCQ, average occupancy, ADR and RevPAU would have increased 4.3pp, 27.1% and 33.5% respectively.
- SR portfolio continued to perform above the fixed rent level.



Note:
Village Residence Clark Quay (“VRCQ”) is a part of Central Square which was divested on 24 March 2022.

Portfolio Performance by Quarter – Serviced Residences

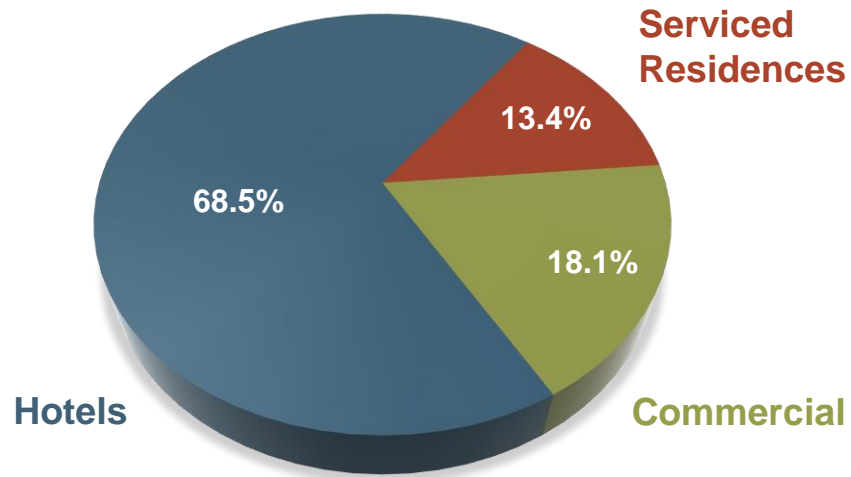


- RevPAU for 4Q 2022 of S\$209 formed about 115% of the RevPAU in FY 2019. Over the year, RevPAU grew 20% from S\$174 to S\$209 in the last quarter.

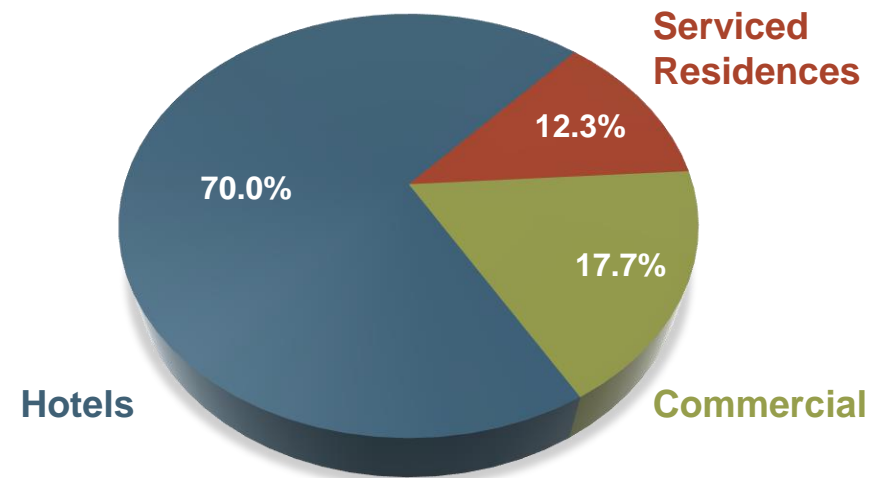


Breakdown of Gross Revenue – Total Portfolio

FY 2021



FY 2022



- Contribution by the Serviced Residences segment and Commercial Premises segment decreased with the divestment of Central Square.



Asset Enhancement Initiatives



Orchard Rendezvous Hotel – ORA & Façade Improvement

Before



After



- Enhanced and repainted facade



Orchard Rendezvous Hotel – ORA & Façade Improvement

Before



After



- Renovated forecourt and outdoor refreshment area



Accolades & Corporate Governance Efforts



Accolades and Corporate Governance Highlights

Singapore Governance and Transparency Index 2022 (“SGTI”)

Ranked 3rd

- In August 2022, FEHT was **ranked 3rd** out of 44 REITs and Business Trusts on the SGTI.
- SGTI is a collaboration between CPA Australia, NUS Business School’s Centre for Governance and Sustainability and Singapore Institute of Directors.

Governance Index For Trusts 2022 (“GIFT”)

Ranked Joint 7th

- In November 2022, FEHT was **ranked 7th** out of 43 REITs and Business Trusts on the GIFT, maintaining its top 10 positioning from 2020.

ASEAN Corporate Governance Scorecard 2021 (“ACGS”)

ASEAN Asset Class

- In December 2022, FEHT was awarded the ASEAN Asset Class award and **ranked 8th** out of 100 largest publicly listed companies on the Singapore Exchange.



Securities Investors Association (Singapore) (“SIAS”) Investors’ Choice Awards 2022



Shareholder Communications Excellence Award

Runner-up

- For a **second consecutive year**, in recognition of the Manager’s efforts in transparent disclosure and excellent communication with shareholders.



Singapore Corporate Governance Award

Runner-up

- In recognition of the Manager’s efforts in adopting good corporate governance, transparency and sustainability practices.

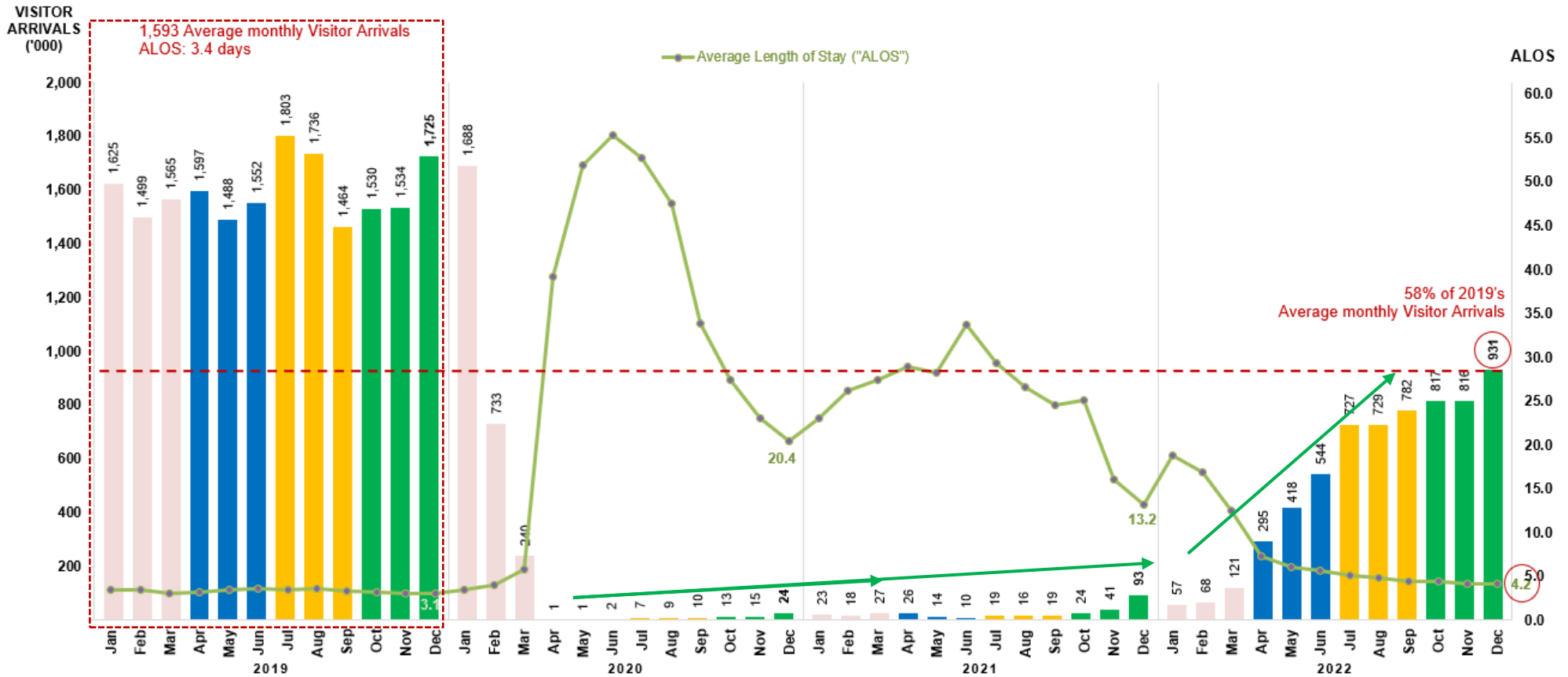


Outlook & Prospects



Increase of Visitor Arrivals to Singapore

Visitor Arrivals

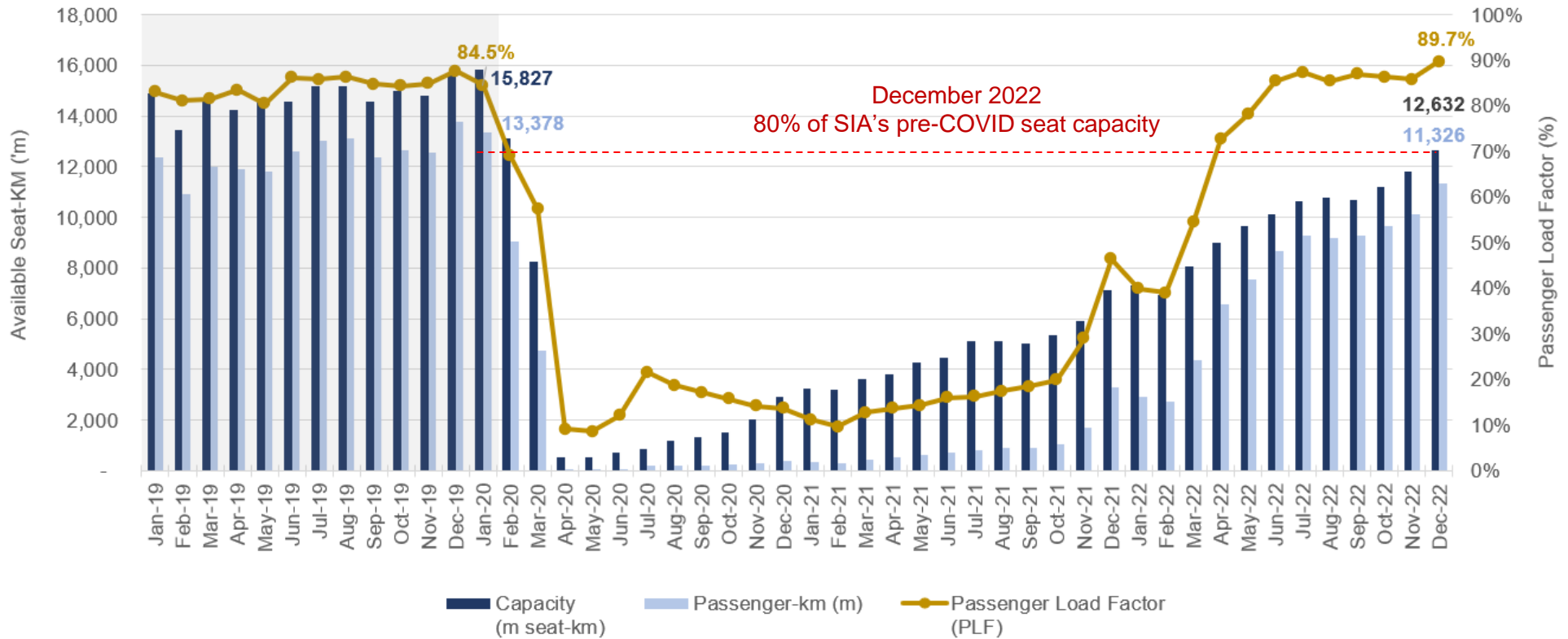


- In 2022, Singapore saw 6.3 million visitor arrivals, performing above Singapore Tourism Board's ("STB") expectations of between four and six million visitor arrivals.



Recovery of Air Passengers Numbers

SIA Group Passenger Capacity



- As the main conduit for arrivals in Singapore, airlines' passenger capacity is a leading indicator for the recovery in cross-border travel.
- In the fourth quarter of 2022, SIA's seat capacity and total number of passengers carried continued to grow quarter-on-quarter by 11.1% and 16.9% respectively.
- The International Air Transport Association has projected global airline passenger demand to reach 85.5 per cent of 2019 levels in 2023



Upcoming Tourism Developments



Rejuvenation of Sentosa

Palawan Sands will house Singapore's first gamified electric Go-Kart with a three-level racetrack, two beach clubs and an 18-hole mini-golf course, slated to open in 2023. SensoryScape, the first milestone project of the Sentosa-Brani masterplan is set to open in 2023, featuring a multisensory two-tiered walkway connecting Resorts World Sentosa ("RWS") in the north with Sentosa's beaches in the south.



Mandai Wildlife Reserve

A wildlife and nature heritage project, integrating five zoological parks, the Singapore Zoo, Night Safari, River Wonders, Bird Paradise and Rainforest Wild. Bird Paradise and Rainforest Wild will open progressively from the second quarter of 2023 to 2025.



Expansion of the Integrated Resorts

In 2019, both Marina Bay Sands ("MBS") and RWS announced expansion plans totalling ~S\$9 billion. With an expected completion of 2026, MBS will add a fourth tower consisting of a hotel and a 15,000-seat entertainment arena for events and large conferences. At RWS, two new zones, Minion Land (2024) and Super Nintendo World will be added to Universal Studios Singapore. Additionally, the S.E.A aquarium will be expanded by three times its current size and rebranded as the Singapore Oceanarium in 2024.



Outlook for 2023

Continued recovery for the hospitality sector

- Singapore Tourism Board expects between twelve million and fourteen million visitor arrivals in 2023 with a full recovery to pre-pandemic levels by 2024.
- The World Tourism Organization expects international tourism to reach 80% to 95% of the pre-pandemic level with strong demand from the Asia Pacific.
- The International Air Transport Association has projected global airline passenger demand to reach 85.5% of 2019 levels in 2023.

Increasing number of meetings, incentives, conventions and exhibitions events held in Singapore

- The Singapore Association of Convention and Exhibition Organisers and Suppliers expects recovery by 2023 to 2024.

Far East H-Trust's portfolio expected to benefit from sector's recovery

- With further improvement in visitor arrivals into Singapore arising from the reopening of more major markets and increased flight capacity in 2023, more properties in Far East H-Trust's portfolio are expected to perform above fixed rents and achieve variable rents.



Medium-Term Outlook

Growing business hub – Singapore continues to attract foreign investments

- Record high of S\$22.5 billion in fixed asset investments in 2022, above the medium to long-term yearly target of between S\$8 billion and S\$10 billion set by the Economic Development Board.
- Strong investments in the Electronics sector form 67% of investment commitments.
- New investments expected to drive demand for accommodation from corporate travellers and project groups.

Expanding tourism offerings

- S\$500m set aside by the Singapore Tourism Board for the next few years to strengthen Singapore's position as a global hub for business tourism and urban wellness haven.
- Major expansion of key tourism areas such as the Mandai Wildlife Reserve, Sentosa (*including development of Pulau Brani, collectively known as the Greater Southern Waterfront project*) and the Integrated Resorts at Marina Bay Sands and Resorts World Sentosa.

Ongoing infrastructure projects to enable Singapore to remain connected and relevant to the world

- Continued development of infrastructure projects such as Changi Airport Terminal 5, Tuas Mega port, the North-South Corridor and the Cross Island MRT line.



Details of Distribution

For Period From 1 July to 31 December 2022

Distribution per Stapled Security	1.73 cents
Ex-Date	21 February 2023
Book Closure Date	22 February 2023
Distribution Payment Date	22 March 2023











Thank You

For more information please visit
<https://www.fehtrust.com>



Far East H-Trust Asset Portfolio Overview

Hotels

										Total / Weighted Average
	Village Hotel Albert Court	Village Hotel Changi	Vibe Hotel Singapore Orchard	Village Hotel Bugis	Oasia Hotel Novena	Orchard Rendezvous Hotel	The Quincy Hotel	Rendezvous Hotel Singapore	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	65 years	55 years	65 years	56 years	82 years	40 years	65 years	61 years	60 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	17,793	
Retail NLA (sq m)	1,003	805	583	1,164	NA	3,778	NA	2,799	NA	10,132
Office NLA (sq m)	NA	NA	NA	NA	NA	2,515	NA	NA	NA	2,515
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	125.9	200.9	176.7	236.3	328.0	414.8	84.3	280.0	258	2,104.9

¹ As at 31 December 2022

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

Far East H-Trust Asset Portfolio Overview

Serviced Residences



Village Residence Hougang



Village Residence Robertson Quay



Adina Serviced Apartments Singapore Orchard

Total / Weighted Average

	Village Residence Hougang	Village Residence Robertson Quay	Adina Serviced Apartments Singapore Orchard	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Upscale	NA
Address	1 Hougang Street 91, S'pore 538692	30 Robertson Quay, S'pore 238251	121 Penang House, S'pore 238464	
Date of Completion	30 Dec 1999	12 July 1996	24 Oct 2000	
# of Rooms	78	72	90	240
Lease Tenure ¹	71 years	68 years	71 years	NA
GFA/Strata Area (sq m)	14,257	10,570	10,723	35,550
Retail NLA (sq m)	NA	1,179	539	1,718
Office NLA (sq m)	NA	NA	2,291	2,291
Master Lessee / Vendor	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ¹	64.4	108.7	168.8	341.9

¹ As at 31 December 2022

