



FAR EAST
HOSPITALITY
TRUST

Business Updates

1Q 2021

30 April 2021

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- Portfolio Performance
- Ongoing and Upcoming Projects
- Outlook & Prospects



Financial Highlights



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Executive Summary for 1Q 2021 – Performance vs LY

	1Q 2021	1Q 2020	Variance
	S\$'000	S\$'000	%
Gross Revenue	21,303	22,873	(6.9)
Hotels	14,250	14,250	-
Serviced Residences ("SR")	2,884	3,357	(14.1)
Commercial Premises	4,169	5,266	(20.8)
Net Property Income	18,199	19,864	(8.4)
Finance Expenses	(5,553)	(7,063)	21.4
REIT Manager's fees	(2,282)	(2,386)	4.4
Income Available for Distribution	12,539	12,671	(1.0)

- Gross Revenue for 1Q 2021 was S\$21.3 million, 6.9% lower year-on-year, due to lower occupancies in the SRs and rental assistance given to tenants at the commercial premises. While the master lease rental for the hotel segment was at the fixed rent level, the SR segment continued to perform above the fixed rent.
- Net Property Income was 8.4% lower year-on-year.
- Finance Expenses were 21.4% lower, mainly due to lower short-term interest rates. The REIT Manager's fees were lower by 4.4%, due to lower value of the Deposited Property. As a result, Income Available for Distribution was S\$12.5 million.



Balance Sheet summary

	As at 31 Mar 2021 S\$' million	As at 31 Dec 2020 S\$' million
Total Assets	2,578.2	2,581.4
<u>Comprising:</u>		
Investment Properties ¹	2,527.8	2,528.7
Joint Venture	2.8	4.1
Cash and Cash Equivalents	7.1	10.9
Trade and other receivables ²	39.3	37.6
Other Assets	1.2	0.1
Total Liabilities	1,030.4	1,023.7
Net Assets	1,547.8	1,557.7
NAV per Stapled Security (S\$)	0.79	0.79

(1) Investment properties based on valuation as at 31 December 2020 appraised by Savills Valuation And Professional Services (S) Pte Ltd or Knight Frank Pte Ltd, and adjustment to capital expenditure capitalised previously.

(2) This includes a shareholders' loan and accrued interest due from Fontaine Investment Pte Ltd of S\$30.7 million (S\$30.6 million as at 31 Dec 2020).

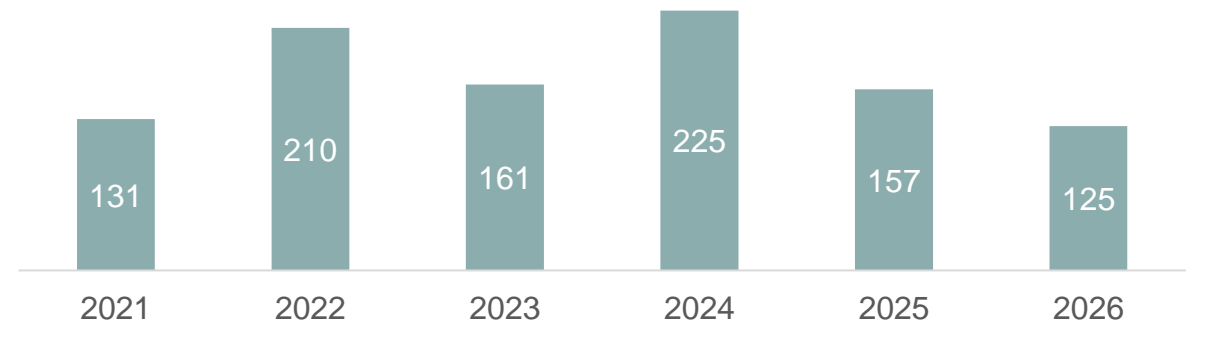


Capital Management

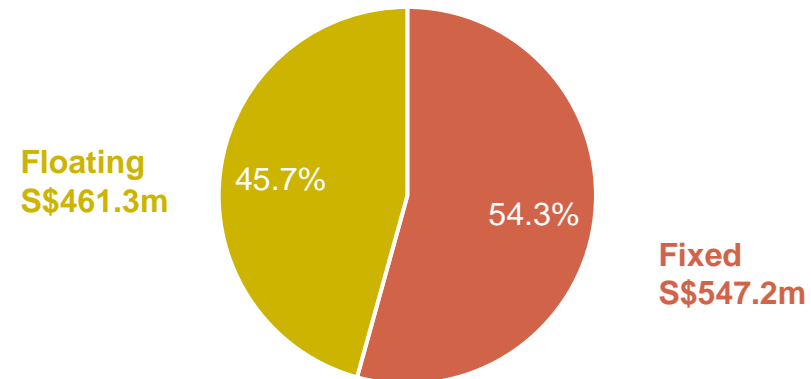
As at 31 Mar 2021

Total Debt	S\$1,008.5m
Available revolving facility	S\$269.4m
Aggregate Leverage	41.6%
Unencumbered asset as % total asset	100%
Proportion of fixed rate	54.3%
Weighted average debt maturity	2.6 years
Average cost of debt	2.2%
Interest Coverage Ratio¹	2.7x

Debt Maturity Profile (figures in S\$ million)



Interest Rate Profile



- Refinanced the term loan of S\$125 million due in March 2021 with a sustainability-linked loan facility for a term of 5 years.
- Discussions with lenders for the refinancing of the S\$100 million term loan due in Dec 2021 are ongoing.

¹ Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 2.5x based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.



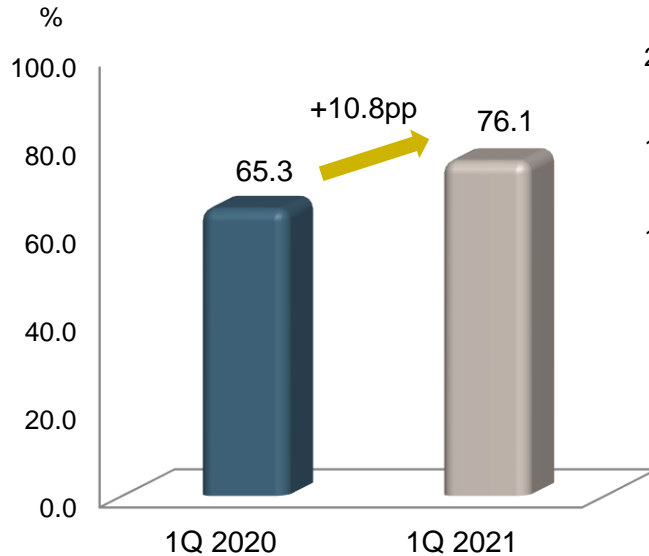
Portfolio Performance



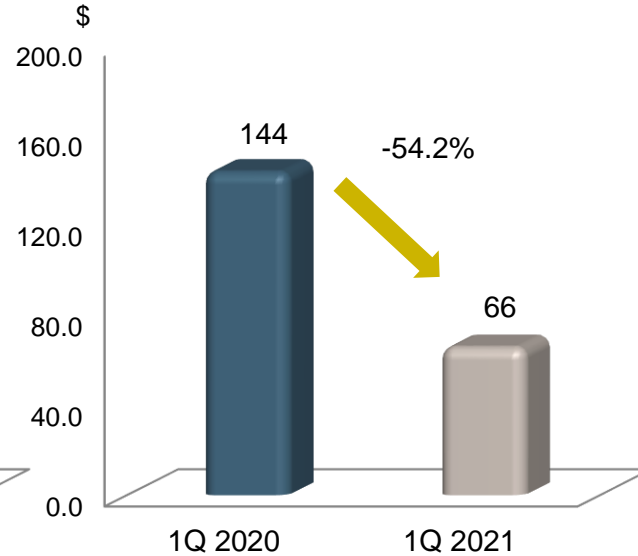
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Portfolio Performance 1Q 2021 – Hotels

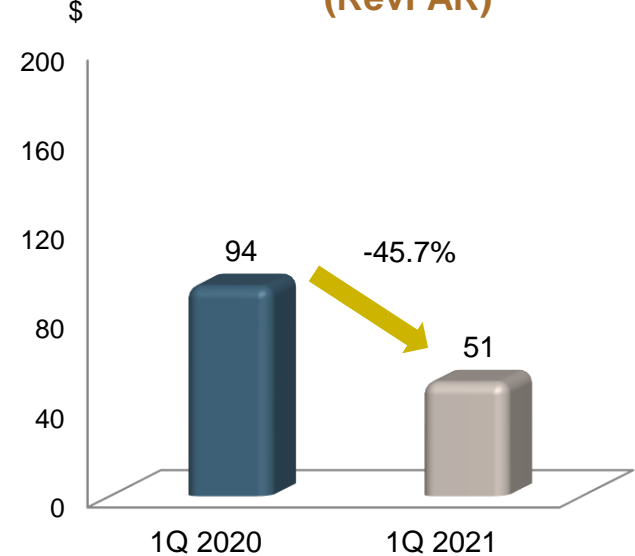
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Room (RevPAR)

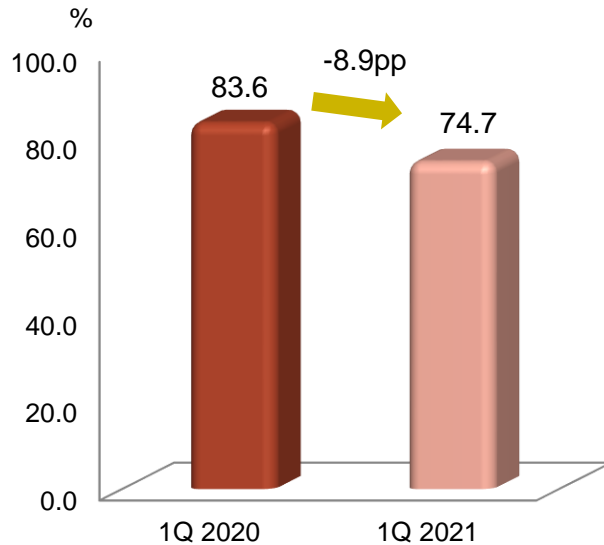


- Occupancy improved 10.8pp year-on-year to 76.1% as the hotels were able to secure contracts from companies that required accommodation their workers as well as from the Government for isolation purposes.
- The average daily rate (“ADR”) was 54.2% lower year-on-year at \$66, reflecting the lower ADRs associated with the nature of business secured.
- Consequently, revenue per available room (‘RevPAR’) declined by 45.7% year-on-year at \$51.

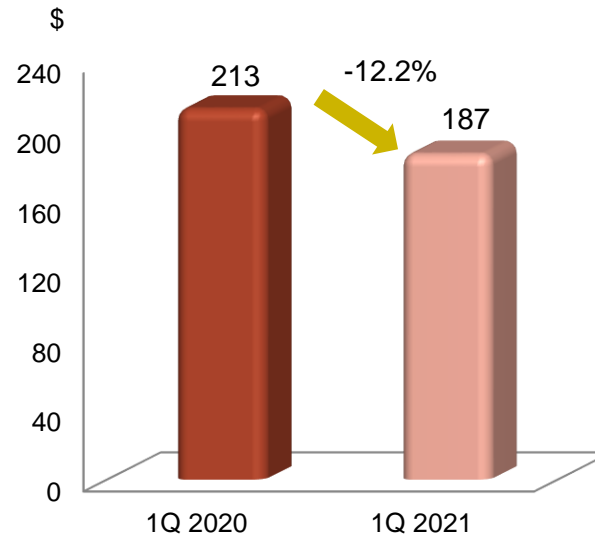


Portfolio Performance 1Q 2021 – Serviced Residences

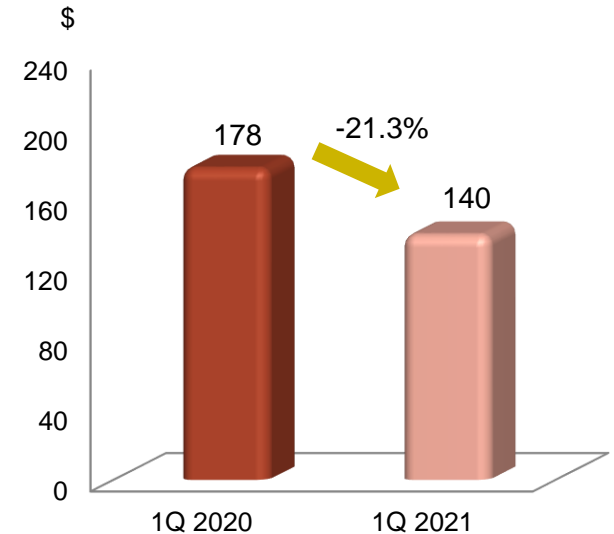
Average Occupancy



Average Daily Rate (ADR)



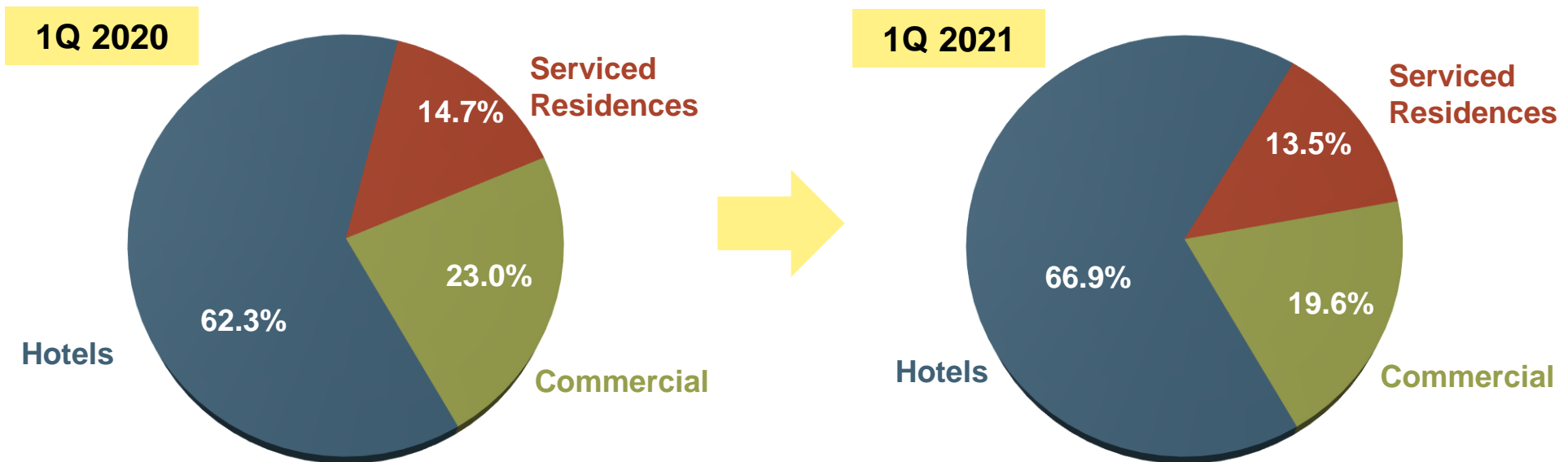
Revenue Per Available Unit (RevPAU)



- The serviced residences (“SRs”) demonstrated greater resilience despite the challenging market circumstances and lack of inbound travel. The support from long-stay corporate sources helped to minimise the negative impact of the pandemic and kept the SRs performing above fixed rent.
- The average occupancy for SRs declined to 74.7% (-8.9pp year-on-year) due to the curtailment of inbound travel. ADR fell by 12.2% to \$187 due to the nature of business available. As a result, revenue per available unit (‘RevPAU’) was 21.3% lower at \$140.

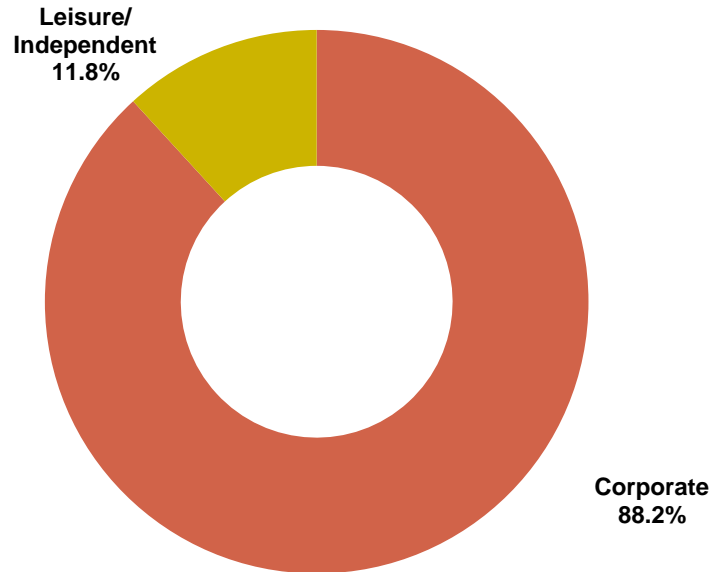


Breakdown of Gross Revenue – Total Portfolio

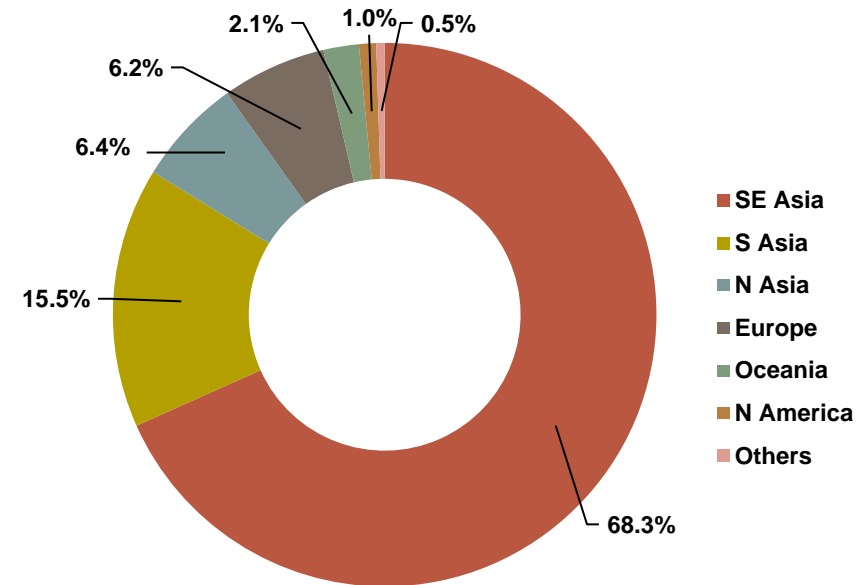


Market Segmentation 1Q 2021– Hotels

Hotels (by Revenue)



Hotels (by Region)

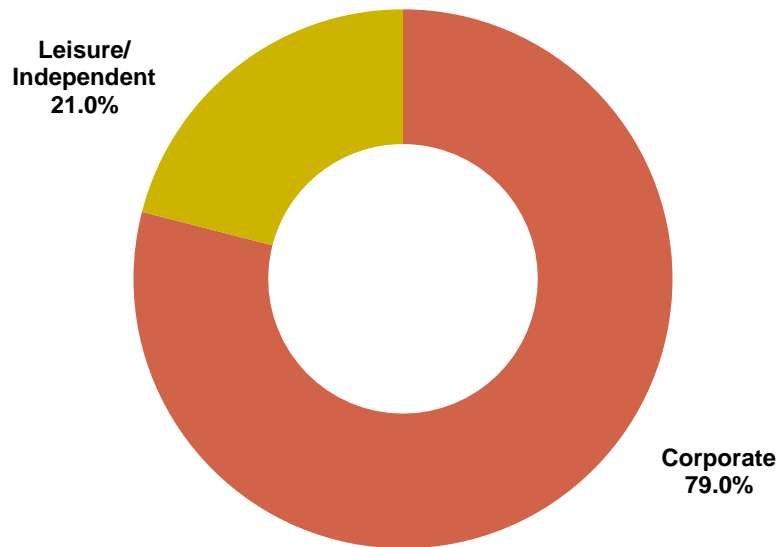


- The corporate segment contributed 88.2% to the overall hotel revenue. This was mainly from the Government contracts and from companies requiring accommodation for their workers. Border closures continued to limit Leisure travel bookings.
- The proportion of revenue contribution from South-East Asia increased significantly reflecting the nature of business available due to increased travel restrictions.

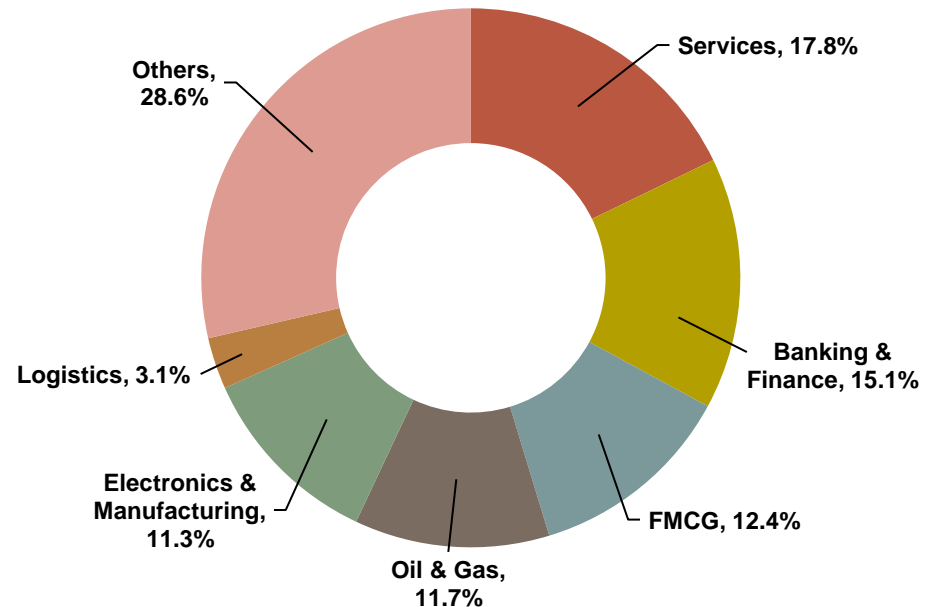


Market Segmentation 1Q 2021– Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- Revenue contribution by the Corporate segment was 79.0% in 1Q 2021, up from 73.3% a year ago, supported by pre-existing long leases and lease extensions by corporate accounts. Contribution by the Independent segment dropped from 26.7% to 21.0%, due to general restrictions on cross-border travel.
- The FMCG and Oil & Gas industries delivered a year-on-year increase in percentage revenue contribution for the quarter.



Ongoing and Upcoming Projects



Ongoing and Upcoming Projects

The Elizabeth Hotel

Upgrading of rooms, reception and common areas



Artist impression of upgraded lobby



Artist impression of upgraded room



Ongoing and Upcoming Projects

Orchard Rendezvous Hotel

Enhancement to outdoor refreshment area
("ORA") and forecourt



Artist Impression of ORA and forecourt



Ongoing and Upcoming Projects

Central Square

Outline Advice issued by URA under the Strategic Development Incentive Scheme



Artist Impression of Redeveloped Precinct

- An Outline Advice has been issued by URA in relation to Central Square under the Strategic Development Incentive Scheme in response to a joint application.
- The proposed plan is intended to rejuvenate the precinct with an integrated development and involves a potential rezoning and uplift in GFA, subject to approvals from the relevant authorities.
- The REIT Manager will explore various options for the site to deliver optimal value for stapled securityholders.



Outlook & Prospects



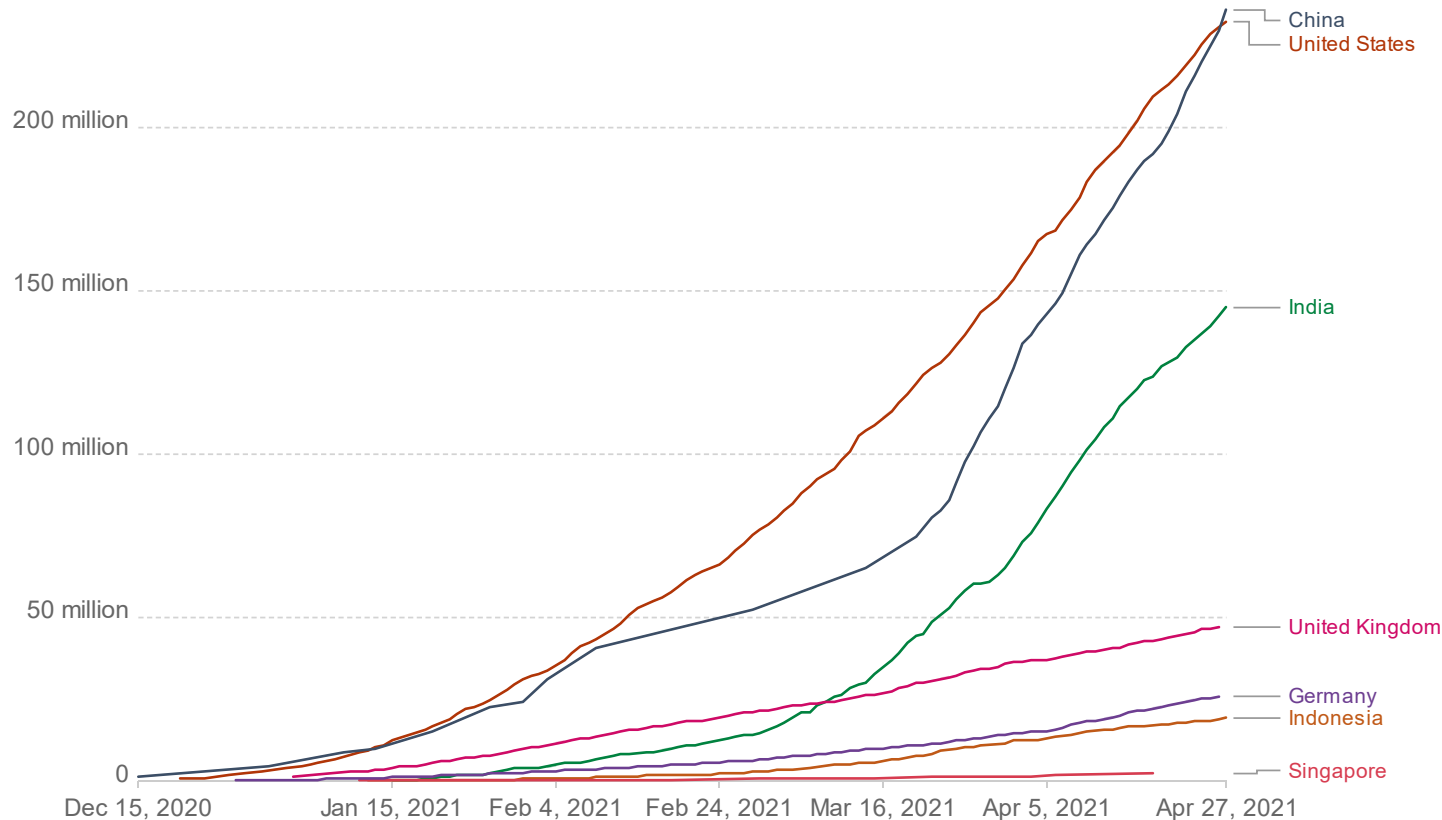
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Pace of vaccinations on an upward trend globally

COVID-19 vaccine doses administered

Total number of vaccination doses administered. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

Our World
in Data



Source: Official data collated by Our World in Data – Last updated 28 April, 12:00 (London time)

OurWorldInData.org/coronavirus • CC BY

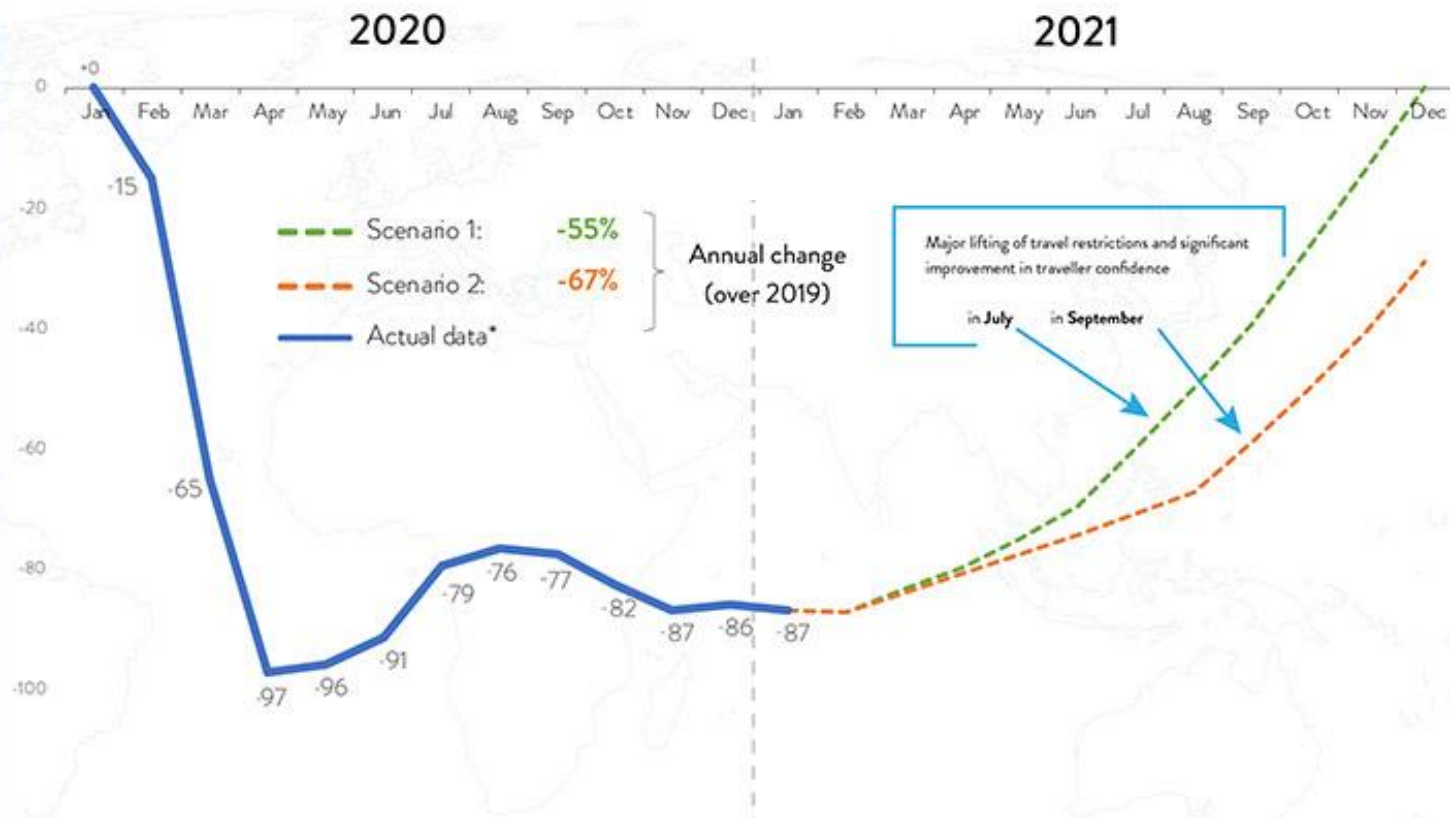
- The pace of vaccinations has been trending upwards in 2021.
- As of 27 Apr 21, the US, China and India have each administered more than 100m doses of vaccinations as they ramp-up their vaccination drives to achieve herd immunity.
- Singapore started vaccinations in Dec 20 and has targeted to inoculate its entire population by 3Q 2021. As of 27 Apr 21, Singapore had administered 2.21m doses of vaccinations and had 850k residents fully vaccinated against COVID-19.

International arrivals could start recovery in 2H 2021

INTERNATIONAL TOURIST ARRIVALS IN 2020 AND SCENARIOS FOR 2021 (Y-O-Y MONTHLY CHANGE, %)

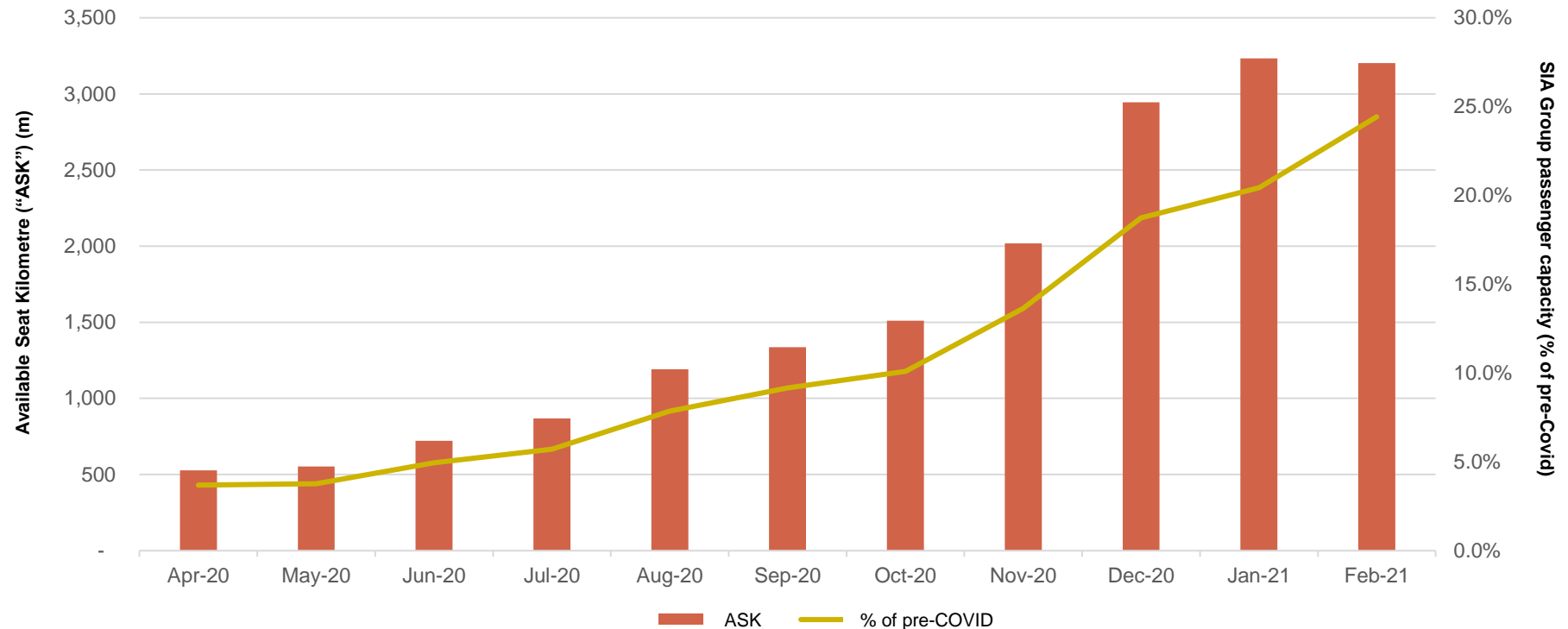


SOURCE: UNWTO
* ACTUAL DATA IS PRELIMINARY AND BASED ON
ESTIMATES FOR DESTINATIONS WHICH HAVE NOT
YET REPORTED MONTHLY RESULTS.
(DATA AS OF MARCH 2021)



- UNWTO expects international tourist arrivals to be down 85% in 1Q 2021 compared to pre-COVID levels but outlined two scenarios for a possible rebound in 2H 2021.
- Forecasts hinge on major lifting of travel restrictions, success of vaccination programmes and widespread use of vaccination passports/certificates.

Airline passenger capacity continues to grow



- As the main conduit for arrivals in Singapore, airlines' passenger capacity is a leading indicator for the recovery in cross-border travel.
- SIA Group passenger capacity continues to improve month-on-month. SIA is targeting to achieve ~25% of pre-Covid capacity by April 2021.



Travel arrangements mostly unilateral now

Country	Arrangement	Conditions/Restrictions of entry
Hong Kong	Air Travel Bubble	Quarantine-free travel Remain in either city 14 days (excl. quarantine) before departure, 1 flight of 200 pax daily
Australia	Air Travel Pass (Travel Bubble under discussion)	No entry to Australia unless traveller is in an 'exempt' category (ie. Australian citizen/PR/family member, NZ citizen residing in Australia etc); 14-day quarantine upon arrival.
Brunei	Air Travel Pass Reciprocal Green Lane	2-14 days isolation at hotel depending on Ministry of Health's risk assessment
China (6 provinces)	Air Travel Pass Reciprocal Green Lane	14-day centralized quarantine upon arrival followed by 7-day home quarantine (depending on province)
Malaysia	Periodic Commuting Arrangement	7-day Home Surveillance Order in Malaysia, 14-day Stay Home Notice in Singapore
New Zealand ("NZ")	Air Travel Pass	No entry to New Zealand unless traveller is in an 'exempt' category (ie. NZ citizen/PR/family member, Australian citizen residing in NZ, etc); 14-day quarantine upon arrival
All except UK / South Africa	Connect@Singapore	Only for business and official travel of up to 14 days and allowed to stay only within a 'bubble' at Appointed Facilities

- Since mid-2020, the Ministry of Foreign Affairs in Singapore established special travel arrangements with 10 countries. As of Apr 2021, over 18,200 travellers have entered Singapore under the Air Travel Pass scheme with 70% of the total number from China.
- The resurgence of COVID-19 and emergence of new strains has led to the suspensions of certain arrangements. Remaining travel arrangements are mostly unilateral with various restrictions on travellers arriving from Singapore.
- The Air Travel Bubble with Hong Kong starting on 26 May 2021 is the only firm bilateral arrangement as of Apr 2021.

Potential travel arrangements under discussion

Hong Kong

Explainer | Hong Kong-Singapore travel bubble to start May 26 – all you need to know about vaccinations, tests and contact tracing

- Quarantine-free travel between two Asian air hubs will begin before the summer school holidays in a boost for tourism
- Hong Kong says only vaccinated people can travel but the requirement won't apply to those from Singapore. Those above the age of six will need four Covid-19 tests in total and should expect to spend HK\$2,845 (S\$485)



Dewey Sim in Singapore and Kok Xinghui in Singapore
Published: 2:05pm, 26 Apr, 2021

Why you can trust SCMP

Source: South China Morning Post

Taiwan

Home > Top News > Taiwan ponders travel bubble with Singapore

Top News

Taiwan ponders travel bubble with Singapore

By TTG Asia / Posted on 19 March, 2021 12:57

Taiwan's health minister said the island is exploring a travel bubble with Singapore, a day after announcing its first travel bubble with Palau.

Source: TTG Asia

Australia

Business Traveller

FORUM NEWS CITY PROFILES SUBSCRIBE

News

Australia-Singapore travel bubble could launch by July

16 Mar 2021 by Samuel Chan



Source: Business Traveller Asia Pacific

Malaysia

THE STRAITS TIMES

ASIA

Singapore, Malaysia to discuss reopening of border during Muhyiddin's visit on May 4

Source: The Straits Times



Outlook for 2021

- **Global travel restrictions expected to continue impacting demand with near-term business supported by government contracts and long-stay corporate contracts.**
- **Widespread vaccination drives and travel arrangements expected to bring the industry closer normalcy from Q4 2021 onwards¹**
- **Further easing of capacity restrictions on MICE events allowing events of up to 750 attendees**
- **Muted average new room supply of 1,842 rooms annually from 2021 to 2024 compared to an average of 2,400 annually from 2015 to 2019¹**

⁽¹⁾ Savills report issued as at March 2021.



Long-Term Outlook

▪ Future-proofing infrastructure

- Government strategy to future-proof local infrastructure with projects such as the Tuas Mega Port, Terminal 5, the North South Corridor, and the Cross Island MRT line

▪ Growing business hub

- Decade-high S\$17.2 billion in fixed asset investments secured in 2020 despite COVID-19
- Regional headquarters for firms which are critical nodes in the global value chain such as Alibaba (technology), Pfizer (pharmaceutical), Micron (electronics), and DHL (logistics)
- New infrastructure projects and investments will drive demand for accommodation from corporate travellers and project groups

▪ Expanding tourism offerings

- Major expansion of key tourism areas such as the Mandai precinct, Sentosa (*including development of Pulau Brani, collectively known as the Greater Southern Waterfront project*), and the Integrated Resorts



Thank You

For more information please visit
<http://www.fehtrust.com>



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 ²	3 May 1993	19 Oct 1988	2 June 2011	20 June 1987 ²	27 Nov 2008	5 June 2000 ²	30 Dec 2015	
# of Rooms	210	380	256	393	428	388	108	298	314	2,775
Lease Tenure ¹	67 years	57 years	67 years	58 years	84 years	42 years	67 years	63 years	62 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	17,793	
Retail NLA (sq m)	1,003	805	583	1,164	NA	3,778	NA	2,799	NA	10,132
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) ¹	121.1	192.1	161.2	223.0	309.0	406.6	77.8	270.0	242.2	2,003.0

¹ As at 31 December 2020

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	72 years	73 years	70 years	73 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: 1,473 Serviced Office: 823	NA	NA	2,291	4,587
Master Lessee / Vendor	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ¹	198.3	61.5	102.9	163.0	525.7

¹ As at 31 December 2020

