



Presentation at 3rd Annual General Meeting

21 April 2015

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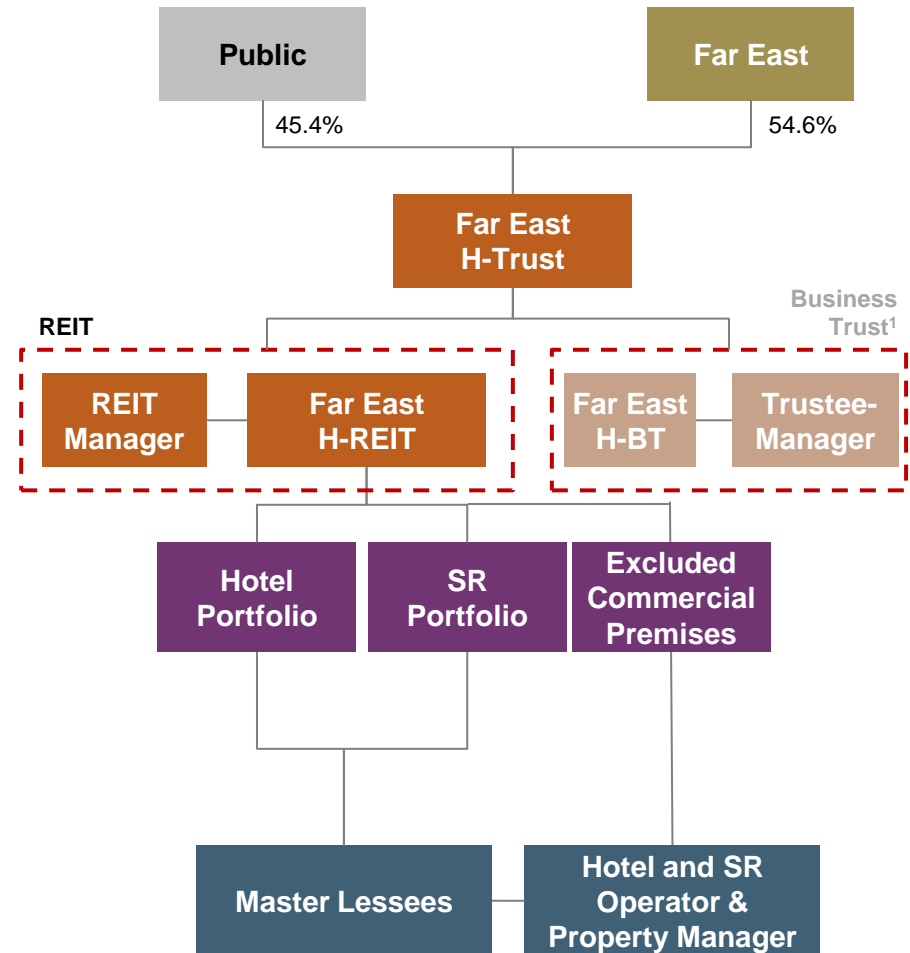


About Far East Hospitality Trust



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\$2.48 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

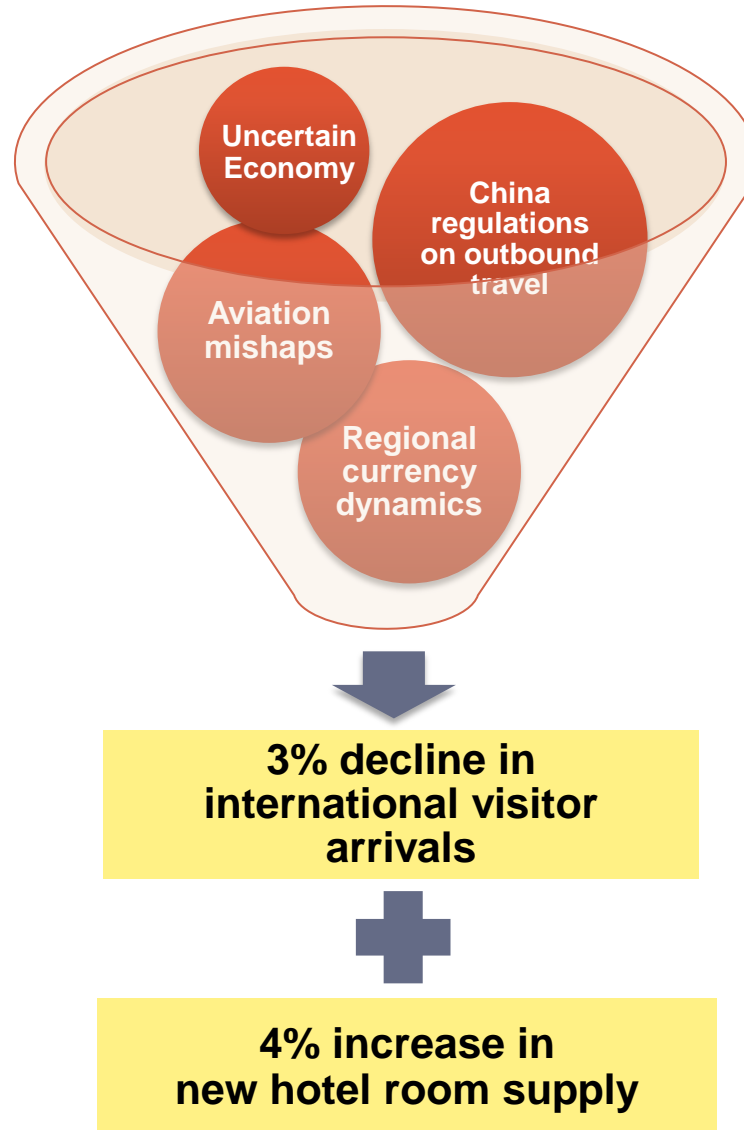


¹ Dormant at Listing Date and master lessee of last resort

Year in Review



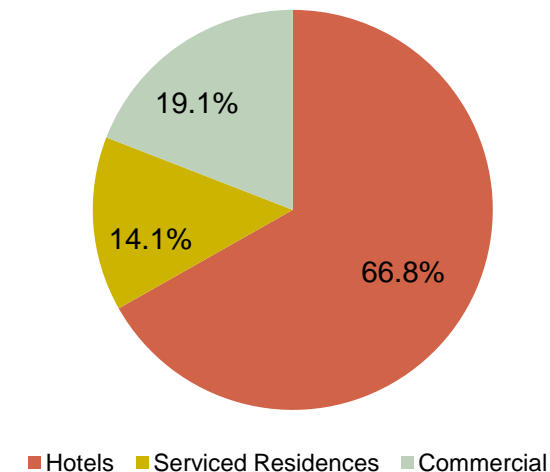
Executive Summary – Operating Environment



Executive Summary – Performance vs LY

	FY 2014	FY 2013 ¹	Variance
	\$	\$	%
Gross Revenue (\$'000)	121,719	122,478	(0.6)
Net Property Income (\$'000)	110,026	111,878	(1.7)
Income Available for Distribution (\$'000)	91,494	94,597	(3.3)
Distribution per Stapled Security (cents) ²	5.14	5.64	(8.9)

Actual FY 2014
Breakdown by Revenue



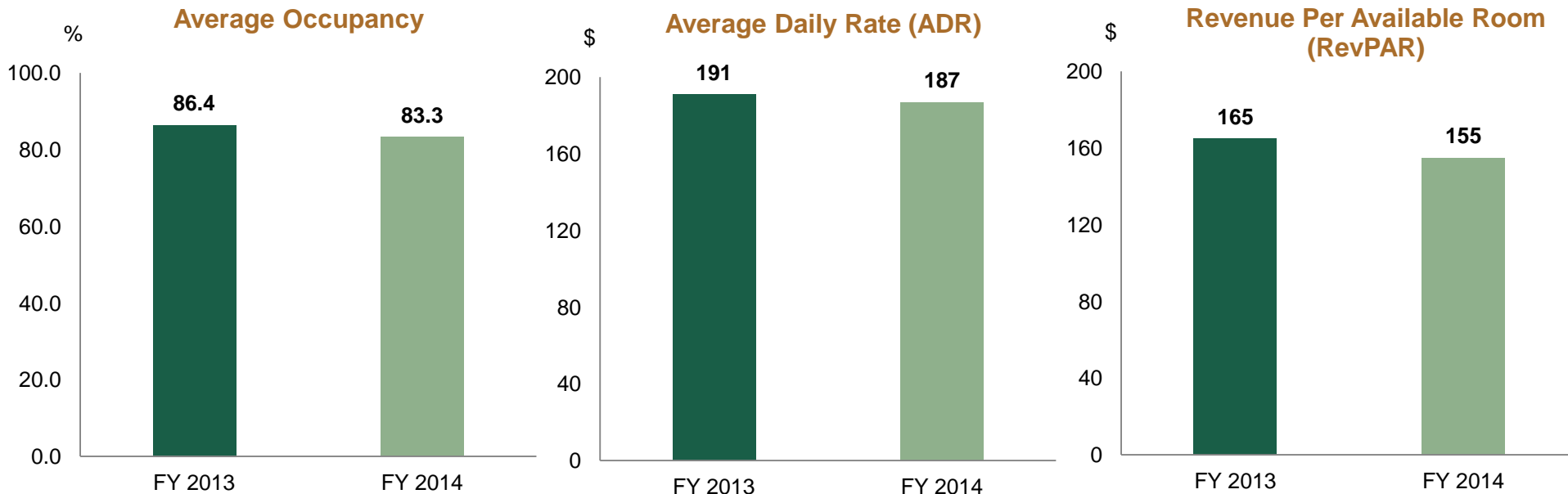
- **Gross revenue decreased to \$121.7 million in FY 2014 as the operating environment remained challenging.**
- **Revenue from the excluded commercial premises (i.e. retail and office spaces) rose 17.4% year-on-year to \$23.2 million in FY 2014, which helped to cushion the lower contribution from the hotels and serviced residences.**
- **Distribution per stapled security (“DPS”) was 5.14 cents in FY 2014.**

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 August to 31 December 2013 have been included in the FY 2013 results.

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.



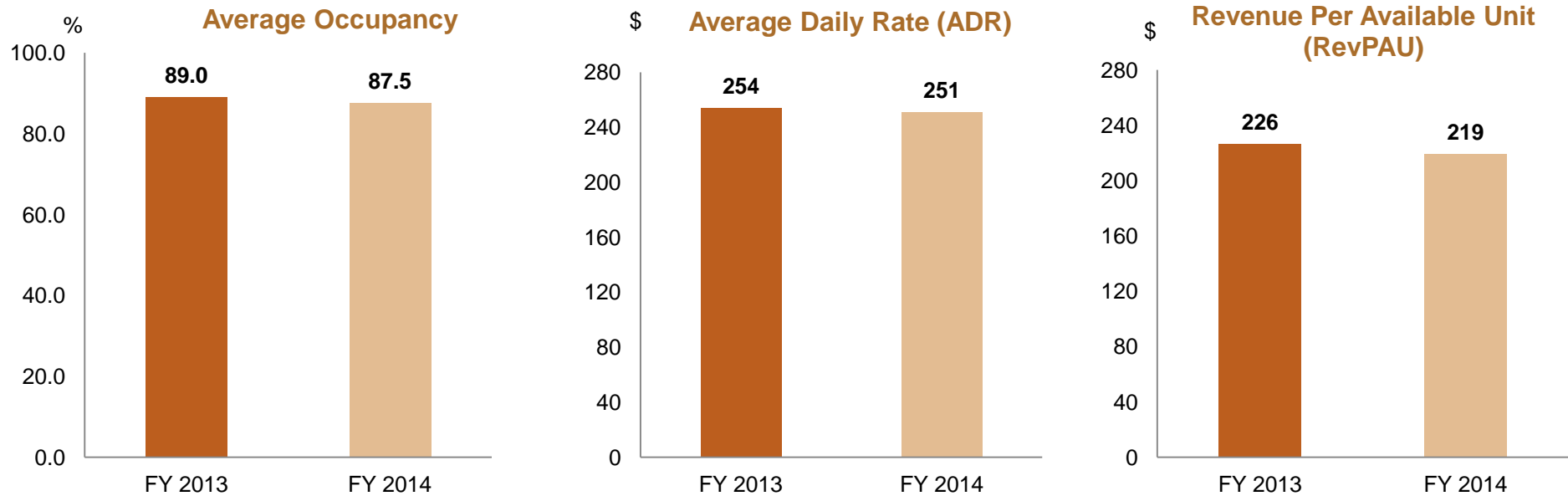
Portfolio Performance FY 2014 - Hotels



- **The average occupancy of the hotel portfolio was 3.1pp lower year-on-year at 83.3% and the ADR was 2.5% lower year-on-year at \$187 in FY 2014.** A host of factors including the regulation on outbound travel in China, regional currency dynamics, aviation mishaps and geopolitical events negatively affected the visitor arrivals into Singapore. This decline in visitorship to Singapore coupled with an increase in supply of hotel rooms placed competitive pressure on both occupancy and ADR.
- **RevPAR decreased 6.0% year-on-year to \$155 in FY 2014.**



Portfolio Performance FY 2014 – Serviced Residences



- **The average occupancy for the serviced residences was 1.5pp lower year-on-year at 87.5% and the ADR was 1.4% lower year-on-year at \$251.** The serviced residences were challenged as a decrease in project groups resulted in greater dependence on individual bookings.
- **RevPAU was \$219 in FY 2014, 3.1% lower year-on-year.**



Investment & Asset Enhancement



Development with Sponsor – Outpost Hotel Sentosa & Village Hotel Sentosa



Joint Venture with Far East Organization

- Far East H-REIT holds a 30% interest
- Integrated development comprising 2 hotels
- 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



Development with Sponsor – Outpost Hotel Sentosa & Village Hotel Sentosa

- 1 Exclusive Opportunity to Enter into the Development at 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



Development with Sponsor – Outpost Hotel Sentosa & Village Hotel Sentosa



**Joint venture parties with counterparts from
Sentosa Development Corporation and project consultants**



Driving the first pile into the ground



Asset Enhancement Initiatives – Completed in Jun 2014

Village Hotel Albert Court

before



after



Upgrade of 136 Superior and Deluxe Rooms and all corridors



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

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



2015 Asset Enhancement Plan

Village Residence Robertson Quay

Extension of
outdoor
refreshment area

Targeted to
complete by
2Q 2015

Village Hotel Changi

Soft
refurbishment of
club & suite
rooms and
meeting areas

Targeted to
complete by
4Q 2015

Regency House

Refurbishment of
2 and 3-bedroom
units

Targeted to
complete by
1Q 2016

Village Hotel Albert Court

Change of aircon
chiller system

Completed in
1Q 2015



Asset Enhancement Initiatives – Completed in Feb 2015

Village Hotel Albert Court



BCA GREEN MARK

Platinum

Replacement of old chillers with new chiller plant system with improved efficiency

Village Hotel Albert Court awarded BCA Green Mark Platinum certification for its energy and water saving initiatives

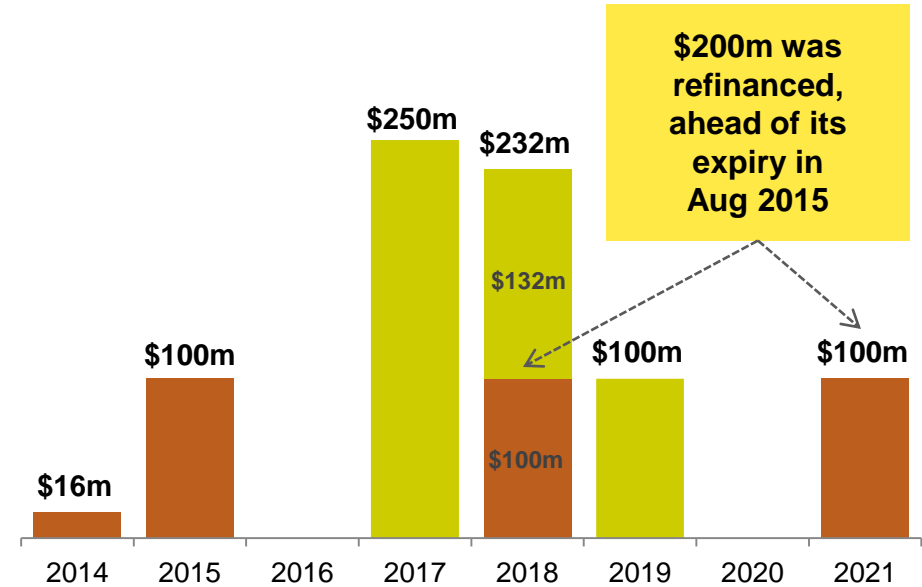


Capital Management

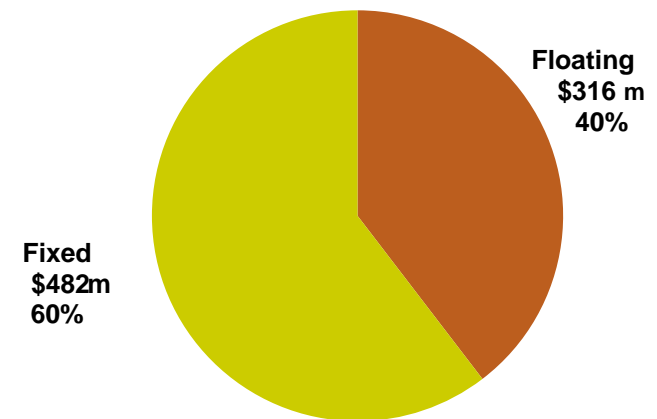
As at 31 December 2014

Total debt	\$798 m
Available revolving facility	\$84 m
Gearing ratio	31.4%
Unencumbered asset as % total asset	100%
Proportion of fixed rate	60%
Weighted average debt maturity	3.5 years
Average cost of debt	2.2%

Debt Maturity Profile



Interest Rate Profile



Sector Outlook



Ramp Up in Marketing Efforts

- \$20 million global campaign
- To attract visitors with flight and hotel deals, retail offerings as well as entertainment options
- Target key markets such as Indonesia, China and India
- Growth segments include incentive travel, cruises and learning travel



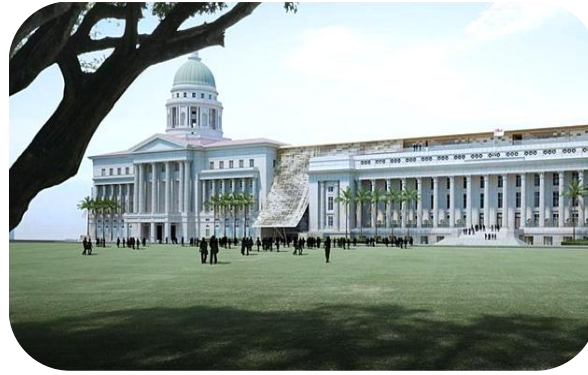
- \$35 million joint investment in marketing initiatives
- To jointly market Singapore and Changi Airport globally
- Deepen marketing efforts across Asia Pacific



Transformation of Tourism Landscape – New & Upcoming Developments & Events



**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



Mandai Makeover (2020*)
A wildlife and nature heritage project,
integrating new attractions with the Singapore
Zoo, Night Safari and River Safari

Major Sporting Events in 2015/2016



5-16 June 2015



Junior Championships: 25-30 August 2015
World Cup: 3-4 October 2015



18-20 September 2015



23 October – 1 November 2015



3-9 December 2015



April 2016



Outlook & Prospects

Outlook for 2015

- **Operating landscape to remain competitive**
 - Supply of more than 3,000 new hotel rooms¹
 - Potential softness in demand for accommodation
- **Potential growth in visitor arrivals**
 - Major events such as 2015 Southeast Asian Games and Interpol World 2015
 - New attractions such as Singapore Pinacothèque de Paris and the National Gallery Singapore
 - Possible improvement in visitorship from China
 - Singapore Tourism Board to launch \$20 million global marketing campaign

Long-Term Outlook

- **Singapore as a preferred destination for business and leisure travel**
 - Rejuvenation of existing tourism offerings such as the Mandai precinct and facelift of Sentosa
 - Strengthening of tourism infrastructure and upgrading of MICE capabilities

¹CBRE report issued as at March 2015 and Far East H-Trust's compilation



Other Corporate Updates



Community Involvement



Bare Your Sole 2014

A record of about 5,000 participants supported the annual walkathon at Gardens by the Bay



Christmas on Orchard

Members of the Buona Vista Senior Citizen Centre after a heartfelt dinner and Christmas on Orchard Road



Thank You

