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# 1Q 2019 Results Presentation

25 April 2019

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## Results Highlights



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# Executive Summary – Performance vs Last Year

	1Q 2019 S\$'000	1Q 2018 S\$'000	Variance %
Gross Revenue	27,790	25,724	8.0
Net Property Income	25,071	23,007	9.0
Income Available for Distribution	17,427	17,645	(1.2)
Distribution per Stapled Security (cents)	0.91	0.94	(3.2)

- **Gross Revenue increased 8.0% in 1Q 2019. Master Lease Rental increased 10.4% and Retail and Office Revenue decreased marginally by 0.5%.**
- **Net Property Income was 9.0% higher year-on-year, boosted by additional contribution from Oasia Hotel Downtown.**
- **Income Available for Distribution was 1.2% lower and Distribution per Stapled Security was 3.2% lower at 0.91 cents, with an enlarged base.**

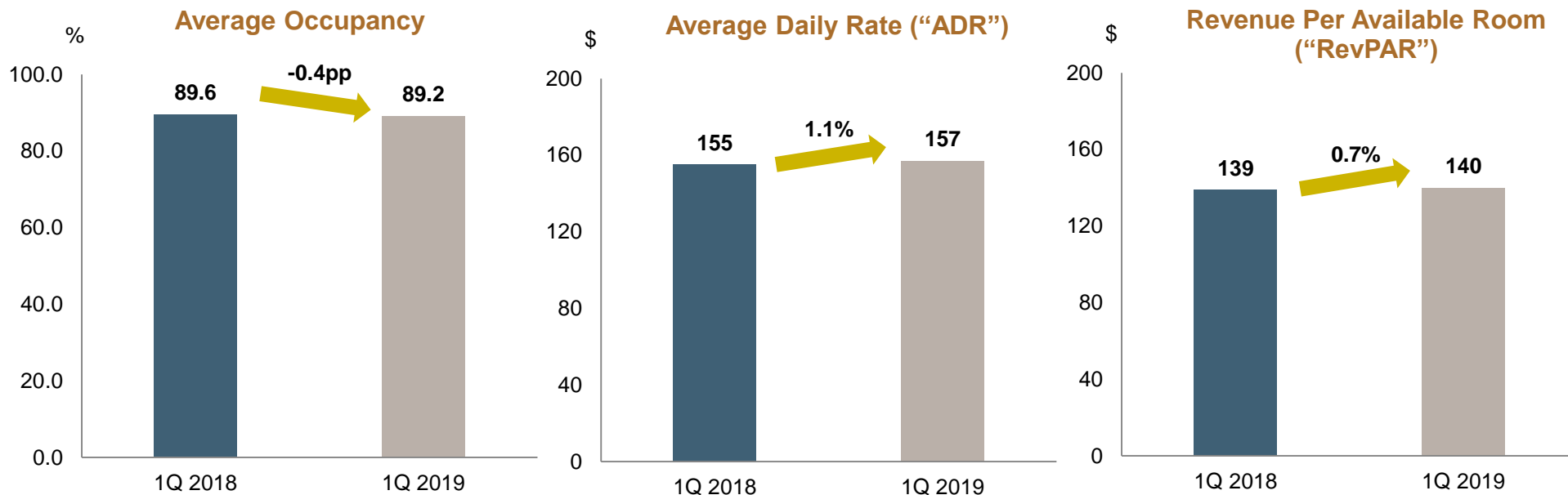


## Portfolio Performance



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# Portfolio Performance 1Q 2019 - Hotels

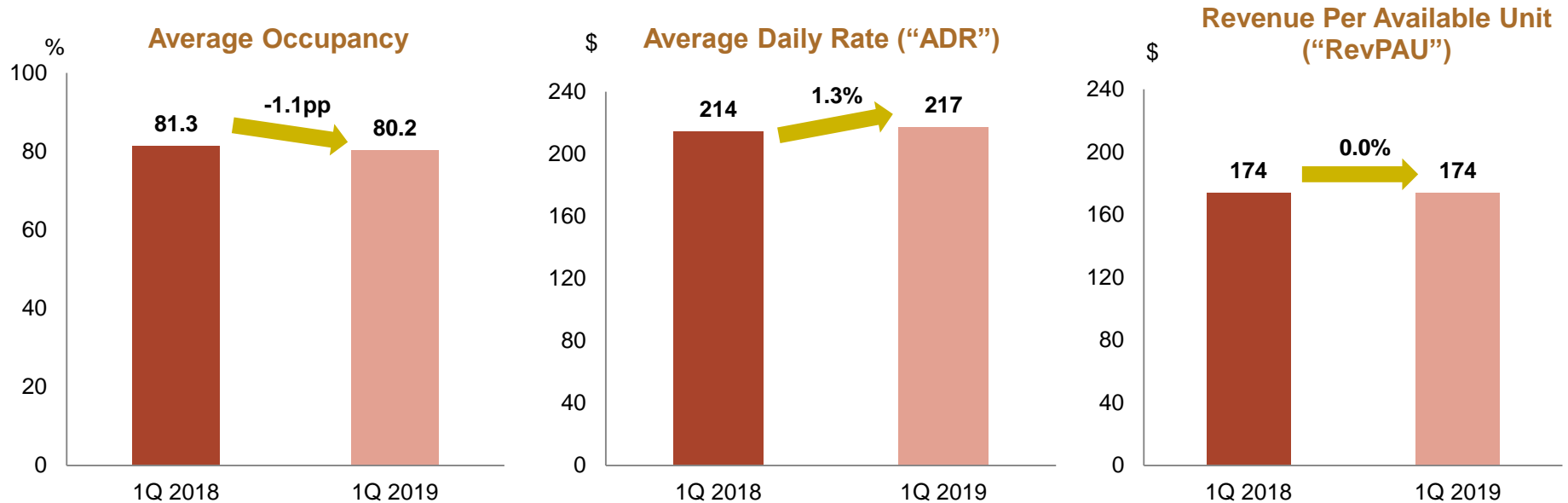


- The hotels continued to enjoy high occupancies, fuelled by rising visitor traffic to Singapore. Contribution from the corporate segment was lower in the quarter as there were fewer major events, and as companies continued to exercise prudence in their business travel spending.
- The average occupancy of the hotel portfolio was marginally lower year-on-year at 89.2%. The average daily rate ("ADR") was 1.1% higher at S\$157. As a result, revenue per available room ("RevPAR") improved 0.7% year-on-year to S\$140.



Note: 1Q 2019 figures include Oasia Hotel Downtown as part of the portfolio

# Portfolio Performance 1Q 2019 – Serviced Residences

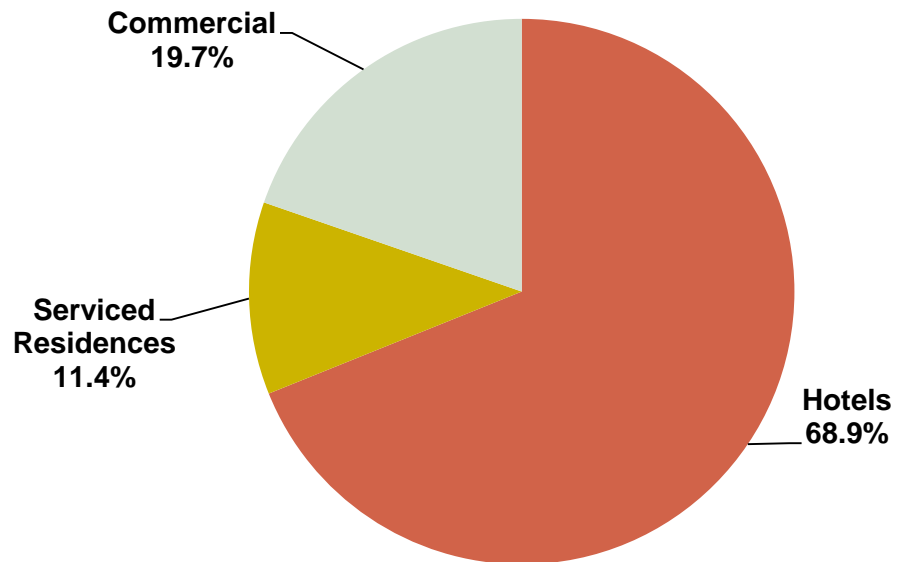


- The performance of the serviced residences ("SRs") was more stable. Although demand from the corporate segment remained subdued, there was healthy growth from some industries.
- The average occupancy of the SR portfolio decreased 1.1pp to 80.2%. Average daily rate ("ADR") was higher by 1.3%. As a result, revenue per available unit ("RevPAU") of the SR portfolio was flat year-on-year at S\$174.

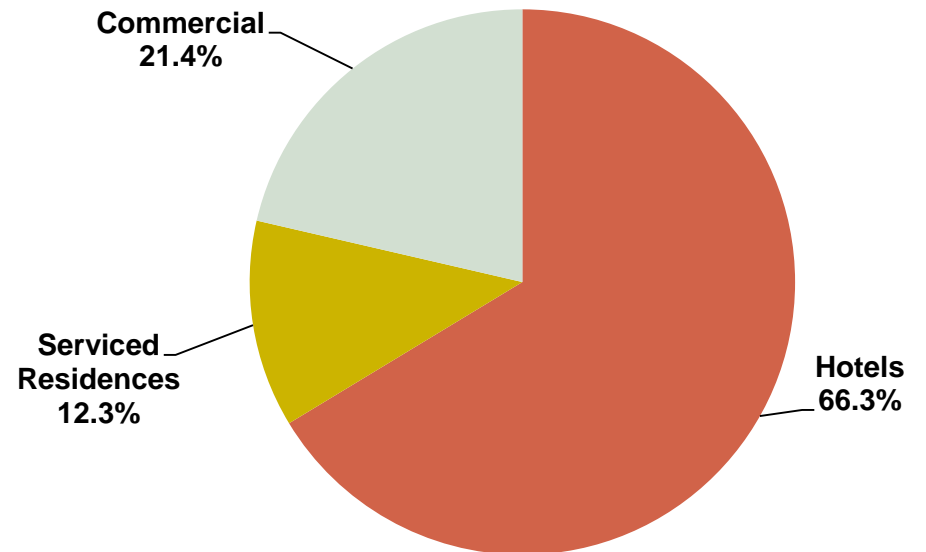


# Breakdown of Gross Revenue – Total Portfolio

1Q 2019



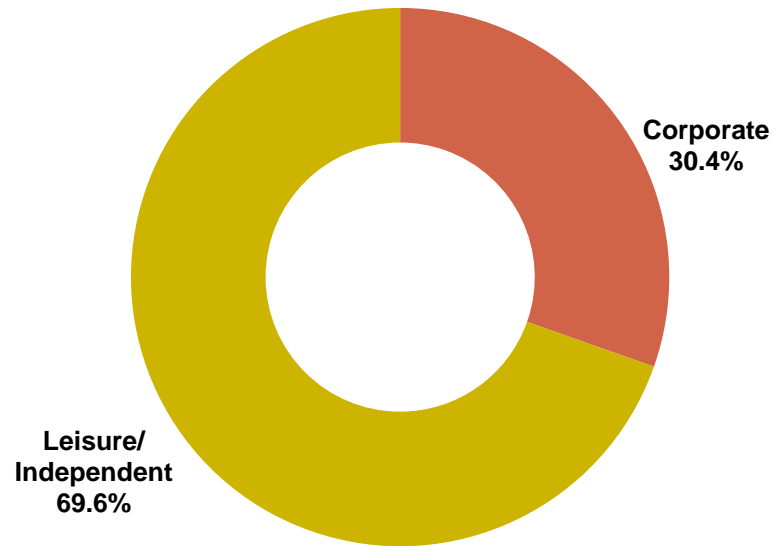
1Q 2018



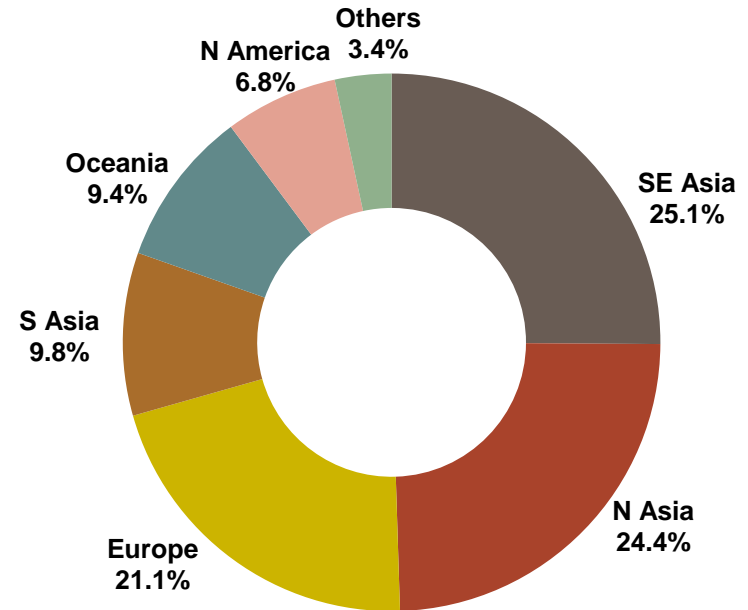


# Market Segmentation 1Q 2019 – Hotels

Hotels (by Revenue)



Hotels (by Region)

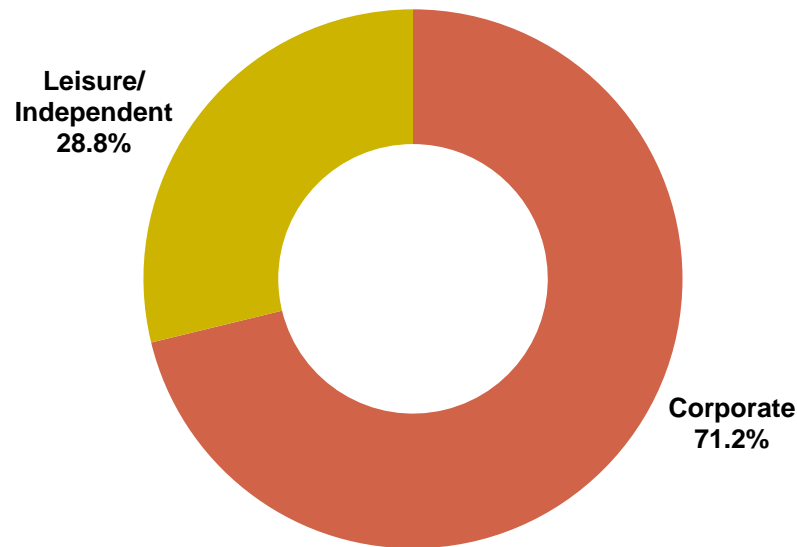


- The Corporate segment contributed 30.4% to the overall hotel revenue. The contribution from the Leisure segment has increased from 66.9% a year ago to 69.6%.
- The proportions of revenue contribution from SE Asia, Europe, Oceania and North America have increased.

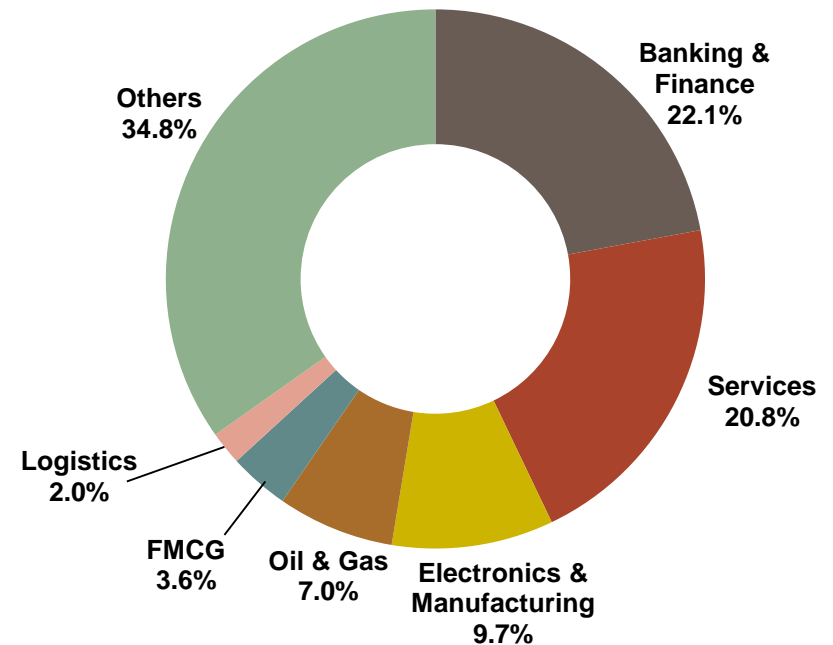


# Market Segmentation 1Q 2019 – Serviced Residences

**Serviced Residences (by Revenue)**



**Serviced Residences (by Industry)**



- Revenue contribution from the Corporate segment was 71.2% in 1Q 2019. The increase in online bookings has led to a larger contribution by the Leisure segment.
- The Banking & Finance, Services and FMCG industries delivered a year-on-year percentage increase in revenue contribution for the quarter.



## Capital Management

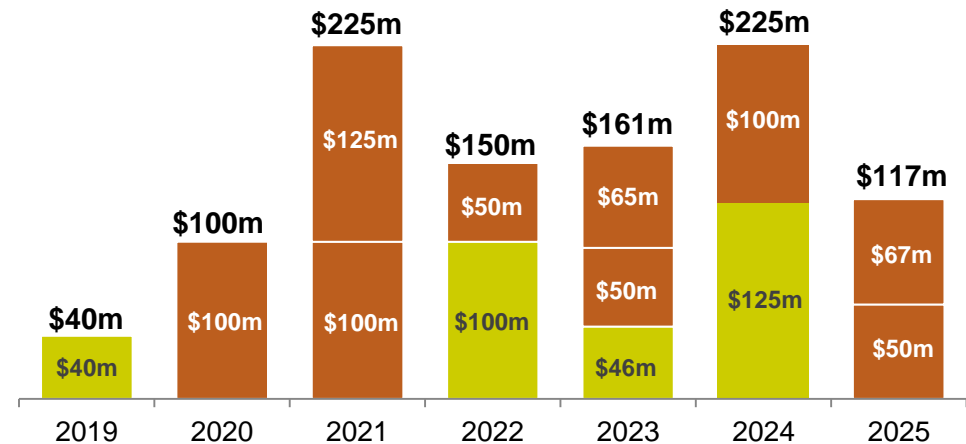


# Capital Management

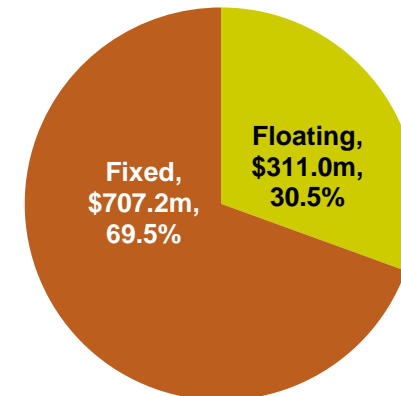
As at 31 March 2019

<b>Total debt</b>	\$1,018.2m
<b>Available revolving facility</b>	\$259.7m
<b>Gearing ratio</b>	39.9%
<b>Unencumbered asset as % total asset</b>	100%
<b>Proportion of fixed rate</b>	69.5%
<b>Weighted average debt maturity</b>	3.6 years
<b>Average cost of debt</b>	2.9%

Debt Maturity Profile



Interest Rate Profile



- The Distribution Reinvestment Plan (“DRP”) was applied for the 4Q 2018 distribution. The cash retained was S\$11.8 million, bringing gearing from 40.1% in December 2018 to 39.9%.
- In March 2019, a term loan of S\$100 million due to mature in August 2019 was refinanced. There are no other term loans maturing this year.

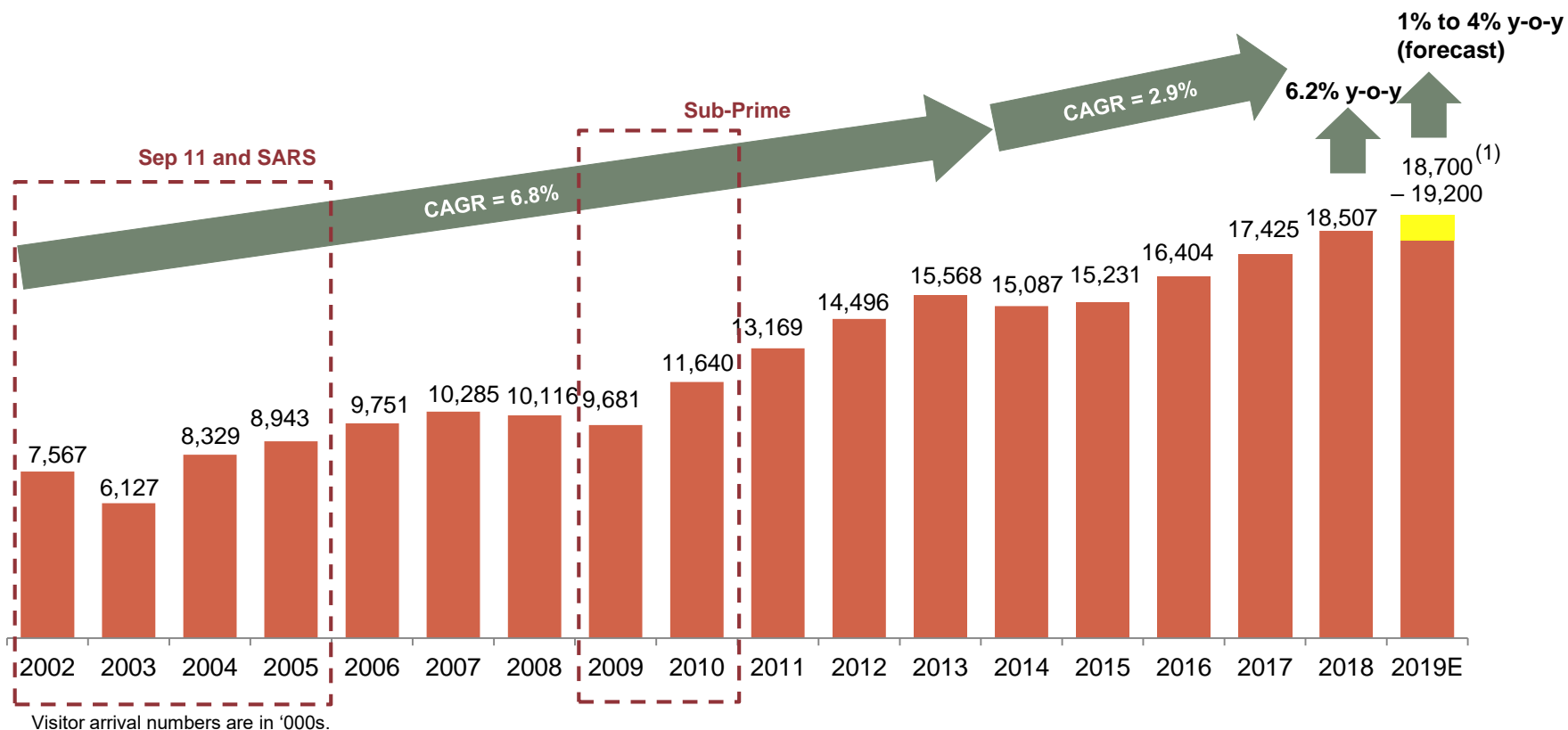


## Industry Outlook & Prospects



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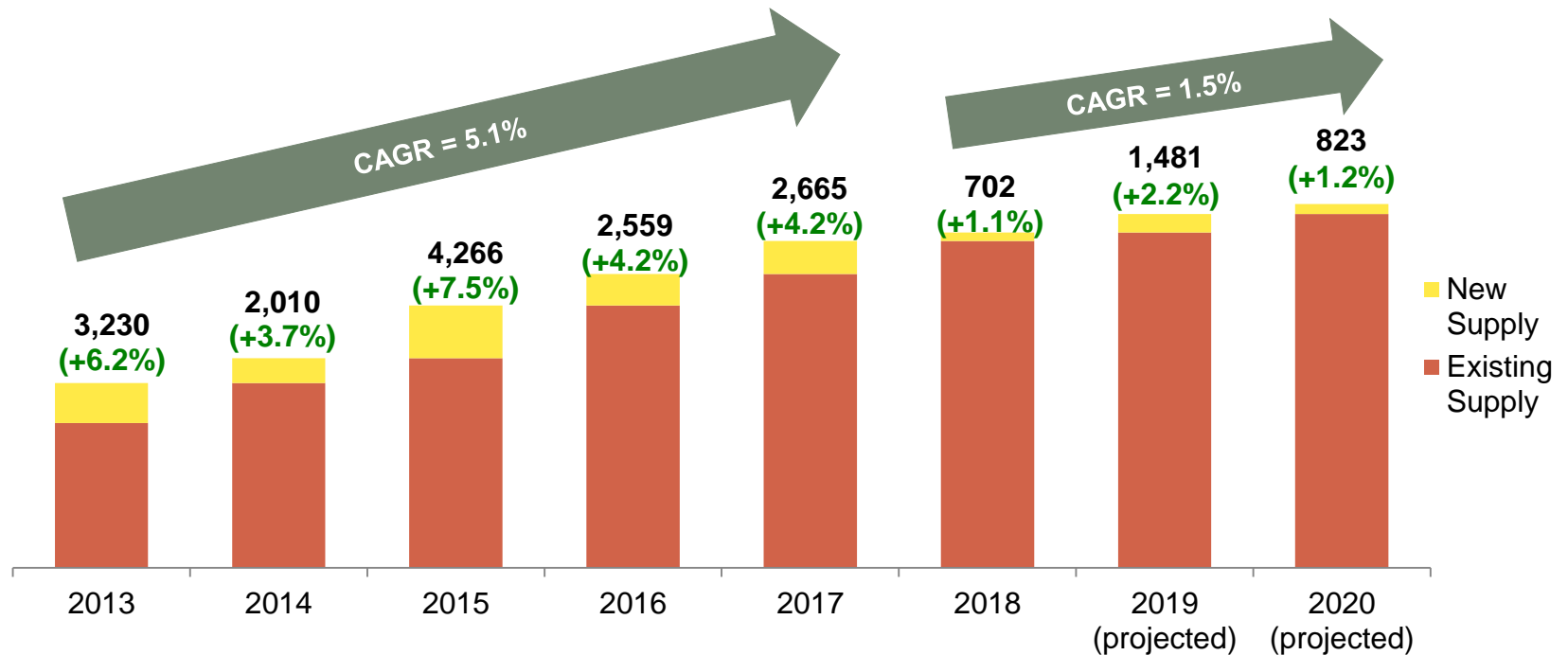
# Historical and Forecast Visitor Arrivals in Singapore



- Visitor arrivals grew at a CAGR of 2.9% between 2014 to 2017.
- The year-on-year increase in arrivals was 6.2% in both 2017 and 2018. The forecasted growth in arrivals is 1% to 4% for 2019.

Sources : (1) Singapore Tourism Board projections for International Visitor Arrivals as at 13 Feb 2019

# Estimated Hotel Room Supply in Singapore



- Hotel supply is expected to show a CAGR of 1.5% between 2018 to 2020, as compared to 5.1% between 2013 to 2017. There was an increase in supply of 702 rooms in 2018, and a projected increase of 1,481 rooms in 2019 and 823 rooms in 2020.
- After a 4-year moratorium on the release of new hotel sites in the Government Land Sales (GLS) programme, the Urban Redevelopment Authority (URA) introduced two new sites in 2H2018 in tandem with the expected growth in visitor arrivals (Hotel Site on Club Street & White Site at Marina View). The URA also announced in December 2018 that a new hotel site at Sims Avenue will be added to the 1H2019 Reserve List.

Note: The above chart does not take into account closures for renovations and re-openings (e.g. re-opening of Swissotel The Stamford rooms which were under refurbishment)  
Sources: CBRE, Savills data and Far East H-Trust compilation  
Channel News Asia, "New hotels cannot be built on non-designated sites: URA", 7 July 2014  
The Straits Times, "Hotel sites among those offered in land sales scheme", 28 June 2018  
URA website, "Release of first half 2019 Government Land Sales (GLS) Programme", 6 December 2018



# Tourism Landscape – Recent Developments

## Singapore's Bicentennial Commemoration

2019 will mark 200 years of history for Singapore, and events have been lined up to commemorate the nation's bicentennial milestone, e.g. augmented reality trails of Singapore River, experiential showcases, heritage festivals, etc.



## Leveraging of Fly-cruise connections

Costa Cruises, STB & CAG enter tripartite partnership which is expected to bring in over 100,000 international fly-cruise visitors to Singapore over 3 years



## Strengthening of Singapore as global air hub

As Qantas resumed Sydney-London services via Singapore in April 2018, CAG & STB entered into a \$5 million, 3-year marketing partnership with them to grow traffic to and through Singapore



## Tapping of Regional Secondary Cities

Continued promotion efforts by the Singapore Tourism Board (STB) to Tier 2 & 3 regional cities, to drive visitor arrivals





# Transformation of Tourism Landscape – Upcoming Developments

## Plans for Sentosa & Pulau Brani

Pulau Brani and Sentosa will be redeveloped and integrated with the Greater Southern Waterfront project. This whole area would include new tourism attractions and be branded as the Southern Gateway of Asia



**Revamp of Orchard Road**  
The Singapore government announced plans to revamp the Orchard Road shopping belt to include more activities and attractions, e.g. urban garden, living lab for a new innovation district

## Jurong Lake District tourism hub

New integrated tourism development to be set up at the Jurong Lake District by 2026\*, in line with the government's strategy to spread out its offerings across different parts of Singapore. This area will include attractions, hotels and other lifestyle offerings



## Mandai Makeover (2023\*)

Wildlife and nature heritage project, integrating new attractions with the Singapore Zoo, Night Safari, River Safari and Bird Park



\*Opening Dates may be subject to change  
Images from Today Online, CNA, The Straits Times, TNP.sg

# Outlook & Prospects

- **Demand and supply for hotels to continue to balance out in 2019**

- International visitor arrivals to Singapore in the first two months of the year had showed a 2% increase and is forecasted to grow by 1% to 4% in 2019<sup>1</sup>.
- Hotel supply is expected to increase by 2.2%<sup>2</sup> with 1,481 new rooms projected to open during the year, a slower pace as compared to the past few years.

- **While there may be some volatility in the near-term given the subdued corporate demand due to global macroeconomic concerns, the REIT Manager is positive about the medium-term prospects of the industry.**

- This is supported by the government's recently announced plans to drive quality tourism by rejuvenating existing offerings and implementing new developments.

- **The REIT Manager will continue to enhance the quality of its portfolio and implement strategies to improve the performance of the properties.**

<sup>1</sup> Singapore Tourism Board, Actual and Forecasted Visitor Arrivals, as at 13 February 2019

<sup>2</sup> Savills report issued as at February 2019 and Far East H-Trust Compilation



# Details of Distribution

For Period From 1 January to 31 March 2019

<b>Distribution per Stapled Security</b>	0.91 cents
<b>Ex-Date</b>	3 May 2019
<b>Books Closure Date</b>	6 May 2019
<b>Return of DRP Notice of Election</b>	24 May 2019
<b>Distribution Payment Date</b>	12 June 2019
<b>Listing of Stapled Securities issued pursuant to DRP</b>	12 June 2019

The Manager has determined that the DRP will apply to the distribution for the period from 1 January to 31 March 2019.



**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	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>	69 years	59 years	69 years	60 years	86 years	44 years	69 years	65 years	64 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	2,509	NA	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.	Far East Orchard Limited	Golden Development Private Limited	Serene Land Pte Ltd	Far East SOHO Pte Ltd	
Valuation (S\$ 'mil) <sup>1</sup>	127.2	209.2	163.7	232.4	330.0	431.1	83.3	282.1	236.4	2,095.4

<sup>1</sup> As at 31 December 2018

<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>	74 years	75 years	72 years	75 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	2,295	4,592
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>	204.1	60.2	105.2	168.6	538.1

<sup>1</sup> As at 31 December 2018