



3Q 2015 Results Presentation

3 November 2015

Results Highlights



Executive Summary – Performance vs LY

	3Q 2015	3Q 2014	Variance	9M 2015	9M 2014	Variance
	\$	\$	%	\$	\$	%
Gross Revenue (\$'000)	29,655	31,147	(4.8)	85,766	91,439	(6.2)
Net Property Income (\$'000)	26,894	28,189	(4.6)	77,368	82,374	(6.1)
Income Available for Distribution (\$'000)	21,565	23,452	(8.0)	61,573	68,637	(10.3)
Distribution per Stapled Security (cents)	1.20	1.32	(9.1)	3.43	3.86	(11.1)

- **Gross revenue in 3Q 2015 was 4.8% lower compared to S\$31.1 million in 3Q 2014 primarily due to softer hotel and SR performance which in turn reduced the Gross Revenue.**
- **The lower income available for distribution was partly due to the increase in finance costs as short term interest rates had risen considerably in 3Q 2015 as compared to last year.**
- **Distribution per stapled security (“DPS”) was 1.20 cents for 3Q 2015.**



Financial Results From 1 July to 30 September 2015

	3Q 2015	3Q 2014	Variance	Better/(Worse)
	S\$'000	S\$'000	S\$'000	%
Master lease rental	23,570	25,285	(1,715)	(6.8)
Retail and office revenue	6,085	5,862	223	3.8
Gross revenue	29,655	31,147	(1,492)	(4.8)
Property tax	(1,926)	(2,077)	151	7.3
Property insurance	(34)	(45)	11	24.4
MCST contribution	(16)	(14)	(2)	(14.3)
Retail and office expenses	(655)	(688)	33	4.8
Property manager fees	(111)	(140)	29	20.7
Other property expenses	(19)	6	N.M.	N.M.
Property expenses	(2,761)	(2,958)	197	6.7
Net property income	26,894	28,189	(1,295)	(4.6)
REIT Manager's fees	(3,002)	(3,047)	45	1.5
Trustee's fees	(80)	(80)	0	-
Other trust expenses	(250)	(875)	625	71.4
Trust level expenses	(3,332)	(4,002)	670	16.7
Total finance costs	(5,184)	(4,297)	(887)	(20.6)
Share of results of joint venture	(40)	-	(40)	N.M.
Net income before tax and fair value changes	18,338	19,890	(1,552)	(7.8)
Fair value change in interest rate swap	2,778	3,979	(1,201)	(30.2)
Total return for the period before income tax	21,116	23,869	(2,753)	(11.5)



Statement of Distribution to Stapled Securityholders

	3Q 2015	3Q 2014	Variance	Better/(Worse)
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	21,116	23,869	(2,753)	(11.5)
Income tax expense	-	-	-	-
Total return for the period after income tax	21,116	23,869	(2,753)	(11.5)
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in Stapled Securities	2,701	2,743	(42)	(1.5)
Amortisation of debt upfront cost	186	205	(19)	(9.3)
Trustee's fees	80	80	-	-
Share of results of joint venture	40	-	40	N.M.
Other Adjustments	110	534	(424)	(79.4)
Fair value change in interest rate swap	(2,778)	(3,979)	1,201	30.2
Net tax adjustment	339	(417)	756	N.M.
Rollover adjustment	110	0	110	N.M.
Income available for distribution	21,565	23,452	(1,887)	(8.0)



Financial Results From 1 January to 30 September 2015

	9M 2015	9M 2014	Variance	Better/(Worse)
	S\$'000	S\$'000	S\$'000	%
Master lease rental	67,880	73,985	(6,105)	(8.3)
Retail and office revenue	17,886	17,454	432	2.5
Gross revenue	85,766	91,439	(5,673)	(6.2)
Property tax	(5,998)	(6,290)	292	4.6
Property insurance	(102)	(136)	34	25.0
MCST contribution	(49)	(41)	(8)	(19.5)
Retail and office expenses	(1,863)	(2,118)	255	12.0
Property manager fees	(333)	(414)	81	19.6
Other property expenses	(53)	(66)	13	19.7
Property expenses	(8,398)	(9,065)	667	7.4
Net property income	77,368	82,374	(5,006)	(6.1)
REIT Manager's fees	(8,802)	(8,985)	183	2.0
Trustee's fees	(236)	(237)	1	0.4
Other trust expenses	(748)	(1,373)	625	45.5
Trust level expenses	(9,786)	(10,595)	809	7.6
Total finance costs	(15,161)	(12,737)	(2,424)	(19.0)
Share of results of joint venture	(40)	-	(40)	N.M.
Net income before tax and fair value changes	52,381	59,042	(6,661)	(11.3)
Fair value change in interest rate swap	4,335	297	4,038	N.M.
Total return for the period before income tax	56,716	59,339	(2,623)	(4.4)



Statement of Distribution to Stapled Securityholders

	9M 2015	9M 2014	Variance	Better/(Worse)
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	56,716	59,339	(2,624)	(4.4)
Income tax expense	-	-	-	-
Total return for the period after income tax	56,716	59,339	(2,624)	(4.4)
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in Stapled Securities	7,921	8,087	(166)	(2.1)
Amortisation of debt upfront cost	564	609	(45)	(7.4)
Trustee's fees	236	237	(1)	(0.4)
Share of results of joint venture	40	-	40	N.M.
Other Adjustments	320	661	(341)	(51.6)
Fair value change in interest rate swap	(4,335)	(297)	(4,038)	N.M.
Net tax adjustment	4,746	9,297	(4,551)	(49.0)
Rollover adjustment	110	-	110	N.M.
Income available for distribution	61,572	68,636	(7,064)	(10.3)



Details of Distribution

For Period From 1 July to 30 September 2015

Distribution per Stapled Security	1.20 cents
Ex-Date	9 November 2015
Books Closure Date	12 November 2015
Distribution Payment Date	7 December 2015



Portfolio Performance



Market Environment

- **Singapore Economy**

- 3Q 2015

- Singapore economy grew by 1.4% year-on-year in 3Q 2015
 - On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded 0.1% year-on-year, a reversal from the 2.5% contraction in the preceding quarter

- **Singapore Hospitality Market**

- Jul-Aug 2015 (Based on STB figures)

- According to Singapore Tourism Board (“STB”), revenue per available room (“RevPAR”) across all hotel segments decreased by 2.1% year-on-year
 - RevPAR of Upscale and Mid-tier hotels increased by 1.8% and decreased by 2.8% year-on-year respectively

Sources :

Ministry of Trade and Industry, “Singapore’s GDP Growth Moderated in the Third Quarter of 2015”, 14 October 2015
Singapore Tourism Board, Hotel Statistics (Preliminary), 9 Oct 2015



Portfolio Performance – Key Highlights for 3Q 2015

Hotels

- **Both the average daily rate (“ADR”) and revenue per available room (“RevPAR”) of the hotel portfolio in 3Q 2015 declined 6.0% and 5.6% year-on-year respectively while the occupancy rate held steady at 87.4%.** The operating environment for the hotels had remained challenging amidst the softness in corporate travel demand which was impacted by the uncertain global economic climate. This was further exacerbated by the weak leisure demand due in part to the relatively strong Singapore currency and the haze which has persisted since August 2015.

Serviced Residences

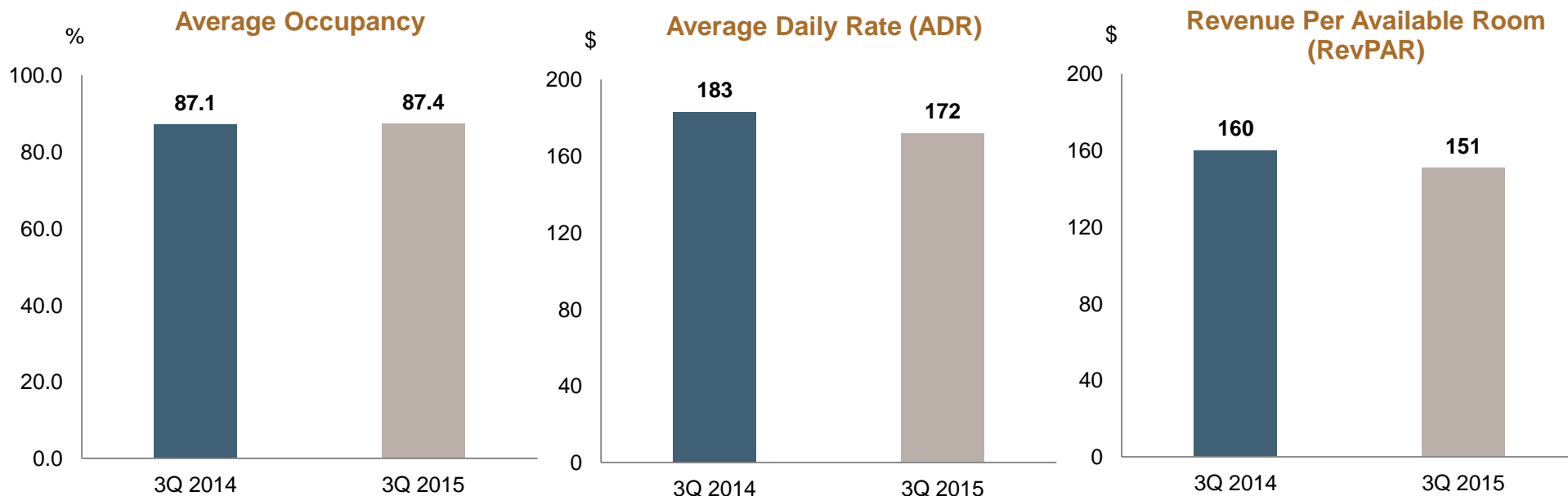
- **The average occupancy and ADR of the serviced residences (“SR”) portfolio in 3Q 2015 were 2.0pp and 7.2% lower respectively year-on-year.** Demand for SR accommodation was soft due primarily to the weaker demand from project groups and lower corporate travel budgets.
- **Revenue per available unit (“RevPAU”) declined 9.2% year-on-year to S\$209 in 3Q 2015.**

Excluded Commercial Premises

- **The excluded commercial premises (i.e. retail and office spaces) continued to provide stability to the portfolio, with revenue of S\$6.1 million, or an increase of 3.8% over the corresponding quarter last year.** Contribution from the retail and office spaces formed 20.5% of the gross revenue of Far East H-Trust in 3Q 2015.



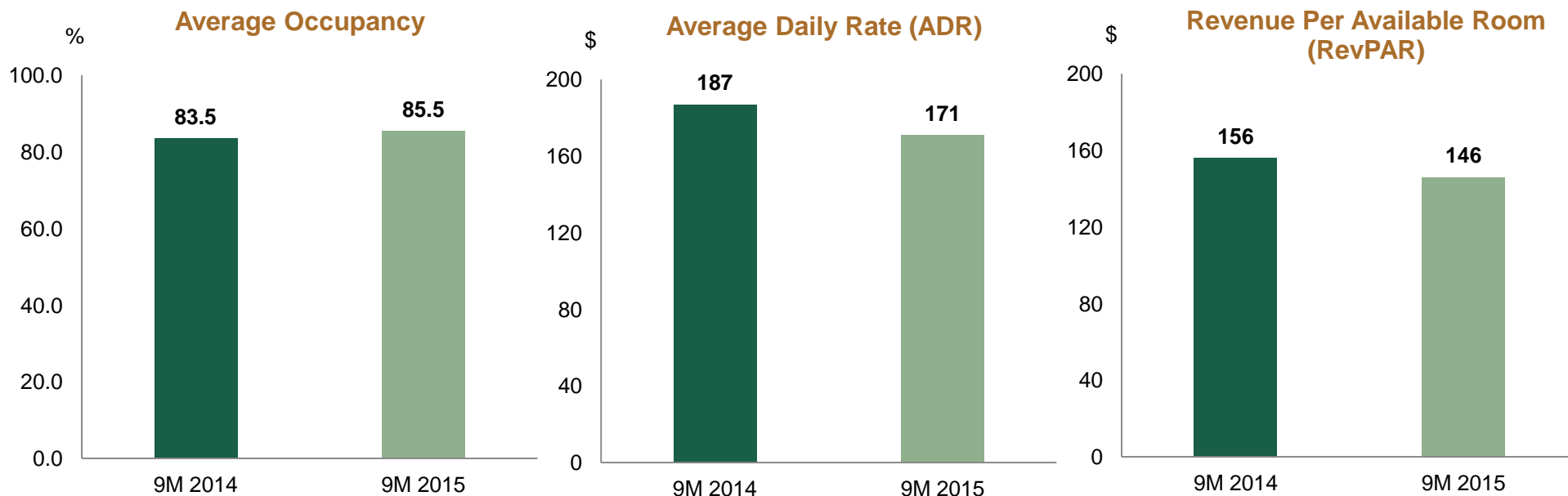
Portfolio Performance 3Q 2015 - Hotels



	3Q 2014	3Q 2015	Variance
Average Occupancy (%)	87.1%	87.4%	0.3pp
ADR (\$)	183	172	(6.0%)
RevPAR(\$)	160	151	(5.6%)



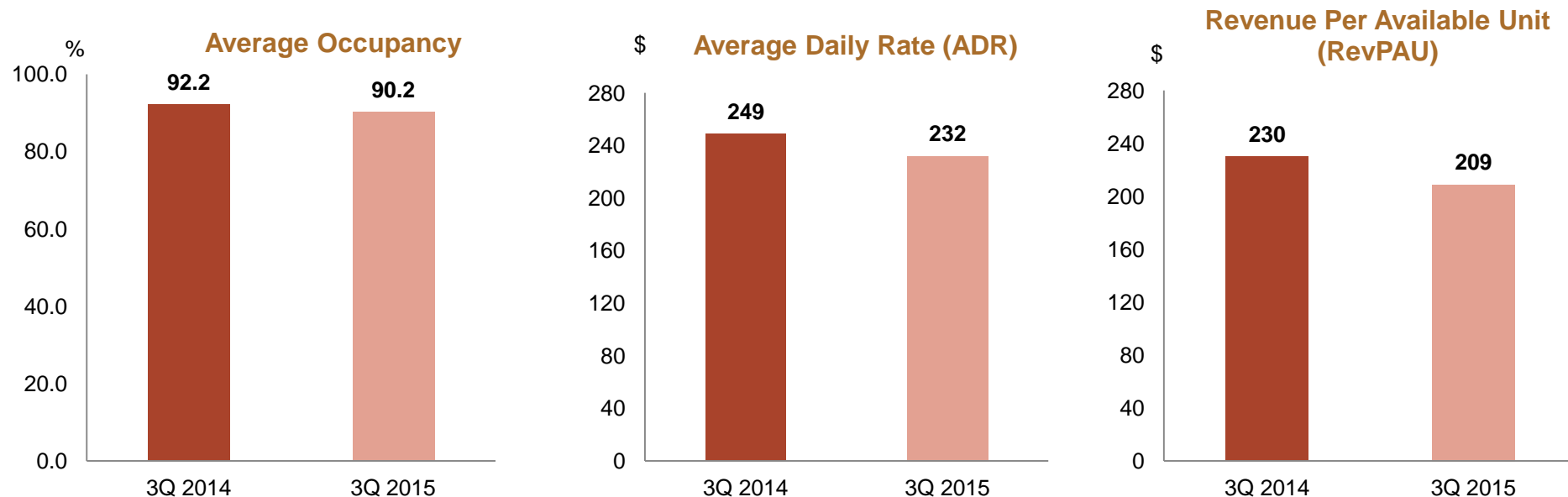
Portfolio Performance 9M 2015 - Hotels



	9M 2014	9M 2015	Variance
Average Occupancy (%)	83.5%	85.5%	1.9pp
ADR (\$)	187	171	(8.5%)
RevPAR(\$)	156	146	(6.3%)



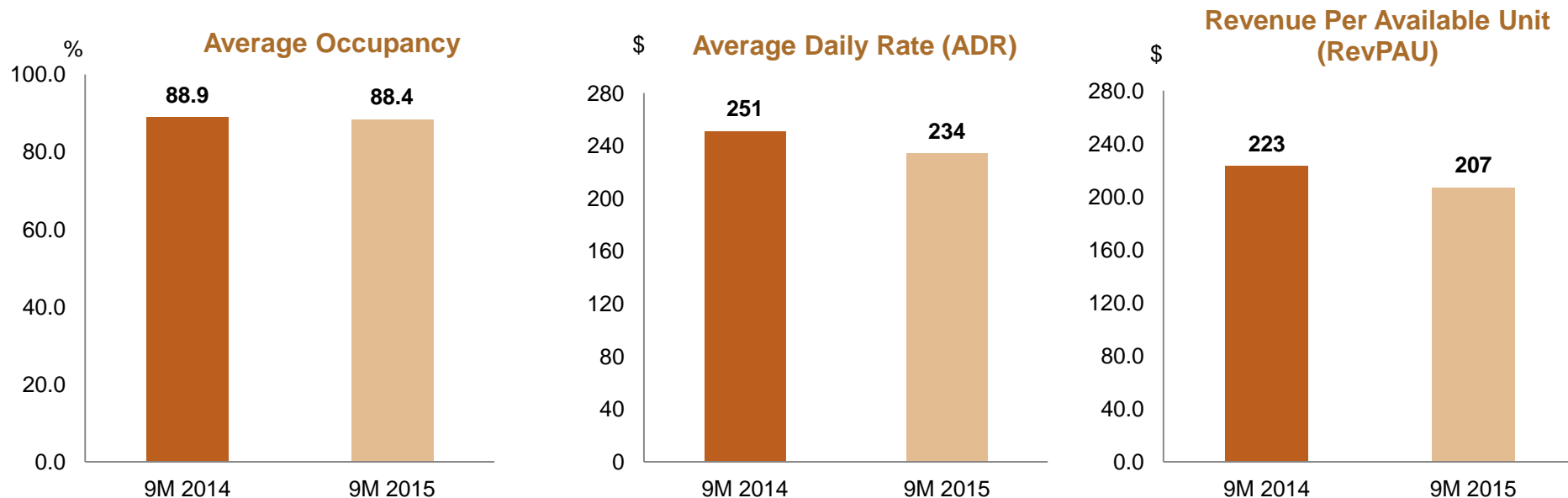
Portfolio Performance 3Q 2015 – Serviced Residences



	3Q 2014	3Q 2015	Variance
Average Occupancy (%)	92.2%	90.2%	(2.0pp)
ADR (\$)	249	232	(7.2%)
RevPAU (\$)	230	209	(9.2%)



Portfolio Performance 9M 2015 – Serviced Residences

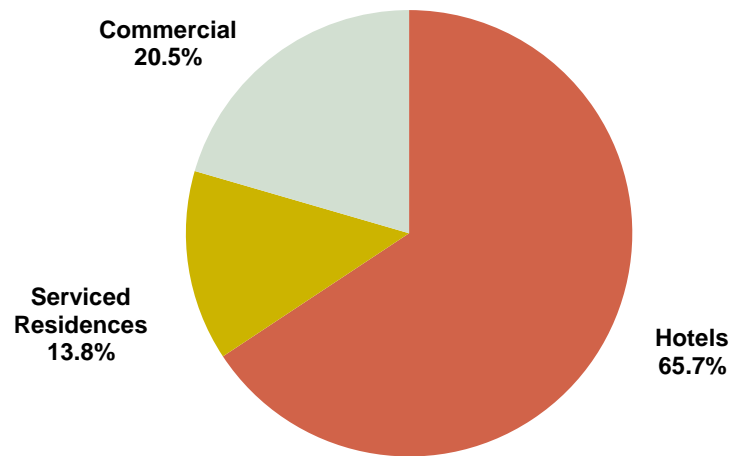


	9M 2014	9M 2015	Variance
Average Occupancy (%)	88.9%	88.4%	(0.5pp)
ADR (\$)	251	234	(6.8%)
RevPAU (\$)	223	207	(7.3%)

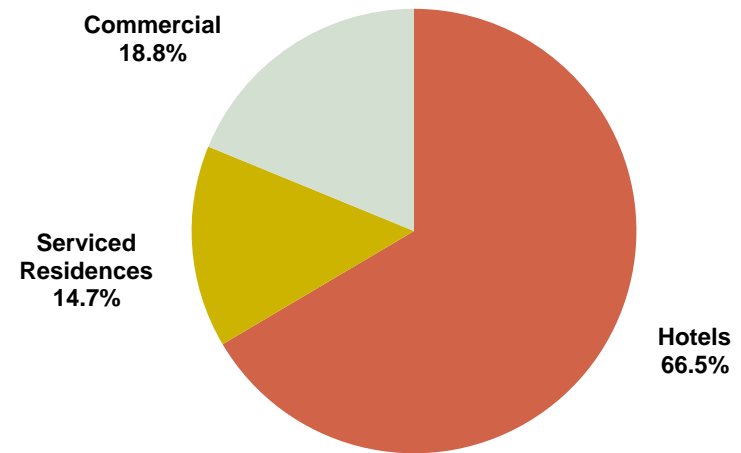


Breakdown of Gross Revenue – Total Portfolio

3Q 2015

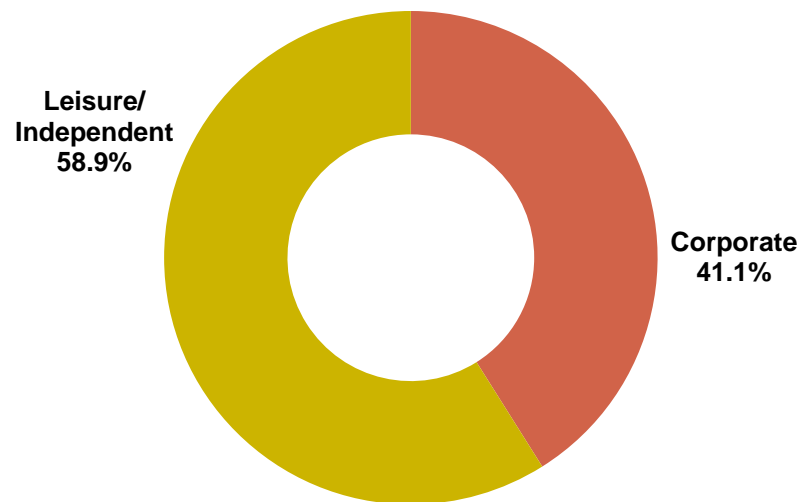


3Q 2014

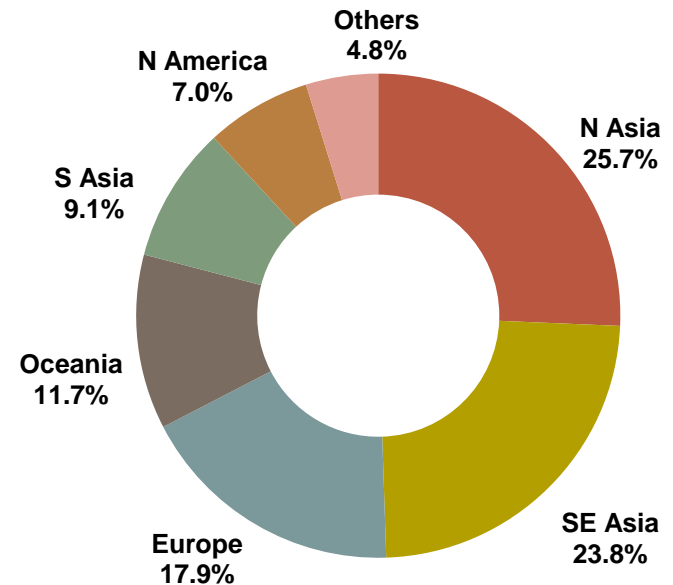


Market Segmentation 3Q 2015 - Hotels

Hotels (by Revenue)



Hotels (by Region)

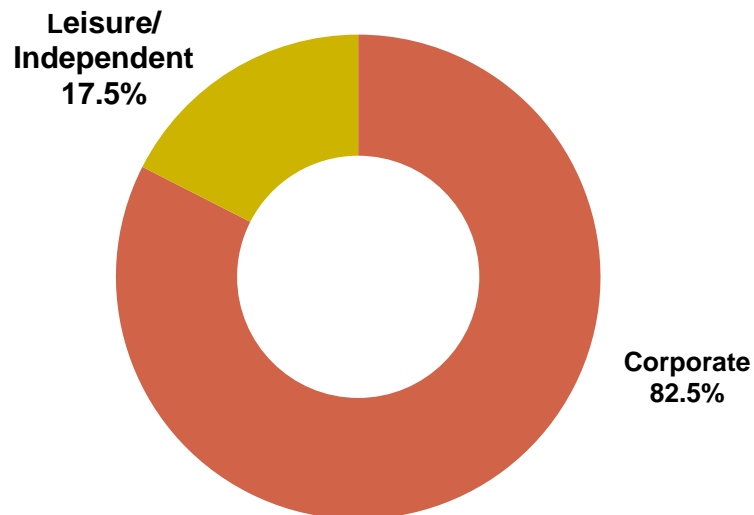


- Corporate segment contributed 41.1% of 3Q 2015 hotel revenue compared to 41.4% in 3Q 2014
- Contribution from N Asia increased 2.1pp while contribution from SE Asia decreased 2.8pp year-on-year in 3Q 2015

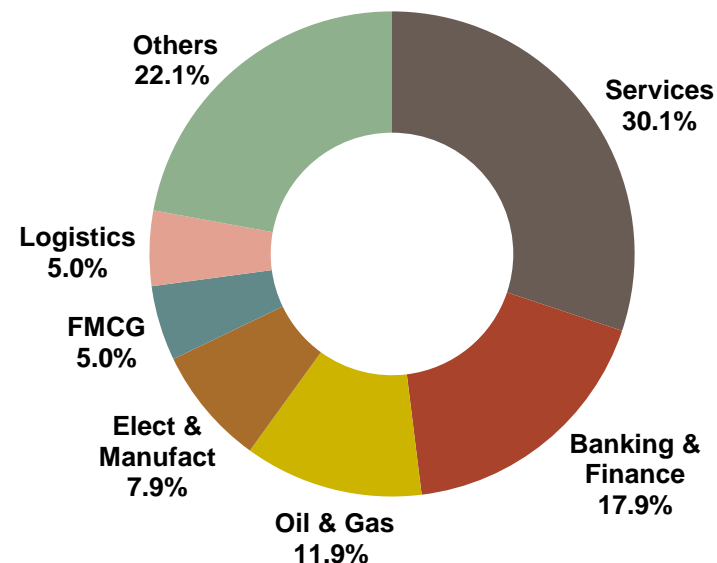


Market Segmentation 3Q 2015 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- Corporate segment contributed 82.5% of revenue for Serviced Residences in 3Q 2015, down from 82.8% in the preceding year
- Continuing efforts to diversify revenue sources



Capital Management



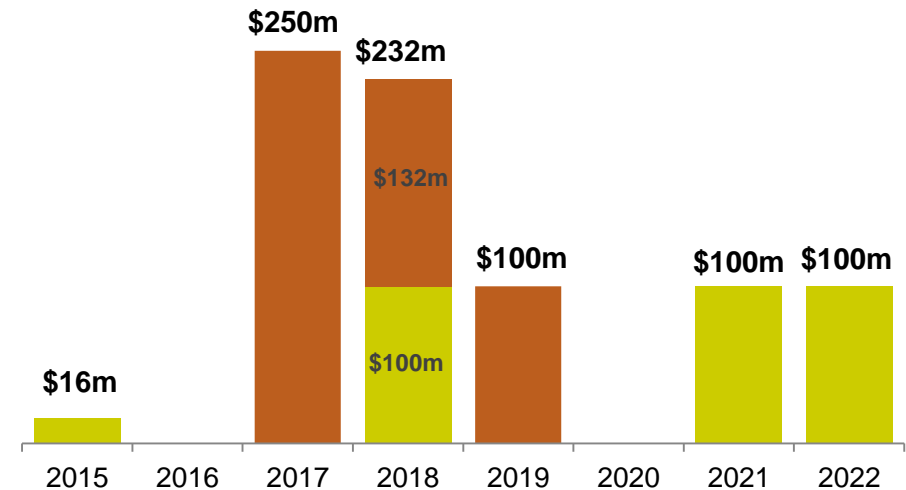
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Capital Management

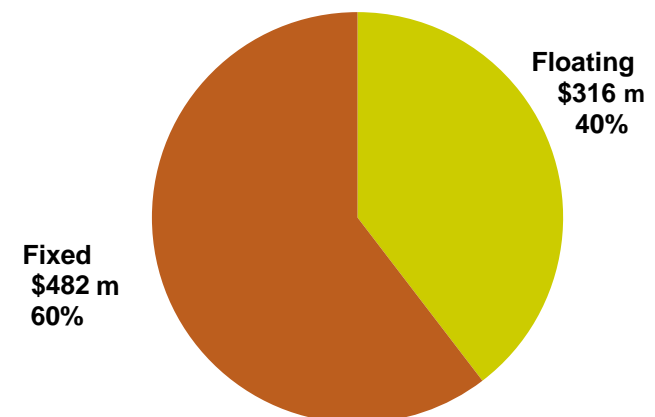
As at 30 September 2015

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	3.6 years
Average cost of debt	2.5%

Debt Maturity Profile



Interest Rate Profile



Asset Enhancement



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Asset Enhancement Initiatives – Ongoing Refurbishments

Regency House

before



after

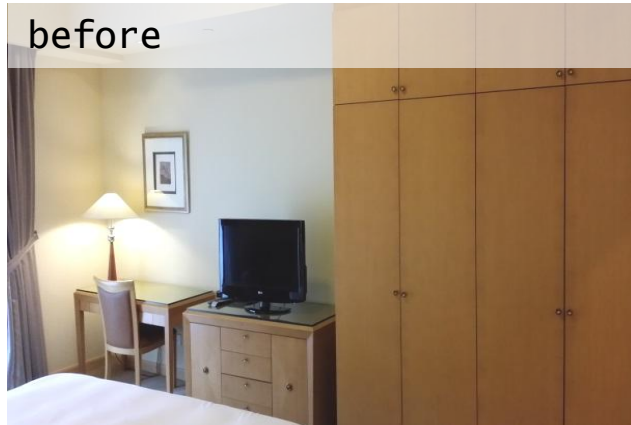


Refurbishment of 2 and 3 bedroom apartments (living area)



Asset Enhancement Initiatives – Ongoing Refurbishments

Regency House

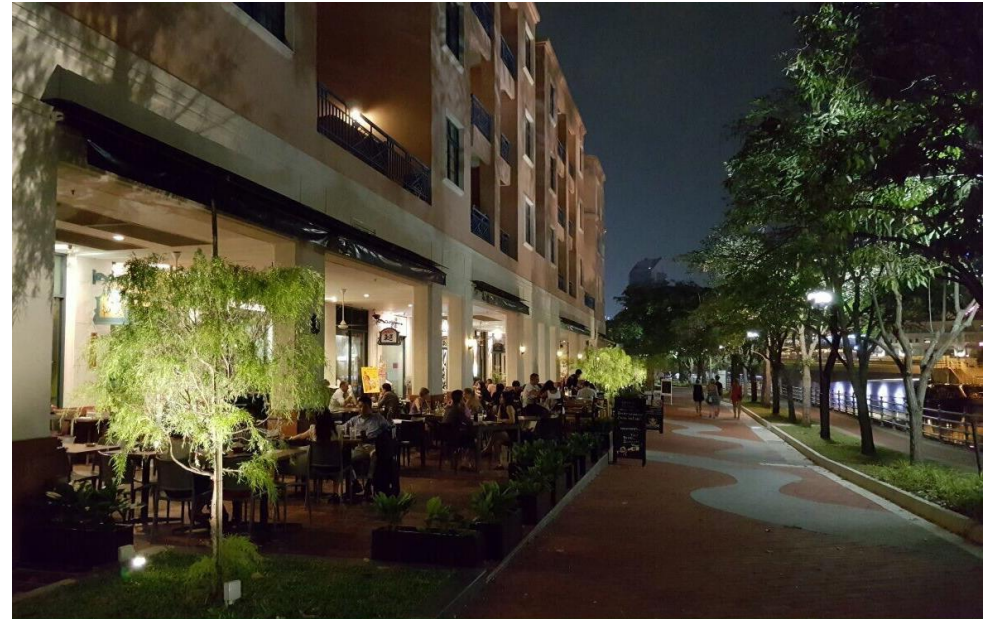


Master Bedroom



Asset Enhancement Initiatives – Completed Refurbishments

Village Residence Robertson Quay



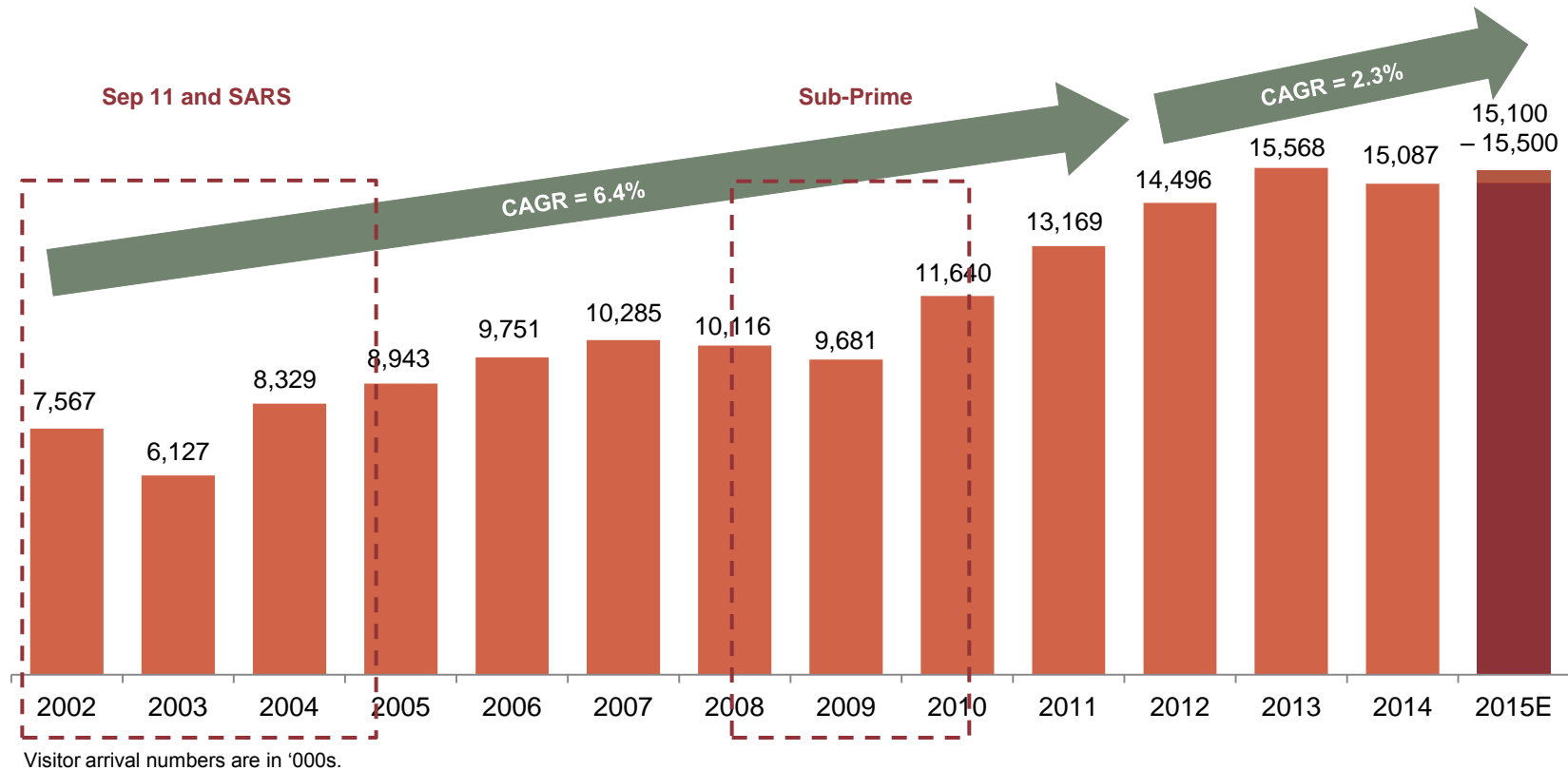
**Extension of Outdoor Refreshment Areas
New ORA Facing Singapore River including New Walkway
Completed in 3Q 2015**

Industry Outlook & Prospects



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Historical and Forecast Visitor Arrivals in Singapore

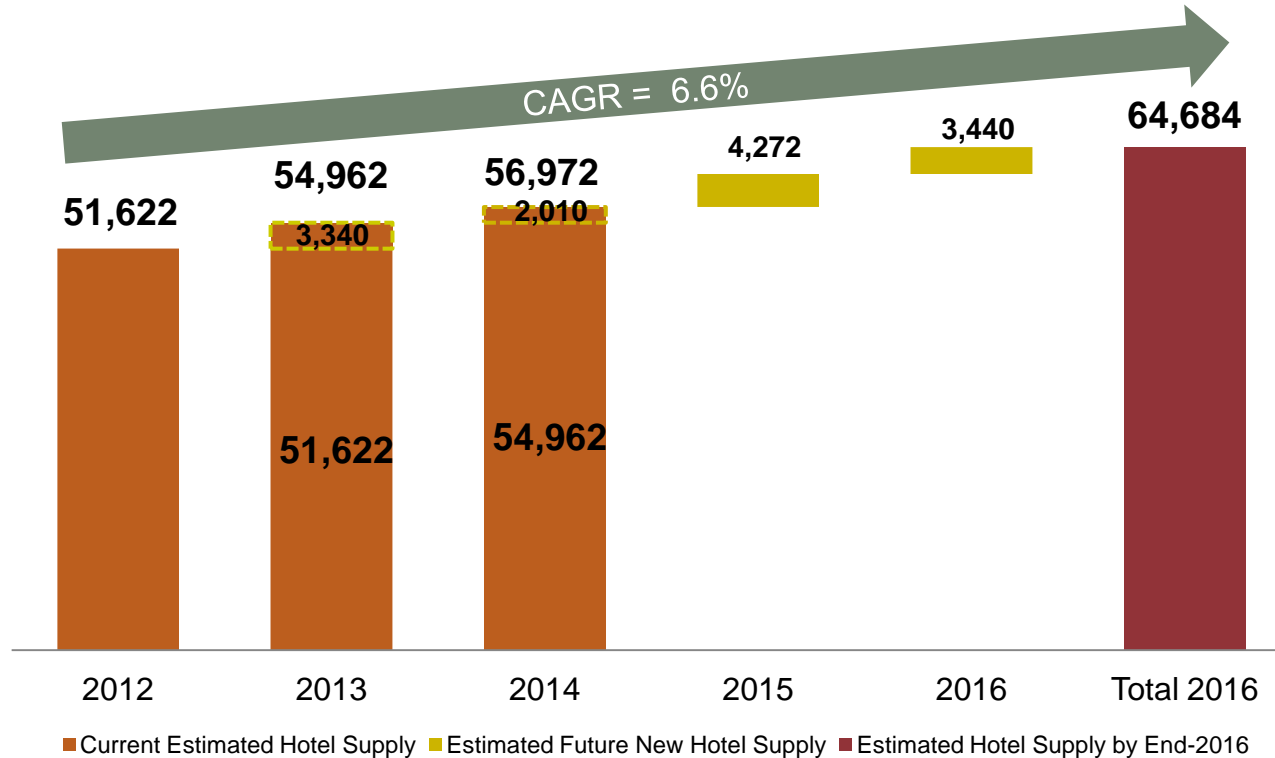


- Visitor arrivals are projected to grow at a CAGR of up to 2.3% from 2012 to 2015

Sources : IPO Prospectus dated 16 August 2012 (2002 to 2011 visitor arrivals)
Singapore Tourism Board, International Visitor Arrivals Statistics, 9 October 2015
Speech by Mr S Iswaran, Second Minister for Trade and Industry, 6 March 2015 (2015E visitor arrivals)



Estimated Hotel Room Supply in Singapore



- Hotel supply expected to increase at a CAGR of 6.6% from 2012 to 2016
- No hotel sites introduced in Government Land Sales (GLS) programme since 2014
- Urban Redevelopment Authority (URA) has tightened approvals for applications for new hotels, backpackers' hostels or boarding houses on sites that are not zoned for hotel use

Note: The above chart does not take into account the following closures for renovations and re-openings:

- 30 out of 215-room The Singapore Resort and Spa Sentosa in 2014, expected to reopen in 2015 as Sofitel Singapore Sentosa Resort & Spa
- 223-room Gallery Hotel in 2014, expected to reopen in 2016 as 227-room Intercontinental Singapore Robertson Quay
- 262 out of 476-room Swissotel Merchant Court in 2015, expected to reopen in 2016

Sources: CBRE report issued as at March 2015 and Far East H-Trust's compilation
 Urban Redevelopment Authority, Second Half 2014 Government Land Sales (GLS) Programme, 10 June 2014
 Channel News Asia, "New hotels cannot be built on non-designated sites: URA", 7 July 2014



Major Sporting Events in 2015/16



Women's Tennis Association
25 October – 1 November 2015



Asia MMA Championships
13 November 2015



Liverpool Masters vs Man Utd Masters
Football Match
14 November 2015



8th ASEAN Para Games
3-9 December 2015



International Premier Tennis League
18-20 December 2015



World Rugby Series
April 2016

Major Exhibitions & Conferences in 2016

January to March



Asia's biggest aerospace and defence exhibitions
16-21, 23-24 February 2016



Spotlight on Southeast Asia



AOCAP is Now Part of HICAP, Asia Pacific's Premier Hospitality Conferences



Hotel Investment Conference/ Alternative Ownership Conference Asia Pacific
15-17 March 2016



International Exhibition & Convergence of Internet of Things
30-31 March 2016

April to July



Food & Hotel Asia 2016
12-15 April 2016



Annual travel conference for travel executives
12-15 April 2016



APAC The Duty Free & Travel Retail Summit
8-12 May 2016



BroadcastAsia 2016/ CommunicAsia 2016/ EnterpriseIT 2016
31 May – 3 June 2016



Forum for local, regional and international MICE professionals
28-29 July 2016

August to December



APAC Airline Training Symposium
30-31 August 2016



MICE Expo 2016
22-23 September 2016



Multi-level marketing convention
Dates to be confirmed

Transformation of Tourism Landscape – New & Upcoming Developments & Events



**Singapore Tourism Board, Changi Airport Group & Singapore Airlines
\$20 mil partnership (2015)**

Boosting Singapore experience to leisure, business & MICE audiences in more than 15 markets



**National Gallery Singapore
(November 2015)**

The largest gallery to showcase Singaporean and Southeast Asian arts



KidZania (End 2015*)

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



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

*Opening Dates may be subject to change

Images from Singapore Airlines, National Gallery, KidZania, Straits Times, Today Online, URA and Temasek

Outlook & Prospects

- **Singapore economy expected to show moderate growth**

- Singapore economy is projected to expand at a modest pace for the rest of 2015 and in 2016¹
- GDP forecasted to grow by 2 – 4% from now to 2020²

- **Competition in hospitality market expected to remain intense**

- Supply of about 4,300 new hotel rooms³
- Softness in corporate and leisure travel demand may persist

- **Potential drivers to grow visitor arrivals**

- Continuing efforts by the government and industry players to strengthen Singapore as a choice travel destination are expected to benefit inbound tourism moving forward
- Over the next twelve months, major events such as the Singapore Airshow, Food & Hotel Asia and World Rugby Sevens Series will provide an uplift
- Ongoing efforts to rejuvenate existing attractions and the opening of new attractions will enhance Singapore's attractiveness as a tourist destination

¹ "Macroeconomic Review October 2015". Monetary Authority of Singapore, 14 October 2015

² The Business Times, "Singapore's GDP growth revised down to average 2-4% per year from now to 2020: MTI", 26 May 2015

³ CBRE report issued as at March 2015 and Far East H-Trust's compilation



Thank You



Far East H-Trust Asset Portfolio Overview

Hotels

									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	73 years	63 years	73 years	64 years	90 years	48 years	73 years	69 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	128.3	244.4	187.5	230.0	339.0	423.4	84.7	282.3	1,919.6

¹ As at 31 December 2014

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	78 years	79 years	76 years	79 years	NA
GFA/Strata Area (sq m)	17,858	8,598	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	205.8	70.0	117.3	163.4	556.5

¹ As at 31 December 2014