



**FAR EAST**  
HOSPITALITY  
TRUST

## 4Q / FY 2019 Results Presentation

14 February 2020

# Important Notice

Information contained in this presentation is intended solely for your personal reference and is strictly confidential. The information and opinions in this presentation are subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning Far East Hospitality Trust (the "Trust"), a stapled group comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust. Neither FEO Hospitality Asset Management Pte. Ltd. (the "Manager"), FEO Hospitality Trust Management Pte. Ltd. (the "Trustee-Manager", and together with the Manager, the "Managers"), the Trust nor any of their respective affiliates, advisors and representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of these materials. By attending or viewing all or part of this presentation, you are agreeing to maintain confidentiality regarding the information disclosed in this presentation and to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained in these materials 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 herein. None of the Trust, the Managers, DBS Trustee Limited (as trustee of Far East Hospitality Real Estate Investment Trust), Far East Organization, controlling persons or affiliates, nor any of their respective directors, officers, partners, employees, agents, 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. It is not the intention to provide, and you may not rely on these materials as providing a complete or comprehensive analysis of the Trust's financial or trading position or prospects. The information and opinions contained in these materials are provided as at the date of this presentation and are subject to change without notice. Nothing contained herein or therein is, or shall be relied upon as, a promise or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of the information contained herein. Further, nothing in this document should be construed as constituting legal, business, tax or financial advice. None of the Joint Bookrunners or their subsidiaries or affiliates has independently verified, approved or endorsed the material herein.

Nothing in this presentation constitutes an offer of securities for sale in Singapore, United States or any other jurisdiction where it is unlawful to do so.

The information in this presentation may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

This presentation contains forward-looking statements that may be identified by their use of words like "plans," "expects," "will," "anticipates," "believes," "intends," "depends," "projects," "estimates" or other words of similar meaning and that involve assumptions, risks and uncertainties. All statements that address expectations or projections about the future and all statements other than statements of historical facts included in this presentation, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations of future events regarding the Trust's present and future business strategies and the environment in which the Trust will operate, and must be read together with those assumptions. The Managers do not guarantee that these assumptions and expectations are accurate or will be realized. 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. Although the Managers believe that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. Representative examples of these risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Trust. Past performance is not necessarily indicative of future performance. The forecast financial performance of the Trust is not guaranteed. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events. The Managers do not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

This presentation is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. Any decision to invest in any securities issued by the Trust or its affiliates should be made solely on the basis of information contained in the prospectus to be registered with the Monetary Authority of Singapore (the "MAS") after seeking appropriate professional advice, and you should not rely on any information other than that contained in the prospectus to be registered with the MAS.

These materials may not be taken or transmitted into the United States, Canada or Japan and are not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

These materials are not an offer of securities for sale into the United States, Canada or Japan. The securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The securities are being offered and sold outside of the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended. There will be no public offer of securities in the United States and the Managers do not intend to register any part of the proposed offering in the United States.

This presentation has not been and will not be registered as a prospectus with the MAS under the Securities and Futures Act, Chapter 289 of Singapore and accordingly, this document may not be distributed, either directly or indirectly, to the public or any member of the public in Singapore.



## 4Q 2019 & FY 2019 Results Highlights



**FAR EAST**  
HOSPITALITY  
TRUST

# Executive Summary for 4Q 2019 – Performance vs LY

	4Q 2019 S\$'000	4Q 2018 S\$'000	Variance %
Gross Revenue	28,946	28,919	0.1
Net Property Income	26,070	26,324	(1.0)
Income Available for Distribution	18,781	19,097	(1.7)
Distribution per Stapled Security (cents)	0.95	1.00	(5.0)

- **Gross Revenue for 4Q 2019 was S\$28.9 million, marginally higher year-on-year by 0.1%.**
- **Net Property Income was 1.0% lower year-on-year.**
- **Income Available for Distribution was S\$18.8 million, 1.7% lower year-on-year. This translates into a Distribution per Stapled Security (“DPS”) of 0.95 Singapore cents, with an enlarged base.**



# Executive Summary for FY 2019 – Performance vs LY

	FY 2019	FY 2018	Variance
	S\$'000	S\$'000	%
Gross Revenue	115,546	113,678	1.6
Net Property Income	104,314	102,755	1.5
Income Available for Distribution	73,893	75,363	(2.0)
Distribution per Stapled Security (cents)	3.81	4.00	(4.8)

- **Gross Revenue for FY 2019 was S\$115.5 million, an increase of 1.6% year-on-year, driven by growth in Master Lease Rental for the hotels and serviced residences of 2.2%. Retail and Office Revenue decreased by 0.7% year-on-year.**
- **Net Property Income was 1.5% higher year-on-year.**
- **Income Available for Distribution was S\$73.9 million, 2.0% lower year-on-year and DPS was 3.81 Singapore cents, on an enlarged basis.**

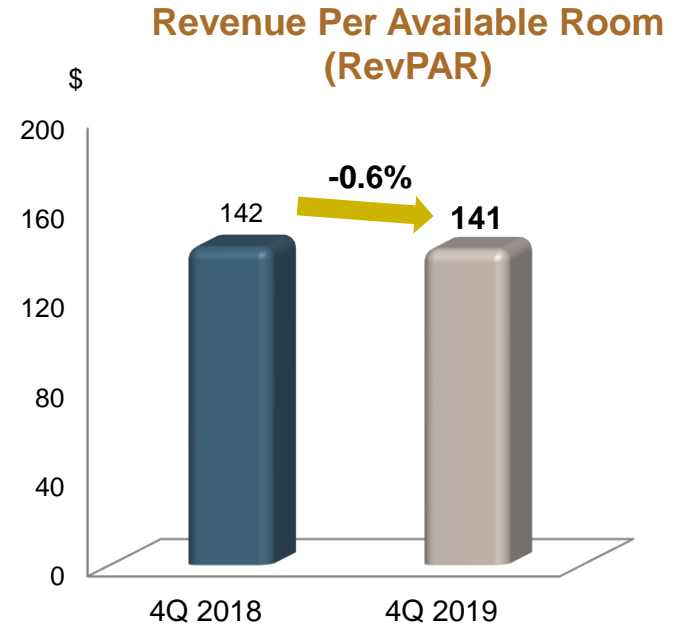
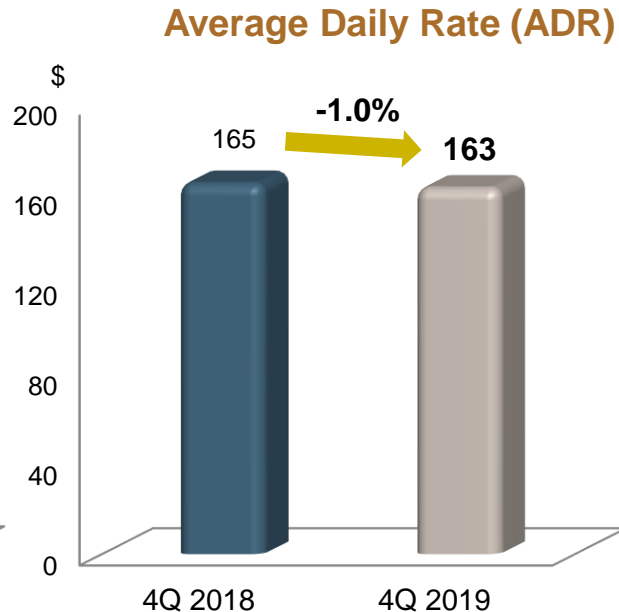
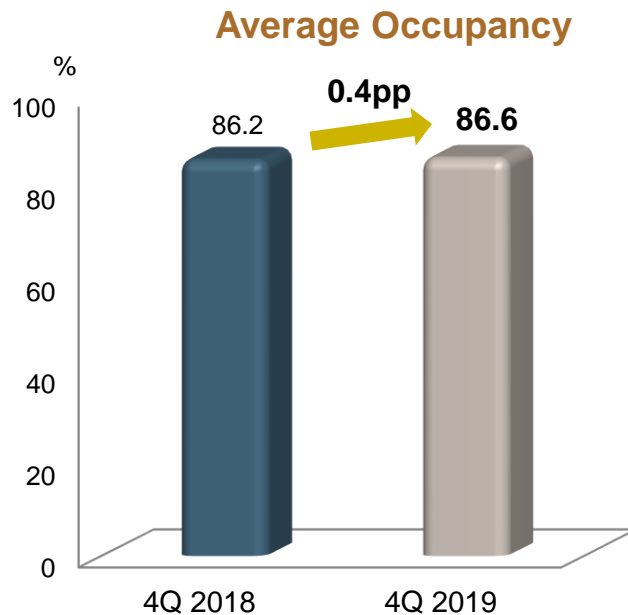


## Portfolio Performance



**FAR EAST**  
HOSPITALITY  
TRUST

# Portfolio Performance 4Q 2019 – Hotels

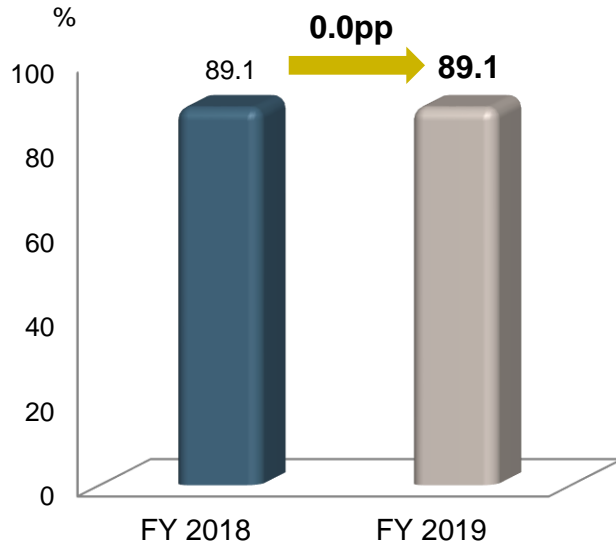


- The average occupancy of the hotels remained healthy at 86.6% in 4Q 2019, 0.4pp higher year-on-year.
- The average daily rate (“ADR”) was 1.0% lower year-on-year at S\$163, mainly attributed to lower contribution from the corporate segment and a greater composition of leisure business.
- As a result, revenue per available room (“RevPAR”) was marginally lower year-on-year by 0.6% at S\$141.

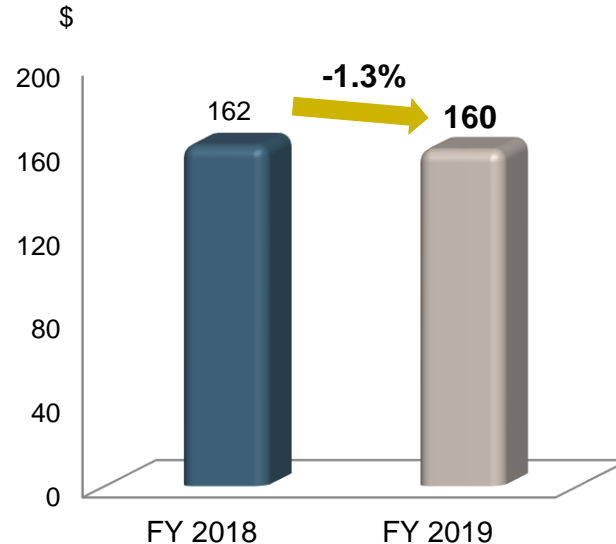


# Portfolio Performance FY 2019 – Hotels

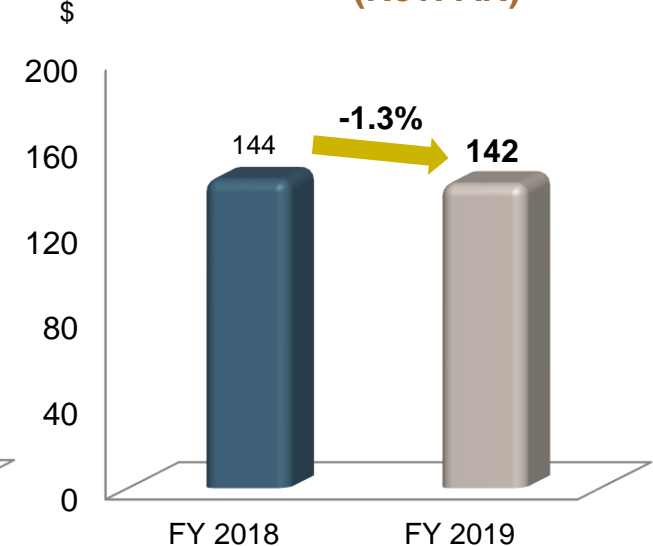
## Average Occupancy



## Average Daily Rate (ADR)



## Revenue Per Available Room (RevPAR)



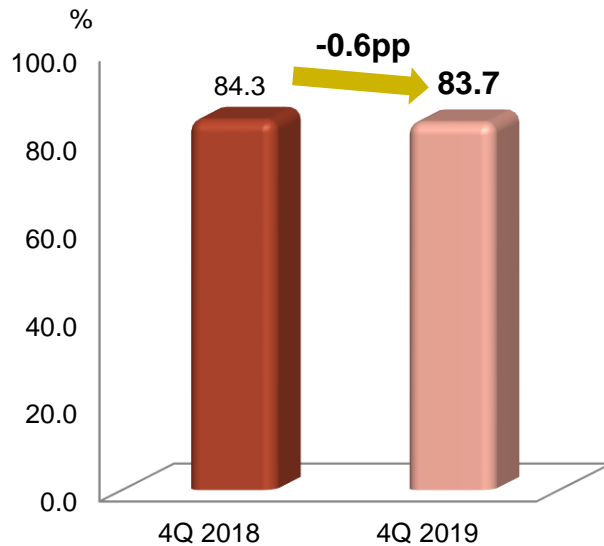
- Average occupancy of the hotels remained healthy at 89.1% in FY 2019, coming in at the same level year-on-year.
- ADR decreased 1.3% to S\$160, due mainly to higher contribution from the leisure segment at lower room rates as compared to the corporate segment.
- As a result, RevPAR for the hotel portfolio declined by 1.3% to S\$142.



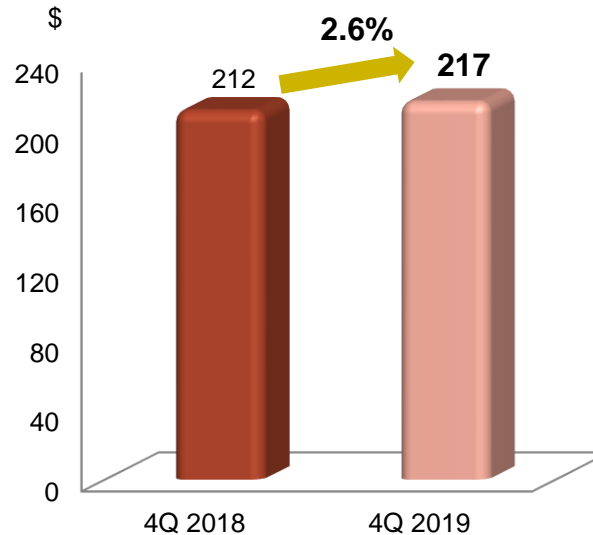


# Portfolio Performance 4Q 2019 – Serviced Residences

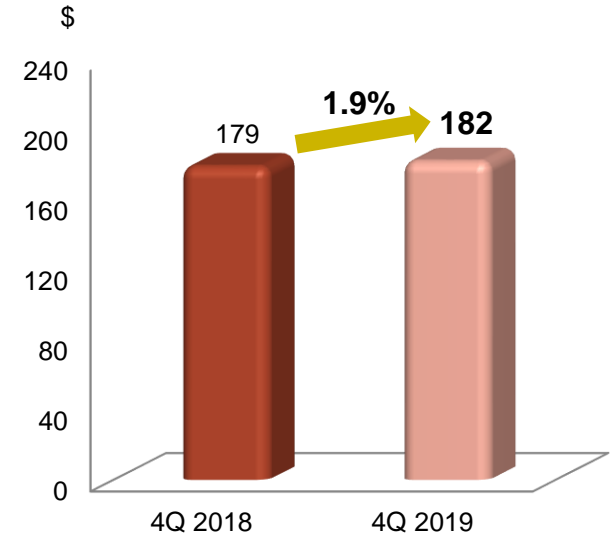
## Average Occupancy



## Average Daily Rate (ADR)



## Revenue Per Available Unit (RevPAU)

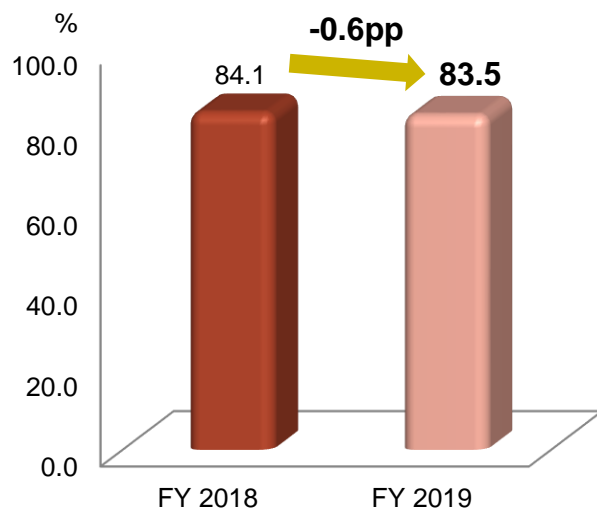


- The serviced residences (“SRs”) showed another quarter of stable year-on-year improvement, partly attributed to the continued growth in shorter-stay bookings at higher room rates.
- For the quarter, the average occupancy of the SRs was 83.7%, 0.6pp lower year-on-year.
- ADR grew by 2.6% to S\$217, and correspondingly, revenue per available unit (“RevPAU”) of the SR portfolio grew by 1.9% year-on-year to S\$182.

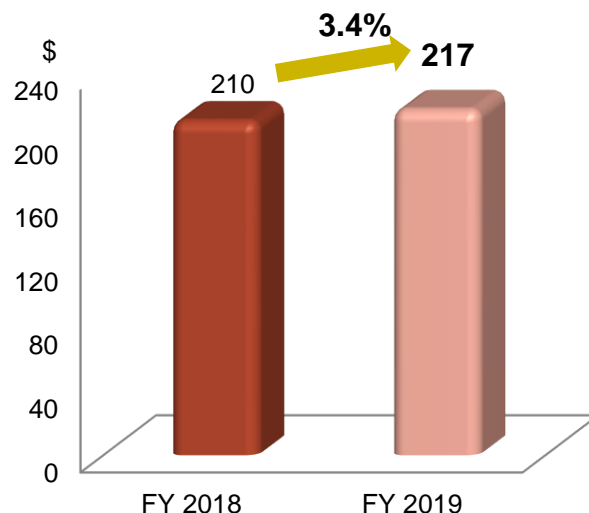


# Portfolio Performance FY 2019 – Serviced Residences

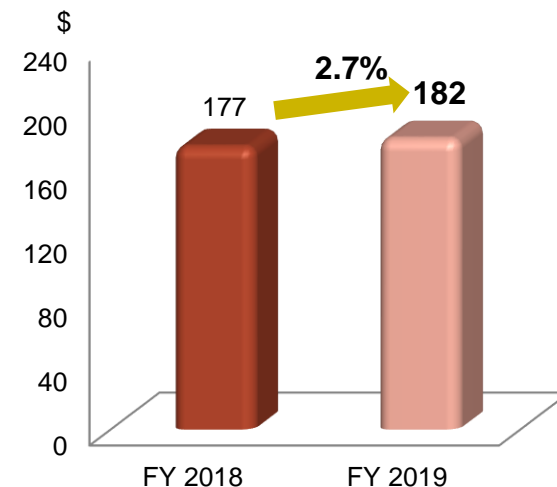
## Average Occupancy



## Average Daily Rate (ADR)



## Revenue Per Available Unit (RevPAU)

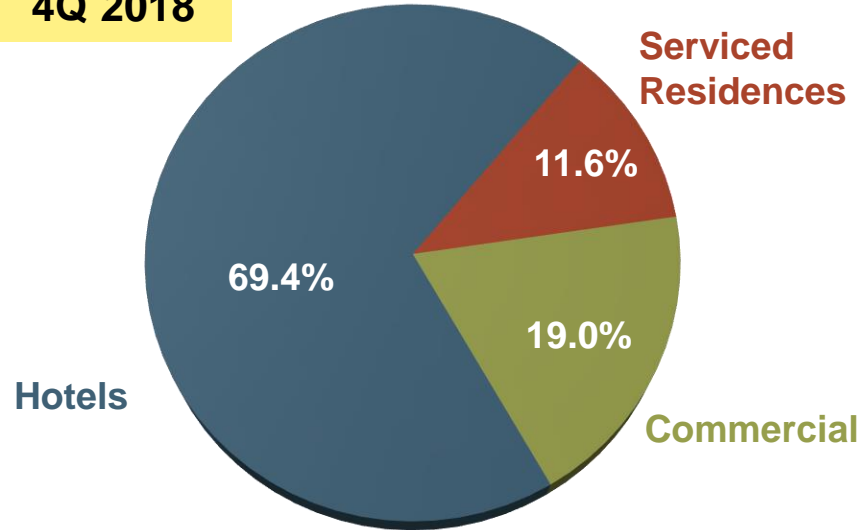


- There was an overall year-on-year improvement in performance of the SR portfolio in FY 2019, bolstered by the growth in shorter-stay bookings at higher room rates.
- While average occupancy was marginally lower year-on-year by 0.6pp at 83.5%, the ADR was 3.4% higher at S\$217.
- As a result, the RevPAU of the SR portfolio grew 2.7% to S\$182 in FY 2019.

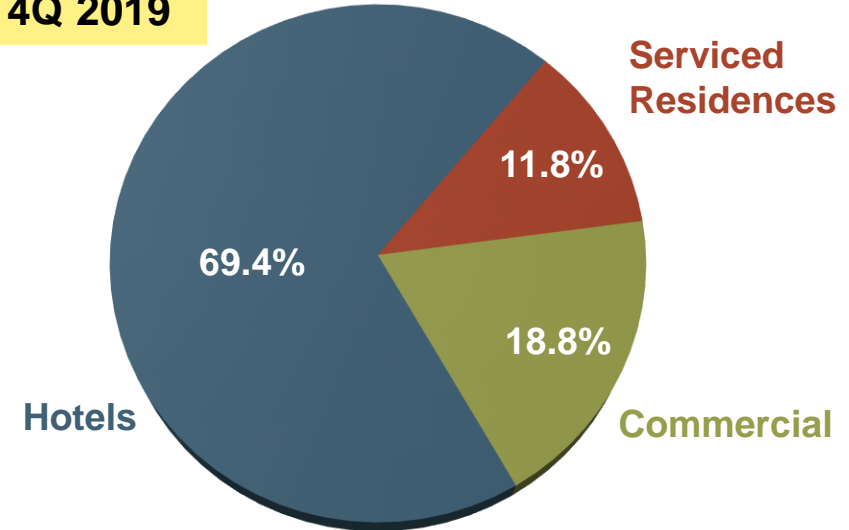


# Breakdown of Gross Revenue – Total Portfolio

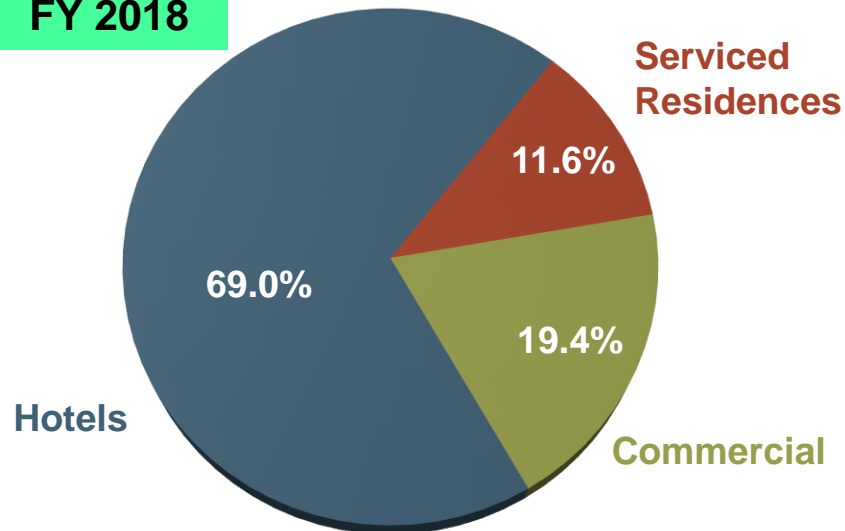
4Q 2018



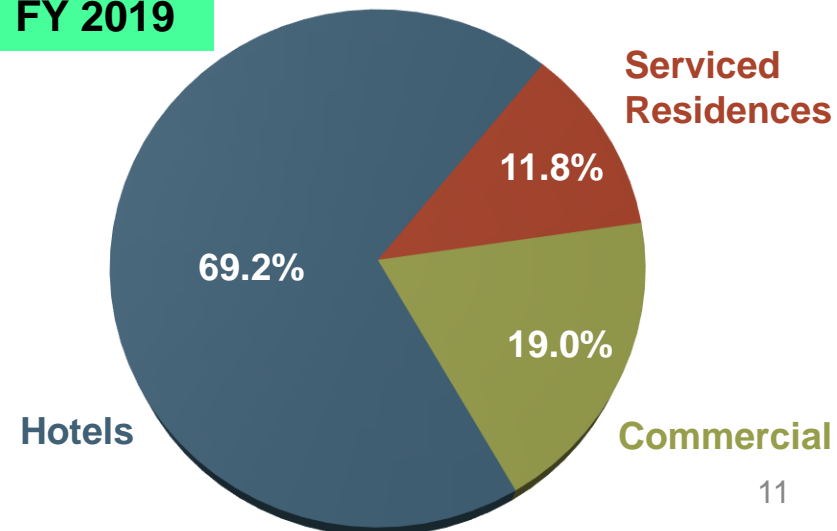
4Q 2019



FY 2018

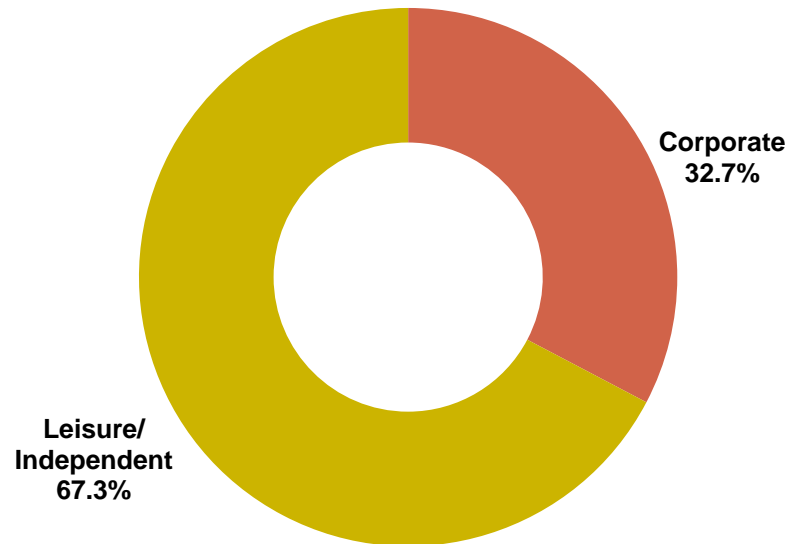


FY 2019

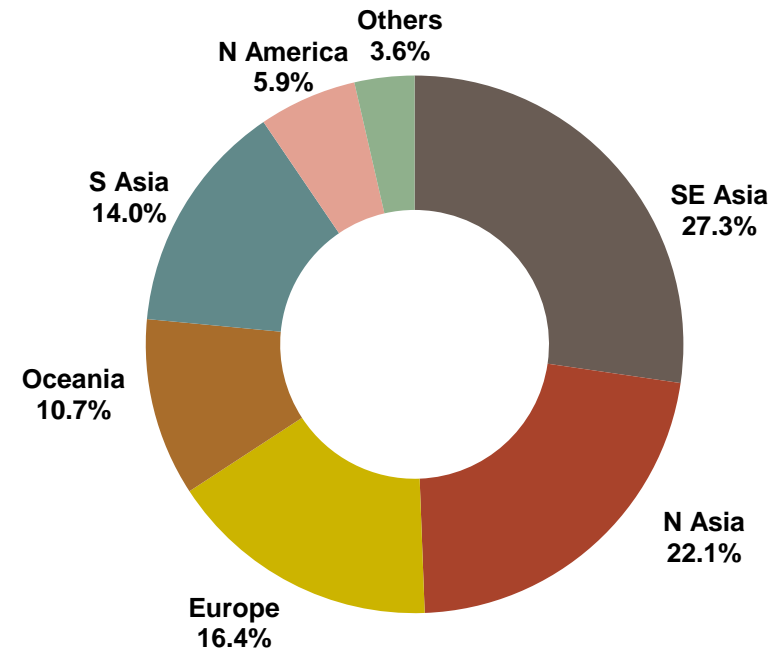


# Market Segmentation 4Q 2019 – Hotels

Hotels (by Revenue)



Hotels (by Region)

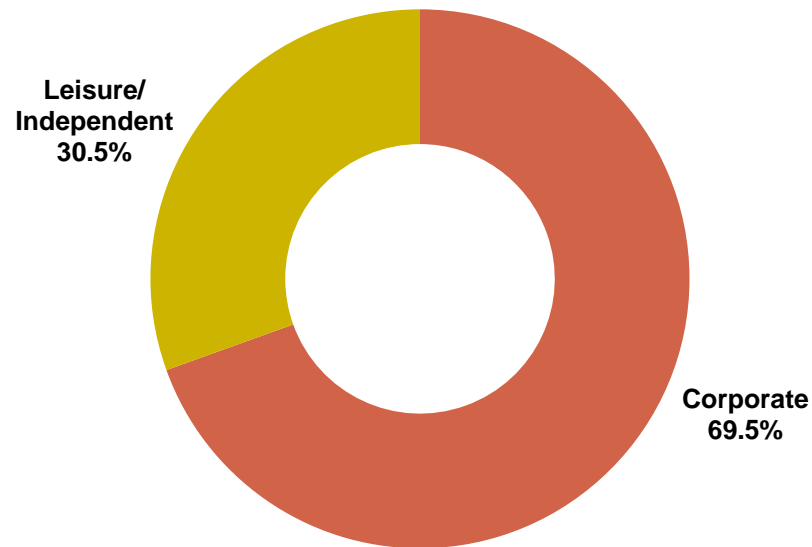


- The corporate segment contributed 32.7% to the overall hotel revenue. The contribution from the leisure segment has increased from 66.9% a year ago to 67.3%.
- The proportions of revenue contribution from North Asia, South Asia, North America and Oceania have increased, with South East Asia and North Asia remaining as the top two contributors.

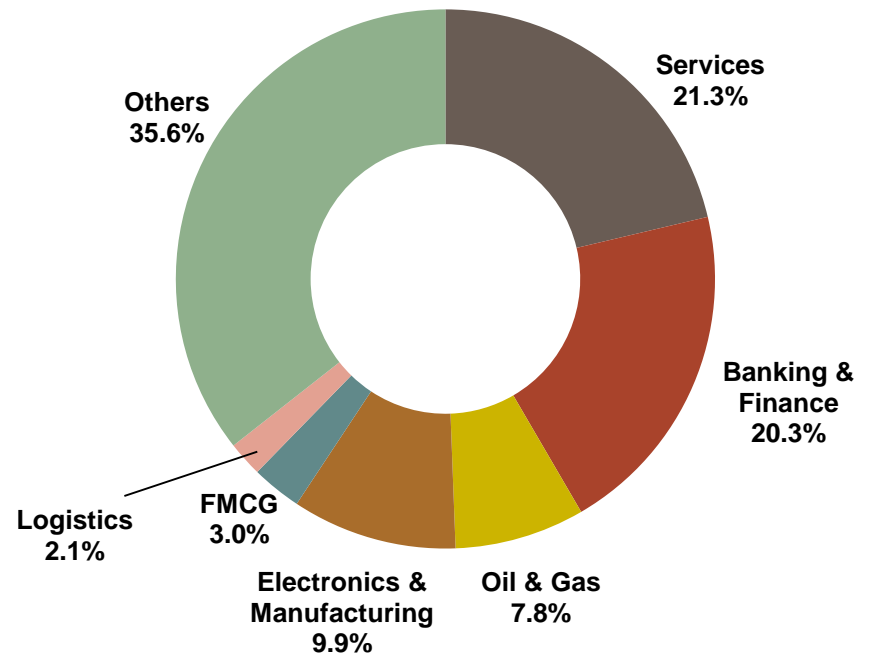


# Market Segmentation 4Q 2019 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- Revenue contribution by the Corporate segment was 69.5% in 4Q 2019. The growth in contribution by the Leisure segment from 26.7% to 30.5% was partly attributed to a growth in shorter stay bookings at higher room rates.
- The Services industries delivered a year-on-year increase in percentage revenue contribution for the quarter.



## Capital Management

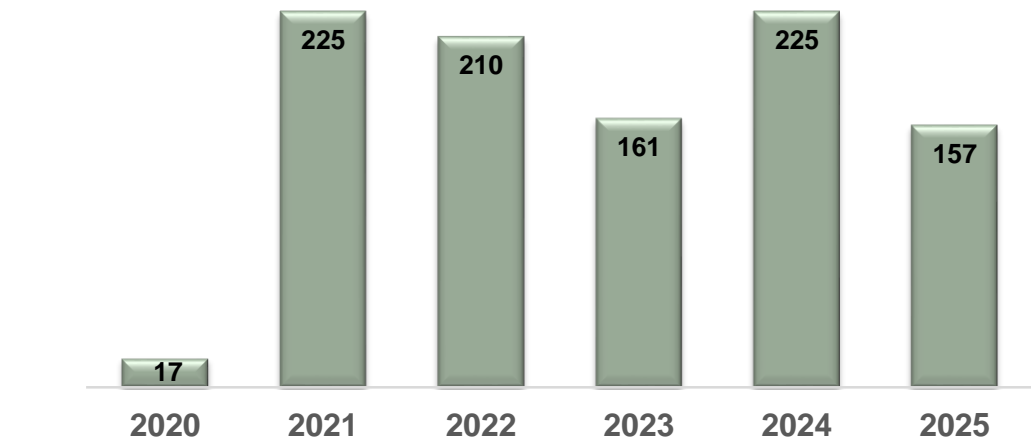


# Capital Management

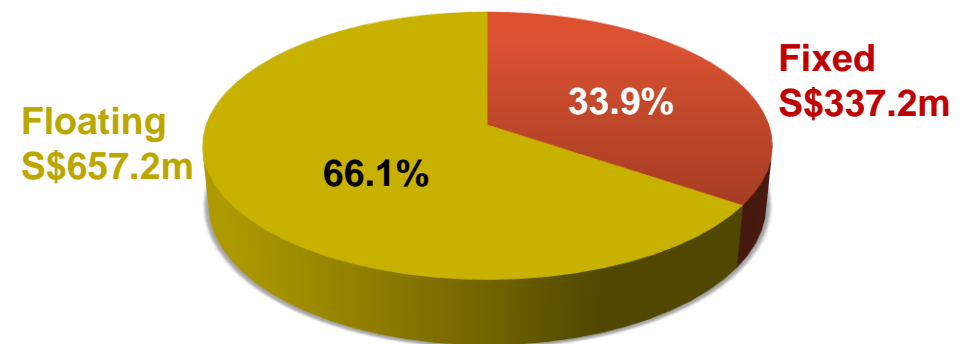
As at 31 December 2019

<b>Total debt</b>	S\$994.4m
<b>Available revolving facility</b>	S\$283.5m
<b>Gearing ratio</b>	39.2%
<b>Unencumbered asset as % total asset</b>	100%
<b>Proportion of fixed rate</b>	66.1%
<b>Weighted average debt maturity</b>	3.3 years
<b>Average cost of debt</b>	2.9%

Debt Maturity Profile (figures in S\$million)



Interest Rate Profile



- The Distribution Reinvestment Plan (“DRP”) was applied for the past 4 quarters’ distributions, retaining cash of S\$35.8 million and bringing gearing down from 40.1% to 39.2%.
- In October 2019, a 2-year S\$100 million term loan due to mature in April 2020 was extended to a 2.5-year S\$60 million term loan and 5-year S\$40 million term loan ahead of its maturity. There are no other term loans maturing this year. The weighted average debt-to-maturity was 3.3 years taking into account the extended tenor.



## Asset Enhancement Initiatives





# Asset Enhancement Initiatives – Orchard Rendezvous Hotel

## Orchard Rendezvous Hotel (Completed in January 2020)

### Upgrading of Office Podium – Main Lobby



After



Before



# Asset Enhancement Initiatives – Orchard Rendezvous Hotel

## Orchard Rendezvous Hotel (Completed in January 2020)

### Upgrading of Office Podium – Main Lobby



After



Before





# Asset Enhancement Initiatives – Orchard Rendezvous Hotel

## Orchard Rendezvous Hotel (Completed in January 2020)

### Upgrading of Office Podium – Lift Lobby and Corridor



After



Before



# Asset Enhancement Initiatives – Orchard Rendezvous Hotel

## Orchard Rendezvous Hotel (Completed in December 2019)

### Façade Enhancement



After



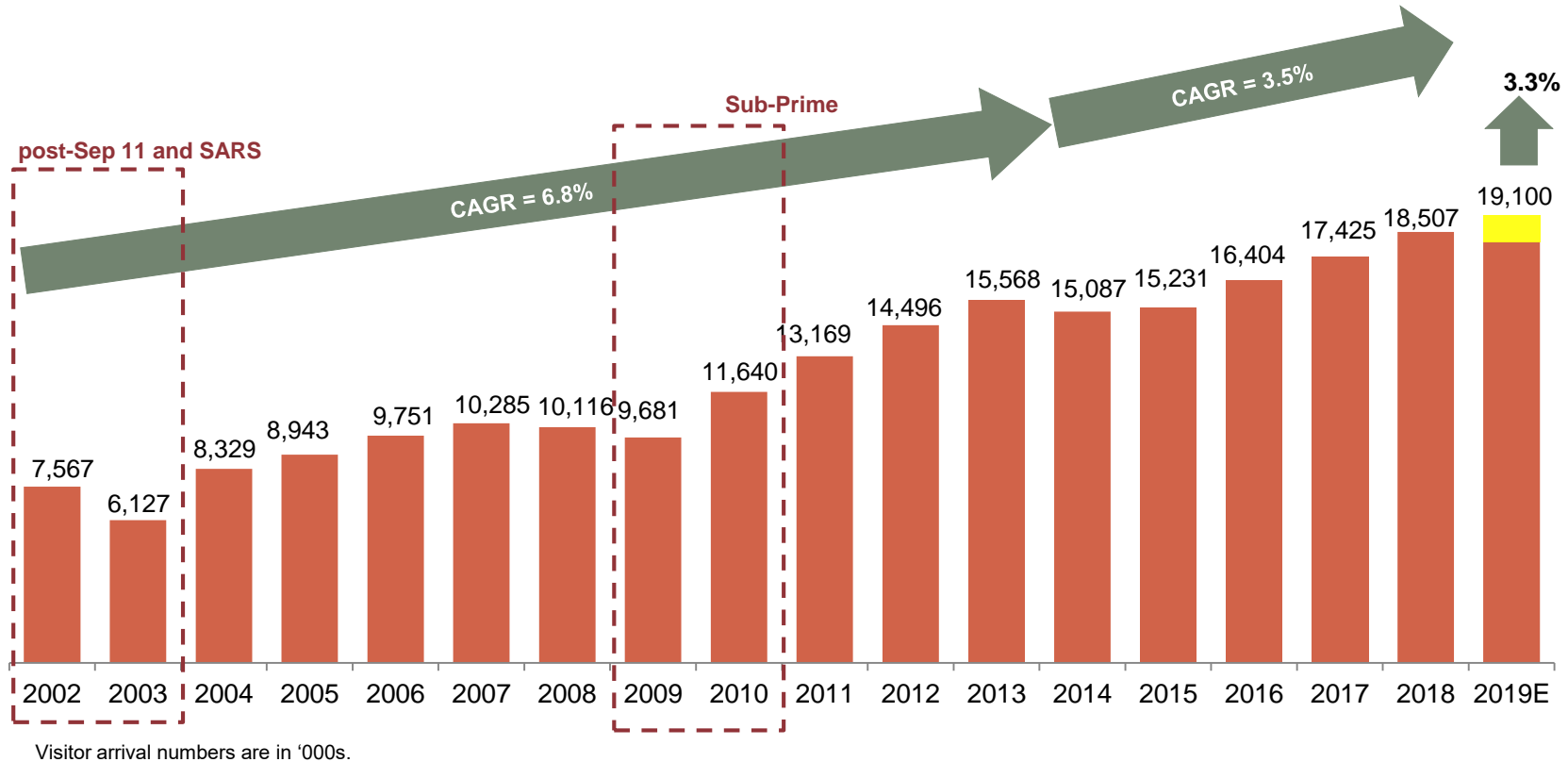
Before



## Industry Outlook & Prospects

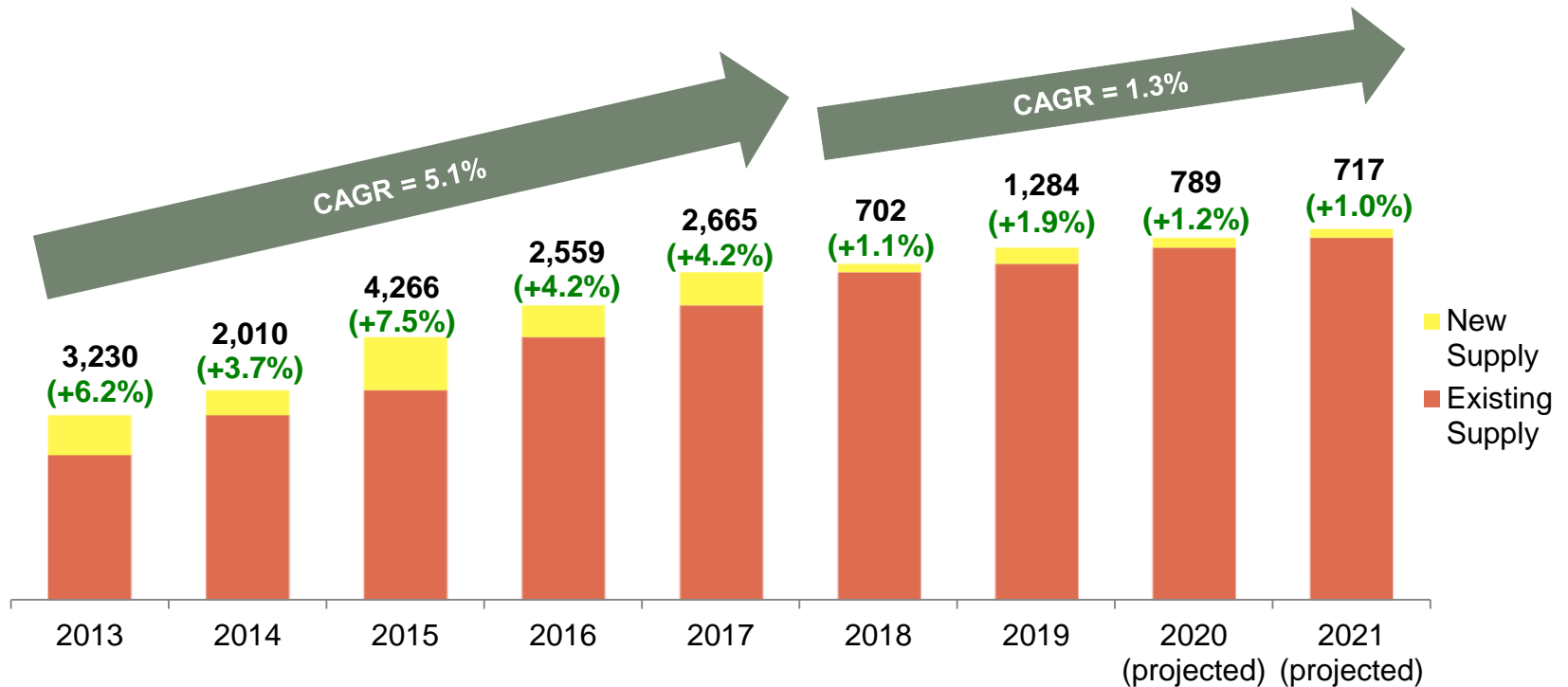


# Historical Visitor Arrivals in Singapore



- Visitor arrivals had grown at a CAGR of 3.5% between 2014 to 2018. In 2018 alone, arrivals had increased by 6.2% year-on-year.
- In 2019, the growth of visitor arrivals was 3.3% year-on-year to 19.1 million visitors.

# Estimated Hotel Room Supply in Singapore



- New hotel room supply registered a more moderate increase of 1.9% in 2019, as compared to a compound annual growth of 5.1% between 2013 to 2017. Supply is expected to increase by 1.2% in 2020 and 1.0% in 2021.
- Since July 2014, the government had placed a moratorium on the release of new sites for hotel development, until January 2019, when the tender for the site at Club Street was awarded.



# Singapore as a MICE destination in 2020



*(FHA Food & Beverage  
from 31 March to 3 April)*



*(INTA's 142<sup>nd</sup> Annual  
Meeting from 25 to 29 April)*



*(103<sup>rd</sup> Lions Clubs  
International Convention  
from 26 to 30 June)*

**MICE calendar in 2020  
(selected sizeable  
events)**

**Industrial  
Transformation**  
**ASIA-PACIFIC**

*(Industrial  
Transformation  
Asia-Pacific from  
20 to 22 October)*



*(gamescom asia from  
15 to 18 October)*



*(FHA HoReCa from  
13 to 16 July)*





# Transformation of Tourism Landscape

## Sentosa-Brani Masterplan

Pulau Brani and Sentosa will be redeveloped and integrated, and the entire area would include new leisure, recreation and tourism offerings. The first phase ("Sentosa Sensoryscape") is slated for completion in 2022\*.



## Revamp of Orchard Road

The Singapore government announced plans to transform the Orchard Road belt into a vibrant family-friendly lifestyle destination and garden oasis, offering more than just retail.

## Mandai Makeover (2023\*)

Eco-tourism hub with eco-accommodation at Mandai nature precinct, integrating new attractions (Bird Park, Rainforest Park) with the Singapore Zoo, Night Safari & River Safari



\*Opening/Completion dates may be subject to change  
Images from Channelnewsasia, JLD.com, Today Online, The Straits Times, TNP.sg

# Outlook & Prospects

- **Concerns about ongoing COVID-19 virus outbreak would have a short-term impact on demand**
  - Diversified geographic mix of source markets is a mitigating factor for Far East H-Trust's hotels, with each market constituting less than a tenth of portfolio's revenue
  - Serviced residences are not significantly impacted by cancellations, as bulk of business is from long-staying corporate guests
  - Duration of current coronavirus could possibly mirror that of previous similar coronaviruses (e.g. SARS), in which case a recovery from mid-2020 onwards is probable
- **Singapore government and travel industry partners continue initiatives to drive demand**
  - In the short-term, the government plans to provide assistance to the industry to recover from the impact of the COVID-19 crisis
  - In the mid-term, rejuvenation of key tourist attractions such as Sentosa-Brani Masterplan, Mandai Makeover and the Jurong Lake District tourism hub will strengthen Singapore's tourism appeal
- **The REIT Manager will focus on optimising the performance of its portfolio, and expedite asset improvements and refurbishments to prepare for the eventual upturn in the sector**
  - In addition, we continue to explore suitable redevelopment opportunities for our properties, to extract greater yield and achieve better returns



# Details of Distribution

For Period From 1 October to 31 December 2019

<b>Distribution per Stapled Security</b>	0.95 cents
<b>Ex-Date</b>	21 February 2020
<b>Books Closure Date</b>	24 February 2020
<b>Distribution Payment Date</b>	27 March 2020



**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  
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 <sup>2</sup>	3 May 1993	19 Oct 1988	2 June 2011	20 June 1987 <sup>2</sup>	27 Nov 2008	5 June 2000 <sup>2</sup>	30 Dec 2015	
# of Rooms	210	380	256	393	428	388	108	298	314	2,775
Lease Tenure <sup>1</sup>	68 years	58 years	68 years	59 years	85 years	43 years	68 years	64 years	63 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	2,515	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) <sup>1</sup>	127.8	205.8	163.7	232.7	330.0	431.2	82.0	284.1	245.0	2,102.3

<sup>1</sup> As at 31 December 2019

<sup>2</sup> 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 <sup>1</sup>	73 years	74 years	71 years	74 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	2,291	4,588
Master Lessee / Vendor	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) <sup>1</sup>	205.9	62.0	105.3	170.2	543.4

<sup>1</sup> As at 31 December 2019

