



3Q 2014 Results Presentation

7 November 2014

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Results Highlights



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Executive Summary – Performance

	3Q 2014 ¹	3Q 2013	Variance	9M 2014 ¹	9M 2013	Variance
	\$	\$	%	\$	\$	%
Gross Revenue (\$'000)	31,147	31,472	(1.0)	91,439	88,915	2.8
Net Property Income (\$'000)	28,189	28,518	(1.2)	82,374	81,415	1.2
Income Available for Distribution (\$'000)	23,452	24,198	(3.1)	68,636	69,525	(1.3)
Distribution per Stapled Security (cents) ²	1.32	1.41	(6.4)	3.86	4.22	(8.5)

- **Slight decline in gross revenue (\$31.1 million) and net property income (\$28.2 million) in 3Q 2014 as the operating environment remained challenging.**
- **Distribution per stapled security (“DPS”) for 3Q 2014 was 1.32 cents, up from 1.24 cents in the preceding quarter.**

¹The acquisition of Rendezvous Grand Hotel (renamed “Rendezvous Hotel Singapore” (“RHS”)) and Rendezvous Gallery (collectively “Rendezvous Property”) was completed on 1 August 2013. The results of Rendezvous Property for the period of 1 July to 30 September 2014 and 1 January to 30 September 2014 have been included in the 3Q 2014 and 9M 2014 results respectively.

²On 1 August 2013, 148,304,059 new stapled securities were issued to STC International Holdings Pte. Ltd. (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 Property.



Financial Results From 1 July to 30 September 2014

	3Q 2014*	3Q 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Master lease rental	25,285	26,453	(1,168)	(4.4)
Retail and office revenue	5,862	5,019	843	16.8
Gross revenue	31,147	31,472	(325)	(1.0)
Property tax	(2,077)	(1,912)	(165)	(8.6)
Property insurance	(45)	(31)	(14)	(45.2)
MCST contribution	(14)	(11)	(3)	(27.3)
Retail and office expenses	(688)	(884)	196	22.2
Property manager fees	(140)	(112)	(28)	(25.0)
Other property expenses	6	(4)	10	N.M.
Property expenses	(2,958)	(2,954)	(4)	(0.1)
Net property income	28,189	28,518	(329)	(1.2)
REIT Manager's fees	(3,047)	(2,971)	(76)	(2.6)
Trustee's fees	(80)	(76)	(4)	(5.3)
Other trust expenses	(875)	(213)	(662)	(310.8)
Trust level expenses	(4,002)	(3,260)	(742)	(22.8)
Total finance costs	(4,297)	(4,249)	(48)	(1.1)
Net income before tax and fair value changes	19,890	21,009	(1,119)	(5.3)
Fair value change in interest rate swap	3,979	(2,904)	6,883	N.M.
Total return for the period before income tax	23,869	18,105	5,764	31.8

*The acquisition of Rendezvous Property was completed on 1 August 2013. The results of Rendezvous Property for the period of 1 July to 30 September 2014 have been included in the 3Q 2014 results.



Statement of Distribution to Stapled Securityholders

	3Q 2014*	3Q 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	23,869	18,105	5,764	31.8
Income tax expense	-	-	-	-
Total return for the period after income tax	23,869	18,105	5,764	31.8
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in stapled securities	2,743	2,377	366	15.4
Amortisation of debt upfront cost	205	194	11	N.M.
Trustee's fees	80	76	4	5.3
Other Adjustment	(4)	(31)	27	87.1
Amortisation of realised interest rate swap cost	-	573	(573)	N.M.
Fair value change in interest rate swap	(3,979)	2,904	(6,883)	N.M.
Project Sentosa – Professional fee	535	-	535	N.M.
Project Sentosa – Finance cost	3	-	3	N.M.
Net tax adjustment	(417)	6,093	(7,320)	N.M.
Income available for distribution	23,452	24,198	(746)	(3.1)

*The acquisition of Rendezvous Property was completed on 1 August 2013. The results of Rendezvous Property for the period of 1 July to 30 September 2014 have been included in the 3Q 2014 results.

Financial Results From 1 January to 30 September 2014

	9M 2014*	9M 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Master lease rental	73,985	74,643	(658)	(0.9)
Retail and office revenue	17,454	14,272	3,182	22.3
Gross revenue	91,439	88,915	2,524	2.8
Property tax	(6,290)	(5,388)	(902)	(16.7)
Property insurance	(136)	(66)	(70)	(106.1)
MCST contribution	(41)	(34)	(7)	(20.6)
Retail and office expenses	(2,118)	(1,652)	(466)	(28.2)
Property manager fees	(414)	(345)	(69)	(20.0)
Other property expenses	(66)	(15)	(51)	(340.0)
Property expenses	(9,065)	(7,500)	(1,565)	(20.9)
Net property income	82,374	81,415	959	1.2
REIT Manager's fees	(8,985)	(8,384)	(601)	(7.2)
Trustee's fees	(237)	(215)	(22)	(10.2)
Other trust expenses	(1,373)	(439)	(934)	(212.5)
Trust level expenses	(10,595)	(9,038)	(1,557)	(17.2)
Total finance costs	(12,737)	(10,891)	(1,846)	(16.9)
Net income before tax and fair value changes	59,042	61,486	(2,444)	(4.0)
Fair value change in interest rate swap	297	6,693	(6,396)	(95.6)
Total return for the period before income tax	59,339	68,179	(8,840)	(13.0)

*The acquisition of Rendezvous Property was completed on 1 August 2013. The results of Rendezvous Property for the period of 1 January to 30 September 2014 have been included in the 9M 2014 results.



Statement of Distribution to Stapled Securityholders

	9M 2014*	9M 2013	Variance	Change +/-
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	59,339	68,179	(8,840)	(13.0)
Income tax expense	-	-	-	-
Total return for the period after income tax	59,339	68,179	(8,840)	(13.0)
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in stapled securities	8,087	6,707	1,380	20.6
Amortisation of debt upfront cost	609	532	77	14.5
Trustee's fees	237	215	22	10.2
Other Adjustment	123	12	111	925.0
Amortisation of realised interest rate swap cost	-	573	(573)	N.M.
Fair value change in interest rate swap	(297)	(6,693)	6,396	95.6
Project Sentosa – Professional fee	535	-	535	N.M.
Project Sentosa – Finance cost	3	-	3	N.M.
Net tax adjustment	9,297	1,346	7,951	590.7
Income available for distribution	68,636	69,525	(889)	(1.3)

*The acquisition of Rendezvous Property was completed on 1 August 2013. The results of Rendezvous Property for the period of 1 January to 30 September 2014 have been included in the 9M 2014 results.

Details of Distribution

For Period From 1 July to 30 September 2014

Distribution per Stapled Security	1.32 cents
Ex-Date	13 November 2014
Books Closure Date	17 November 2014
Distribution Payment Date	10 December 2014



Portfolio Performance



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Portfolio Performance – Key Highlights for 3Q 2014

Hotels

- **The average occupancy of the hotel portfolio increased 0.8pp year-on-year to 87.1% in 3Q 2014.** The average occupancy in 3Q 2014 was an improvement over the average occupancy in the two preceding quarters.
- **The average daily rate (“ADR”) of \$183 was a 4.8% decrease from the previous year .** Given the more challenging environment, the hotels took in more group business to boost occupancy.
- **Revenue per available room (“RevPAR”) decreased 3.9% year-on-year to \$160 in 3Q 2014.**



Portfolio Performance – Key Highlights for 3Q 2014

Serviced Residences

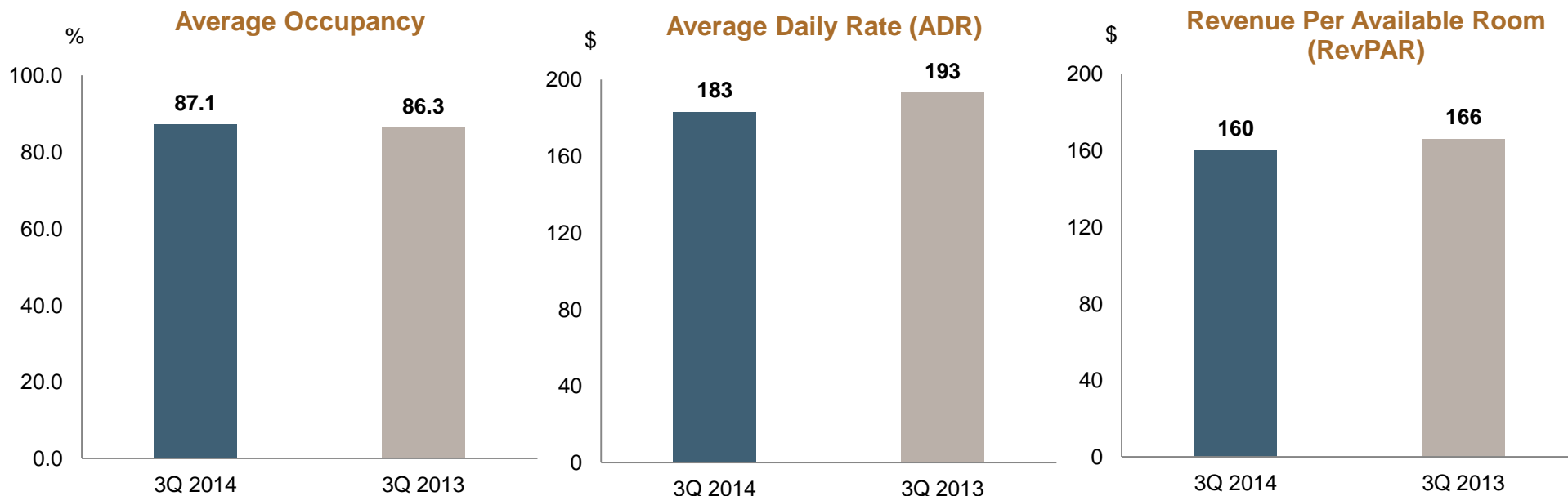
- **Revenue per available unit (“RevPAU”) of \$230 in 3Q 2014 was a marginal increase of 0.3% year-on-year** due to a 2.0pp increase in occupancy over last year. The larger contribution from longer stay business at the serviced residences helped to improve the occupancy to compensate for the drop in rates.

Excluded Commercial Premises

- **Revenue from the excluded commercial premises (i.e. retail and office spaces) grew 16.8% to \$5.0 million in 3Q 2014**, providing a steady income stream to the Trust.



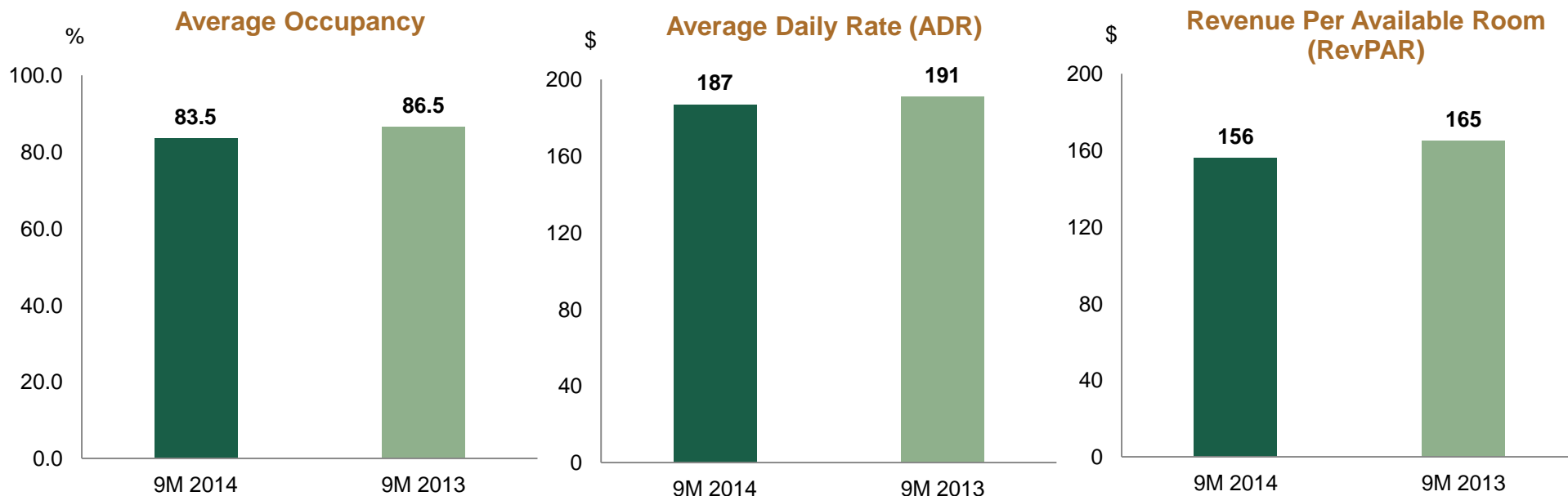
Portfolio Performance 3Q 2014 - Hotels



	3Q 2014	3Q 2013	Variance
Average Occupancy (%)	87.1	86.3	0.8pp
ADR (\$)	183	193	(4.8%)
RevPAR(\$)	160	166	(3.9%)



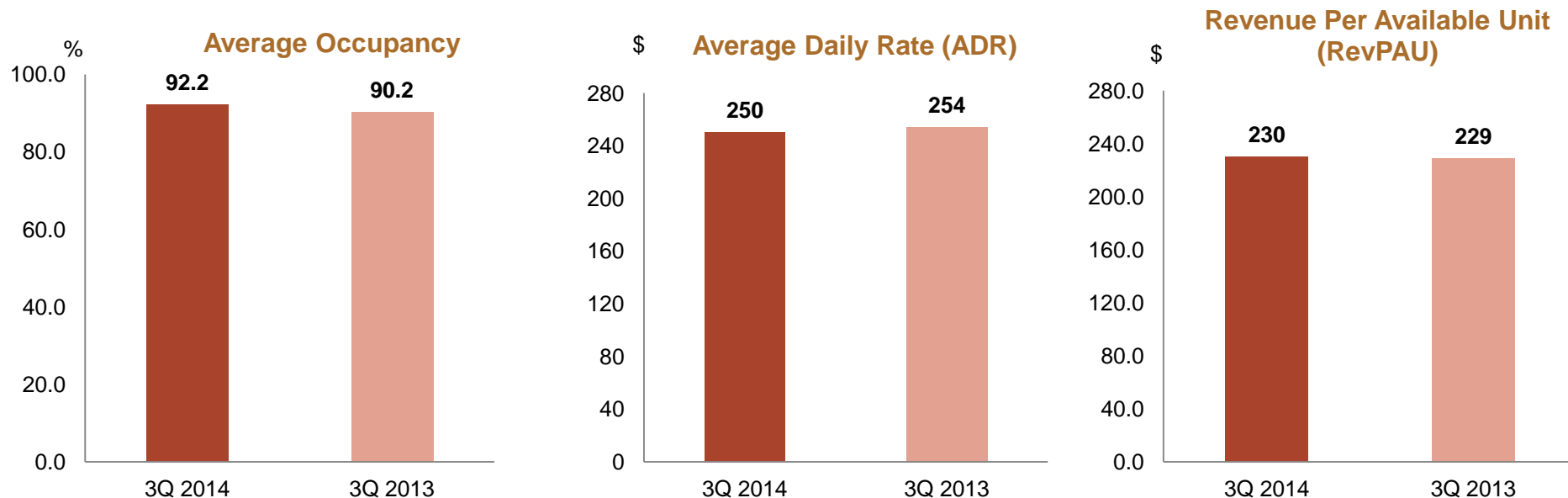
Portfolio Performance 9M 2014 - Hotels



	9M 2014	9M 2013	Variance
Average Occupancy (%)	83.5	86.5	(2.9pp)
ADR (\$)	187	191	(2.0%)
RevPAR(\$)	156	165	(5.3%)



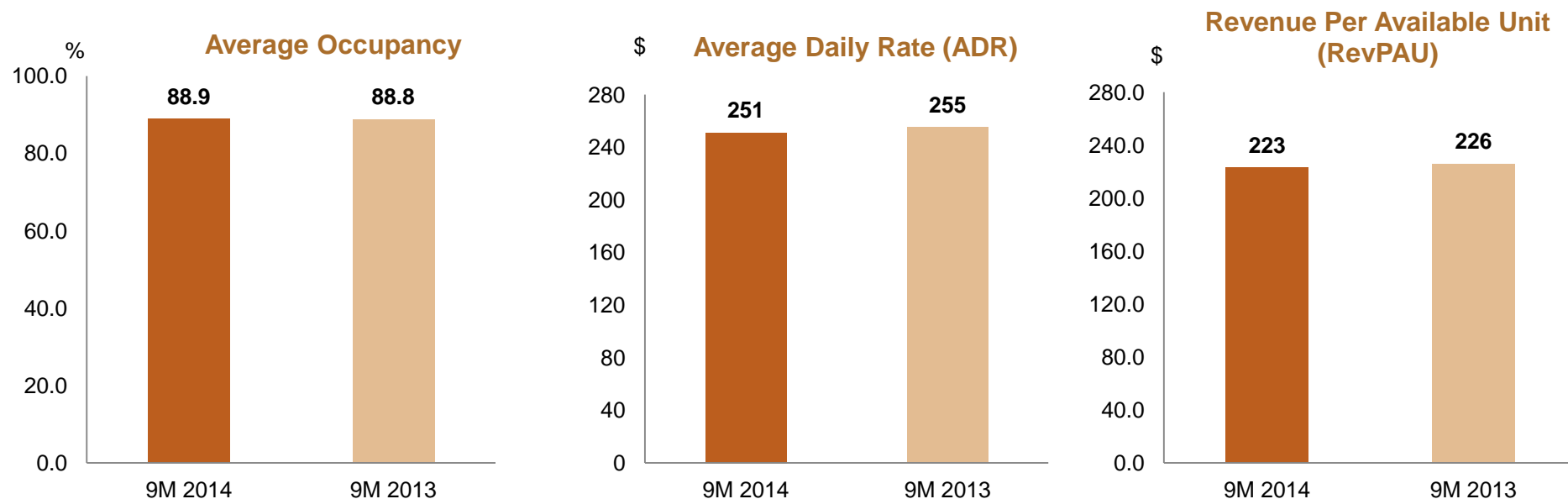
Portfolio Performance 3Q 2014 – Serviced Residences



	3Q 2014	3Q 2013	Variance
Average Occupancy (%)	92.2	90.2	2.0pp
ADR (\$)	250	254	(1.9%)
RevPAU (\$)	230	229	0.3%



Portfolio Performance 9M 2014 – Serviced Residences

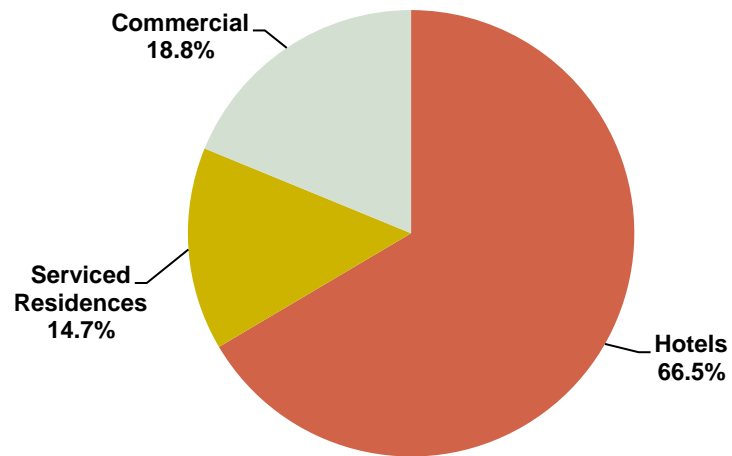


	9M 2014	9M 2013	Variance
Average Occupancy (%)	88.9	88.8	0.1pp
ADR (\$)	251	255	(1.5%)
RevPAU (\$)	223	226	(1.4%)

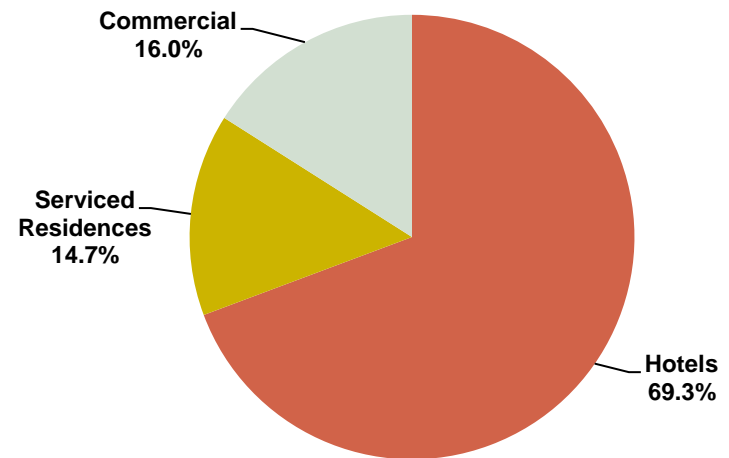


Breakdown of Gross Revenue – Total Portfolio

3Q 2014

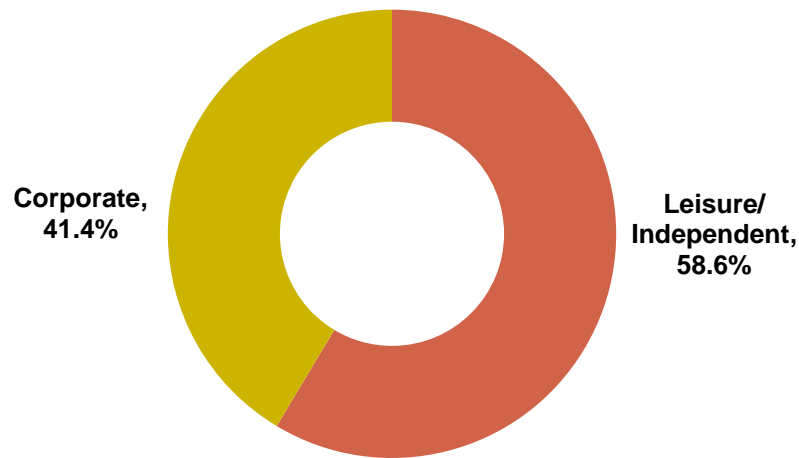


3Q 2013

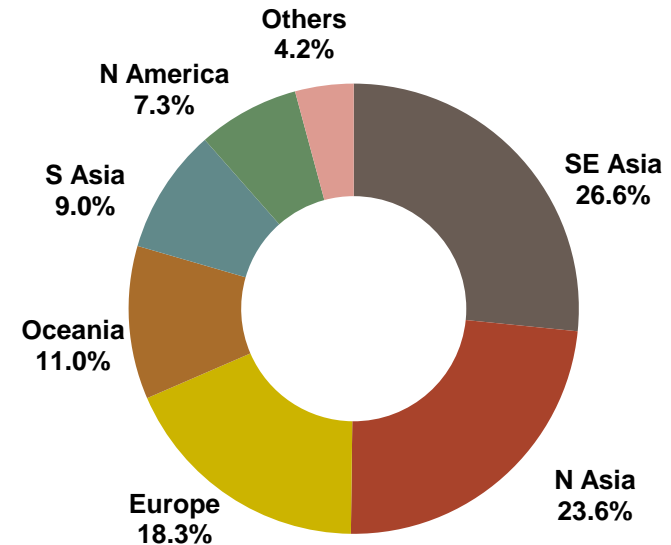


Market Segmentation 3Q 2014 - Hotels

Hotels (by Revenue)



Hotels (by Region)

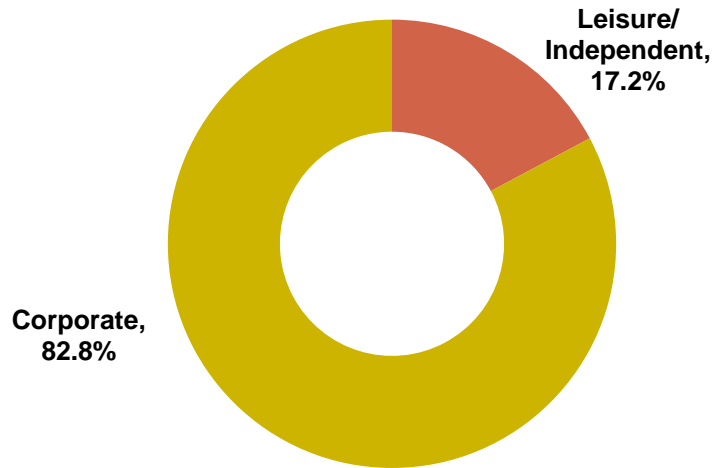


- The corporate segment contributed 41.4% of 3Q 2014 hotel revenue as companies remained cautious in their travel expenditure.
- Contribution from North Asia increased from the previous year.

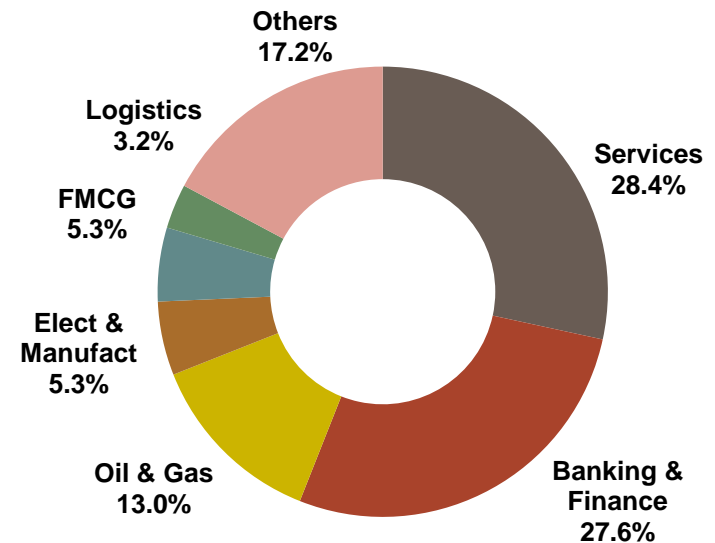


Market Segmentation 3Q 2014 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- Contribution from the corporate segment remained healthy, making up 82.8% of revenue for serviced residences in 3Q 2014.
- Guest profile by industry remained relatively unchanged for the serviced residences.



Asset Enhancement Initiatives



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Asset Enhancement Initiatives – Completed in Aug 2014

Regency House

before



**Refurbishment of
41 studio apartments**

after



Asset Enhancement Initiatives – Completed in Aug 2014

Regency House

before



after



**Refurbishment of
41 studio apartments**



Asset Enhancement Initiatives – Completed in Sep 2014

Village Hotel Changi

before



after



Refurbishment of 303 rooms completed

Additional enhancement works will be carried out for the common facilities over the next few months



Joint Venture with Far East Organization – Hotel Development in Sentosa



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Outpost Hotel Sentosa & Village Hotel Sentosa



Joint Venture with Far East Organization

- Far East H-REIT to invest in 30% interest
- Integrated development comprising 2 hotels with 850 keys
- Outpost Hotel Sentosa – Upscale
Village Hotel Sentosa – Mid-tier
- 60-year leasehold interest from 7 March 2014
- Land area – Approx 45,000 sqm (484,400 sqft)
Maximum permissible GFA - Approx 36,000 sqm (387,500 sqft)
- Expected to complete in 2018
- Far East H-REIT's agreed proportion of project-related costs is approx \$133.1 million (of a total estimated cost of \$443.8 million)
- Far East H-REIT entitled to purchase remaining 70% of the development should a sale be contemplated by the Sponsor

Investment Merits

- 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 Far East Organization's Development Expertise**



For more information, please refer to the announcement on 22 September 2014

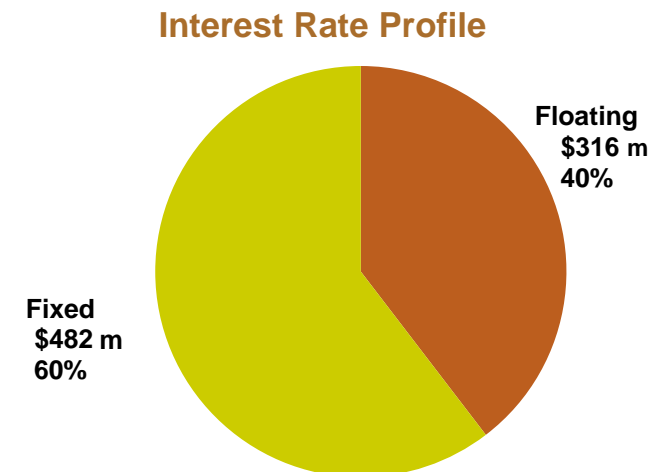
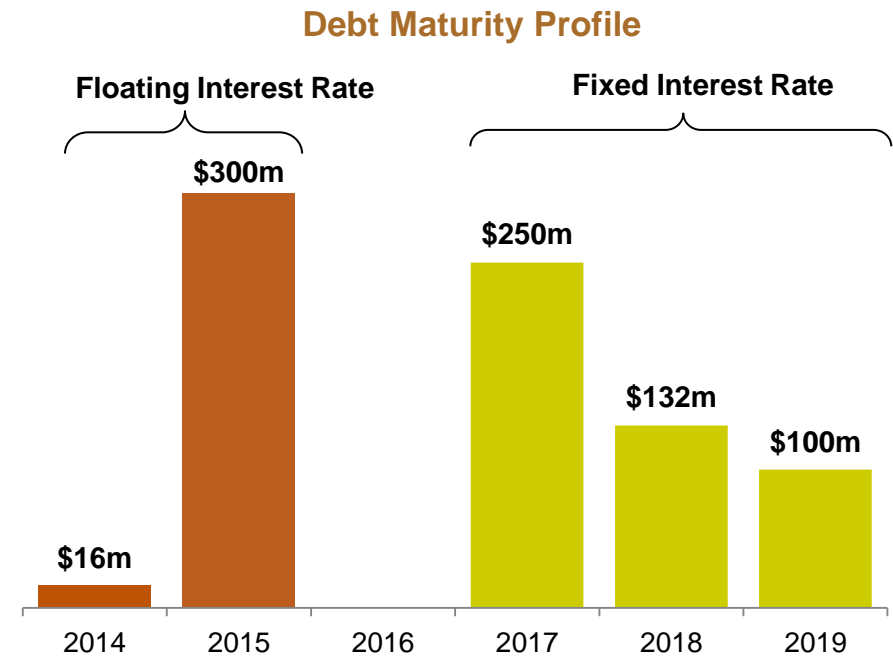


Capital Management



Capital Management

Total debt	\$798 m
Available revolving facility	\$59 m
Gearing ratio	31.4%
Unencumbered asset as % total asset	100%
Proportion of fixed rate	60%
Weighted average debt maturity	2.5 years
Average cost of debt	2.2%



Market Comparison and Portfolio Outlook



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Market Environment

- **Singapore Economy**

- 3Q 2014

- Singapore economy grew by 2.4% year-on-year, the same pace of growth as the preceding quarter
 - 2014
 - GDP growth forecast narrowed to 2.5 – 3.5% from the previous range of 2 – 4%
 - Economy expected to grow at a modest pace as labour-intensive sectors may be weighed down by labour constraints
 - Externally oriented sectors to drive Singapore's growth in the second half of 2014

- **Singapore Hospitality Market**

- Jul – Sep 2014

- According to STB, RevPAR across all hotel segments decreased by 0.2% year-on-year
 - RevPAR of upscale and mid-tier hotels grew by 2.1% and fell by 4.7% year-on-year respectively

Sources :

Ministry of Trade and Industry, "Singapore's GDP Grew 2.4 Per Cent in the Third Quarter of 2014", 14 Oct 2014

Ministry of Trade and Industry, "2014 GDP Growth Forecast is Narrowed to 2.5 to 3.5 Per Cent", 12 Aug 2014

Singapore Tourism Board, Hotel Statistics (Preliminary), 3 Nov 2014



Transformation of Tourism Landscape – New & Upcoming Developments & Events



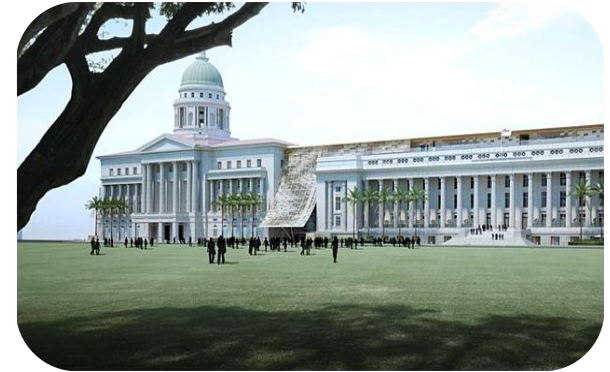
Madame Tussauds Singapore (Open)

World-famous wax museum with
10 themed interactive zones



Singapore - Voted Lonely Planet's No. 1 Destination for 2015

as Singapore celebrates
its 50th anniversary



National Gallery Singapore (2015*)

The largest gallery to showcase
Singaporean and Southeast Asian arts



KidZania (2015*)

The World's fastest growing entertainment
centre for children, opening at Sentosa Island



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

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



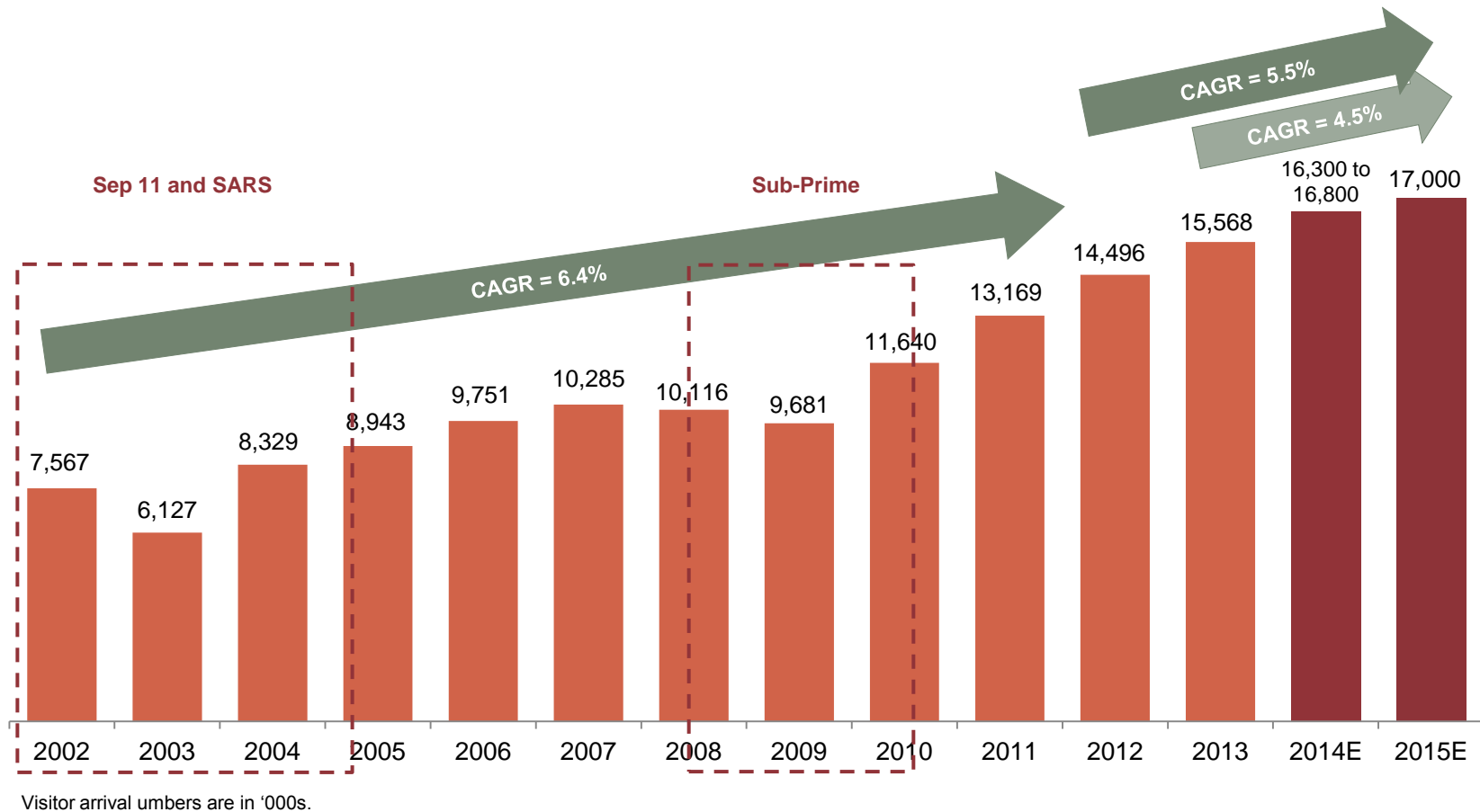
Novena Health City (2018*)

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

*Opening Dates may be subject to change

Images from Madame Tussauds Singapore, ST File Photos, National Gallery, KidZania, Today Online and URA websites

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)

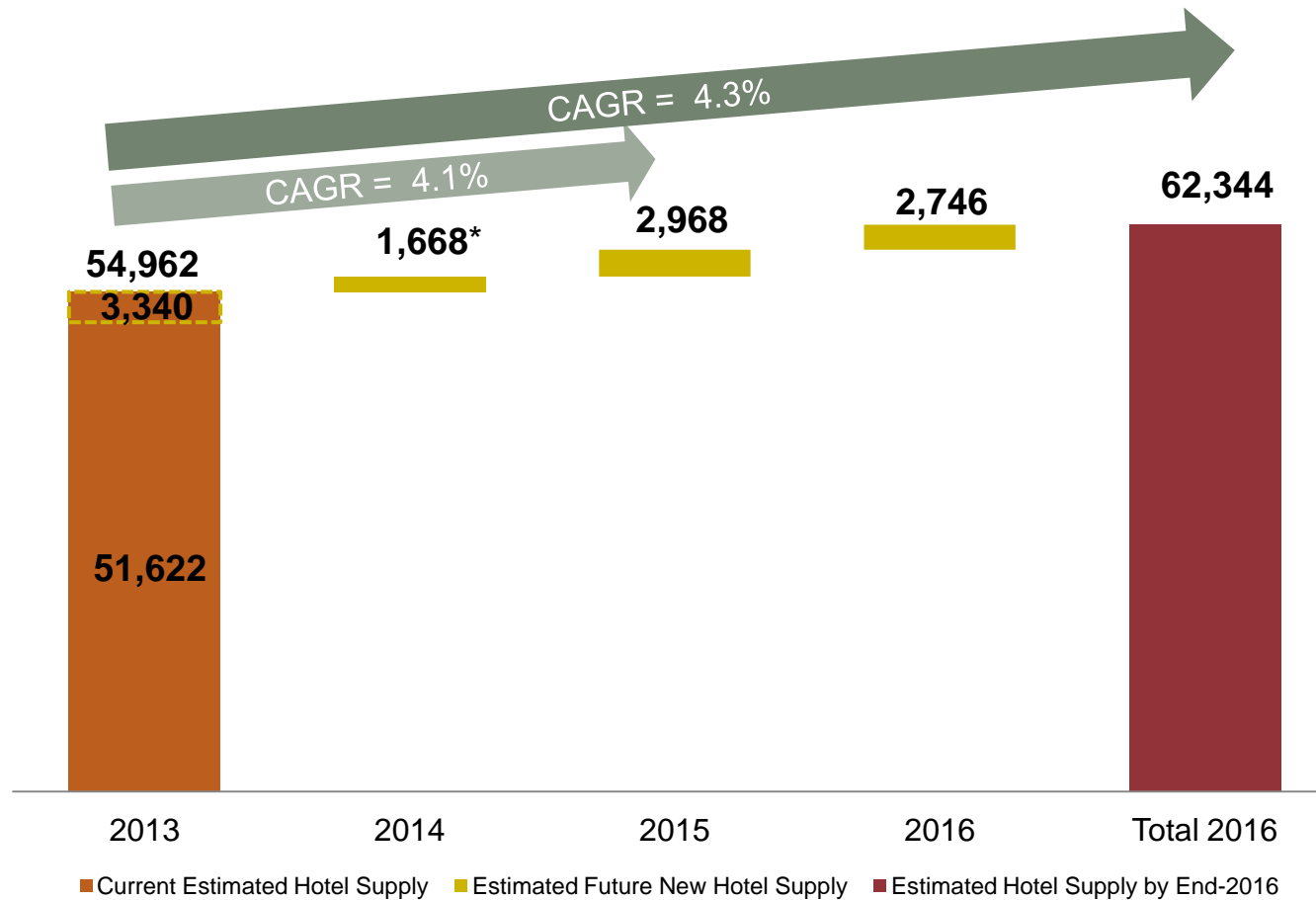
Singapore Tourism Board, International Visitor Arrivals Statistics, 10 Dec 2013 (2012 visitor arrivals) and 3 May 2014 (2013 visitor arrivals)

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)



Hotel Room Supply in Singapore



- Hotel supply expected to increase at a CAGR of 4.3% from 2013 to 2016
- No hotel sites introduced in 2014 Government Land Sales (GLS) programme
- Urban Redevelopment Authority (URA) to tighten approvals for applications for new hotels, backpackers' hostels or boarding houses on sites that are not zoned or permitted for hotel use

* Includes 223-room Gallery Hotel and 30-room Sofitel Sentosa Resort & Spa which have been closed for refurbishment
Sources : Jones Lang LaSalle report issued as at March 2014 and Far East H-Trust's compilation
Urban Redevelopment Authority, Second Half 2014 Government Land Sales (GLS) Programme, 10 Jun 2014
Channel News Asia, New hotels cannot be built on non-designated sites: URA, 7 Jul 2014



Outlook & Prospects

- **Near term operating environment still challenging:**
 - Slower visitor arrivals as global economic growth remains uncertain
 - Approximately 3,000 new hotel rooms expected to be added to the Singapore market in 2015¹
 - Strength of Singapore Dollar
- **Longer term outlook remains positive:**
 - Continuous strengthening of Singapore as a regional hub for business and leisure destination
 - Enhancement of tourism landscape and infrastructure, such as the opening of the Singapore Sports Hub and various new attractions
 - Joint venture in Sentosa hotel development and asset enhancement initiatives to drive longer term growth

(1) Jones Lang LaSalle report issued as at March 2014 and Far East H-Trust's compilation



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	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