



Presentation at 2nd Annual General Meeting

23 April 2014

Agenda

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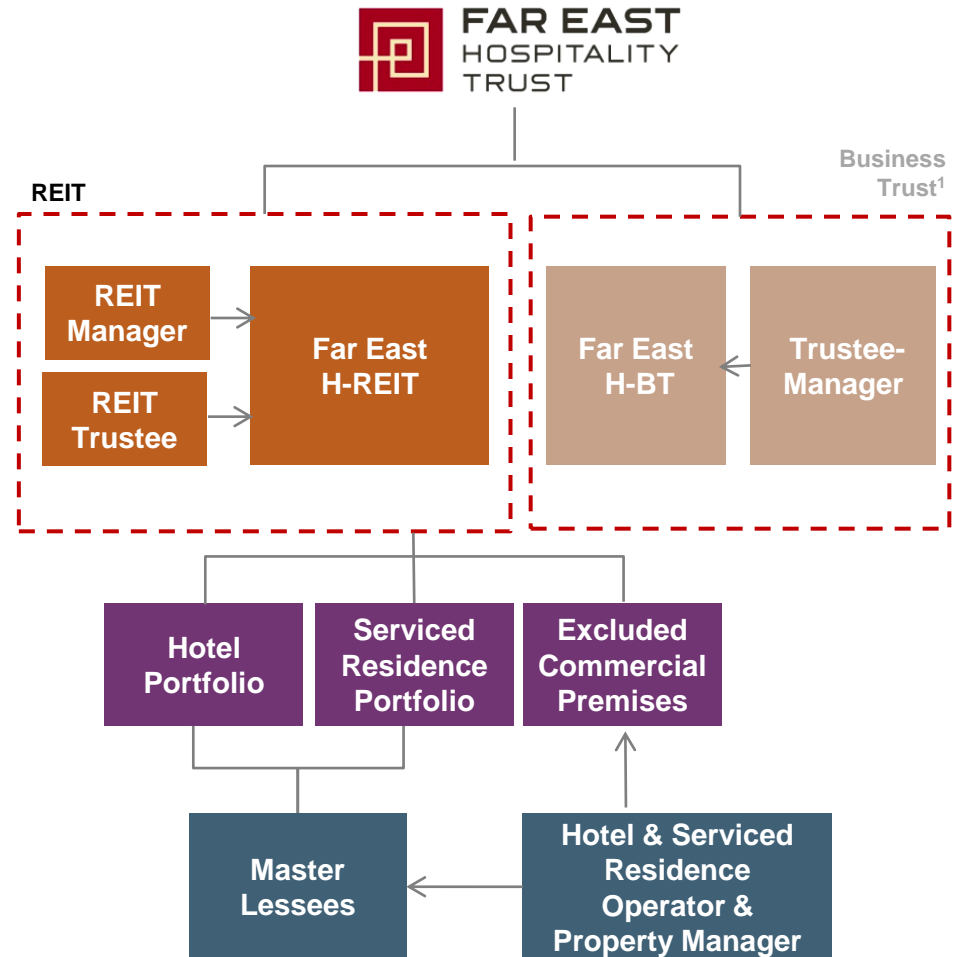


About Far East Hospitality Trust



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\$2.47 billion 8 hotel properties (“Hotels”) and 4 serviced residences (“SR” or “Serviced Residences”)
Property Manager	Far East Hospitality Management (S) Pte Ltd
Master Lessees	Sponsor companies, part of the Far East Organization group of companies



¹ Dormant since Listing Date and master lessee of last resort



Investment Highlights



**First and only
Singapore-
focused hotel
and serviced
residence
REIT**

**Economic,
hospitality
and tourism
growth
potential**

**Committed
and reputable
Sponsor**

**Well-
positioned to
capitalise on
growth
opportunities**

**Downside
protection
from the
Master Lease
Agreement
with expected
rental growth**



Singapore-Focused Portfolio with High Quality Assets

12 Properties, totalling 2,829 hotel rooms and apartment units, valued at ~\$2.47 bn¹

1 Oasia Hotel (428 rooms)



2 Orchard Parade Hotel (388 rooms)



3 Rendezvous Hotel Singapore (298 units)



4 The Elizabeth Hotel (256 rooms)



5 The Quincy Hotel (108 rooms)



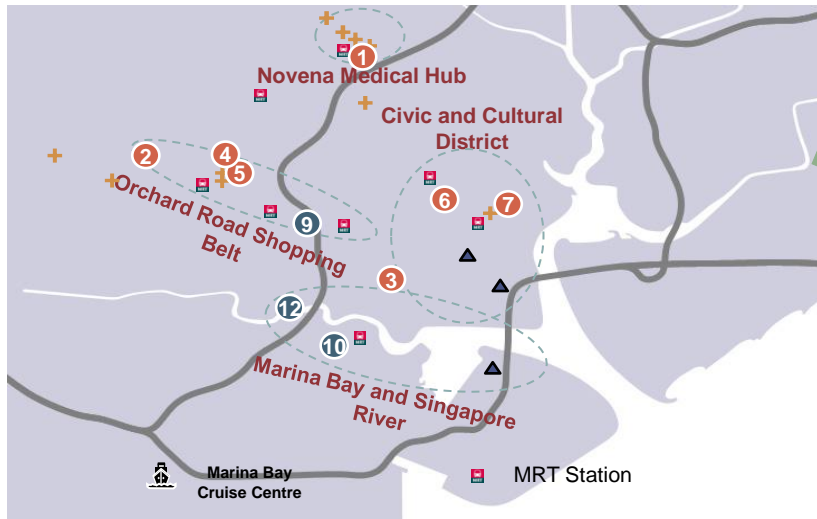
6 Village Hotel Albert Court (210 rooms)



7 Village Hotel Bugis (393 rooms)



8 Village Hotel Changi (380 rooms)



12 Village Residence Robertson Quay (72 units)



11 Village Residence Hougang (78 units)



10 Village Residence Clarke Quay (128 units)



9 Regency House (90 units)



¹ Hotels 1-8 were valued by Colliers and serviced residences 9-12 were valued by Knight Frank on 31 Dec 2013; refer to slide 7 for valuation of hotel 3

Acquisition from Third Party – Rendezvous Hotel Singapore



Completion	1 Aug 2013
Leasehold Tenure	70 years from Completion Date
Market Segment	Upscale
Rooms	298

Retail Net Floor Area	2,295 sqm
Purchase Price	\$264.3m (Hotel: S\$216.6m / Retail: S\$47.7m)⁽¹⁾
Colliers Valuation as at 31 Dec 2013	\$277.0m (Hotel: S\$220.0m / Retail: S\$57.0m)

Master Lessee	Serene Land Pte Ltd
Term	20 years + 20 years
Fixed Rent	\$6.5m p.a.
Variable Rent	33% of GOR + 25% of GOP less Fixed Rent⁽²⁾

Source: Circular dated 15 May 2013

Notes

- (1) Based on the average proportion of hotel and retail valuations by Colliers and JLL
 (2) If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero



Asset Enhancement Initiatives – Completed in 2013

Village Hotel Bugis



Upgrade of 213 Superior and Deluxe Rooms completed in March 2013.

Orchard Parade Hotel



Upgrade of 97 Superior Rooms completed in May 2013.



Asset Enhancement Initiatives – Completed in Jan 2014

Rendezvous Hotel Singapore



The property has undergone refurbishment of its reception lobby, lobby bar and club rooms to reposition it as an art-inspired hotel.



Asset Enhancement Initiatives – Ongoing Refurbishments

Village Hotel Albert Court

Before



After

Planned upgrade of 136 Superior and Deluxe Rooms and all corridors.

Expected completion in 3Q 2014.



Asset Enhancement Initiatives – Ongoing Refurbishments

Regency House

Before



After

Planned upgrade of 41 Studio Apartments and breakfast lounge.

Expected completion in 2Q 2014.



Asset Enhancement Initiatives – Ongoing Refurbishments

Village Hotel Changi

Before



After

**The hotel is undergoing refurbishment of 303 rooms
(Painting of walls, change of flooring and drapes, refurbish couch and desk).**

Expected completion in 4Q 2014.



Sector Outlook



Transformation of Tourism Landscape – Upcoming Developments



Singapore Sports Hub (2014)

Hosting world-class concerts, entertainment and sports events



National Gallery Singapore (2015*)

The largest gallery to showcase Singaporean and Southeast Asian arts



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



Creating Unique Tourist Experiences & Driving MICE

\$15 mil Association Development Fund and MICE 2020 Roadmap to develop capabilities and engage visitors

*Opening Dates may be subject to change

Key Events in 2014

Biennial Events



SINGAPORE AIRSHOW 2014
Asia's Biggest For Aviation's Finest
11 – 16 February 2014 • Changi Exhibition Centre

Food & Hotel Asia Exhibition

8 - 11 April 2014
Tuesday - Friday
Singapore Expo



WasteMET Asia 2014

Asia's International Waste Management &
Environmental Technology Exhibition and Conference

2 - 4 June 2014 | Sands Expo and Convention Center
Marina Bay Sands, Singapore

New and Regular Events



**THE HOME FOR
SPORTS AND
ENTERTAINMENT IN
THE REGION**

**Opening in
June 2014**

BroadcastAsia2014

The 19th International Digital Multimedia & Entertainment Technology
Exhibition & Conference

17 - 20 June 2014
Marina Bay Sands, Singapore

CommunicAsia2014

The 25th International Communications and Information Technology
Exhibition & Conference

17 - 20 June 2014
Marina Bay Sands, Singapore



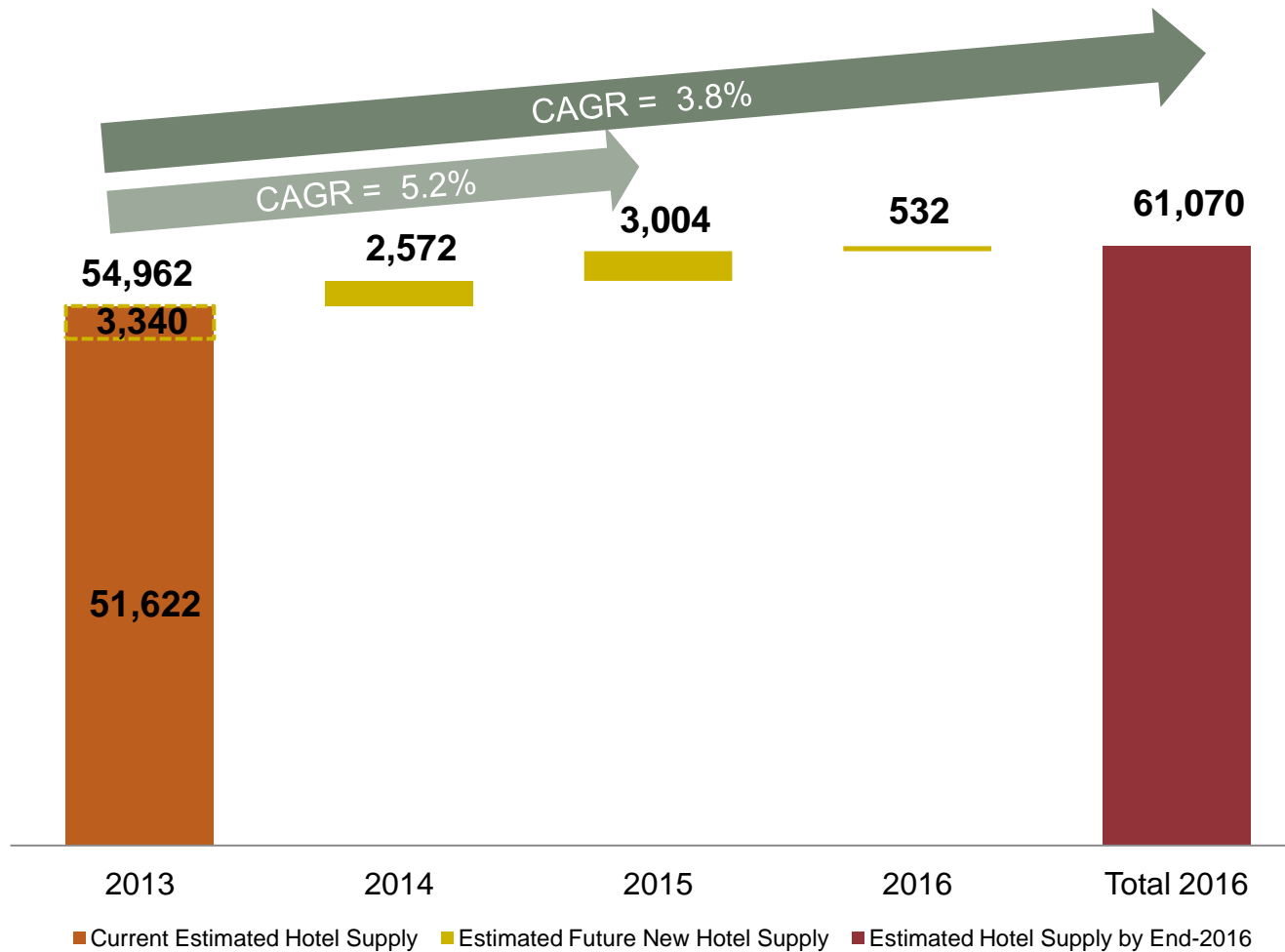
2014 FORMULA 1 SINGAPORE GRAND PRIX

19.20.21 SEPT 2014



Championships Singapore 2014-2018

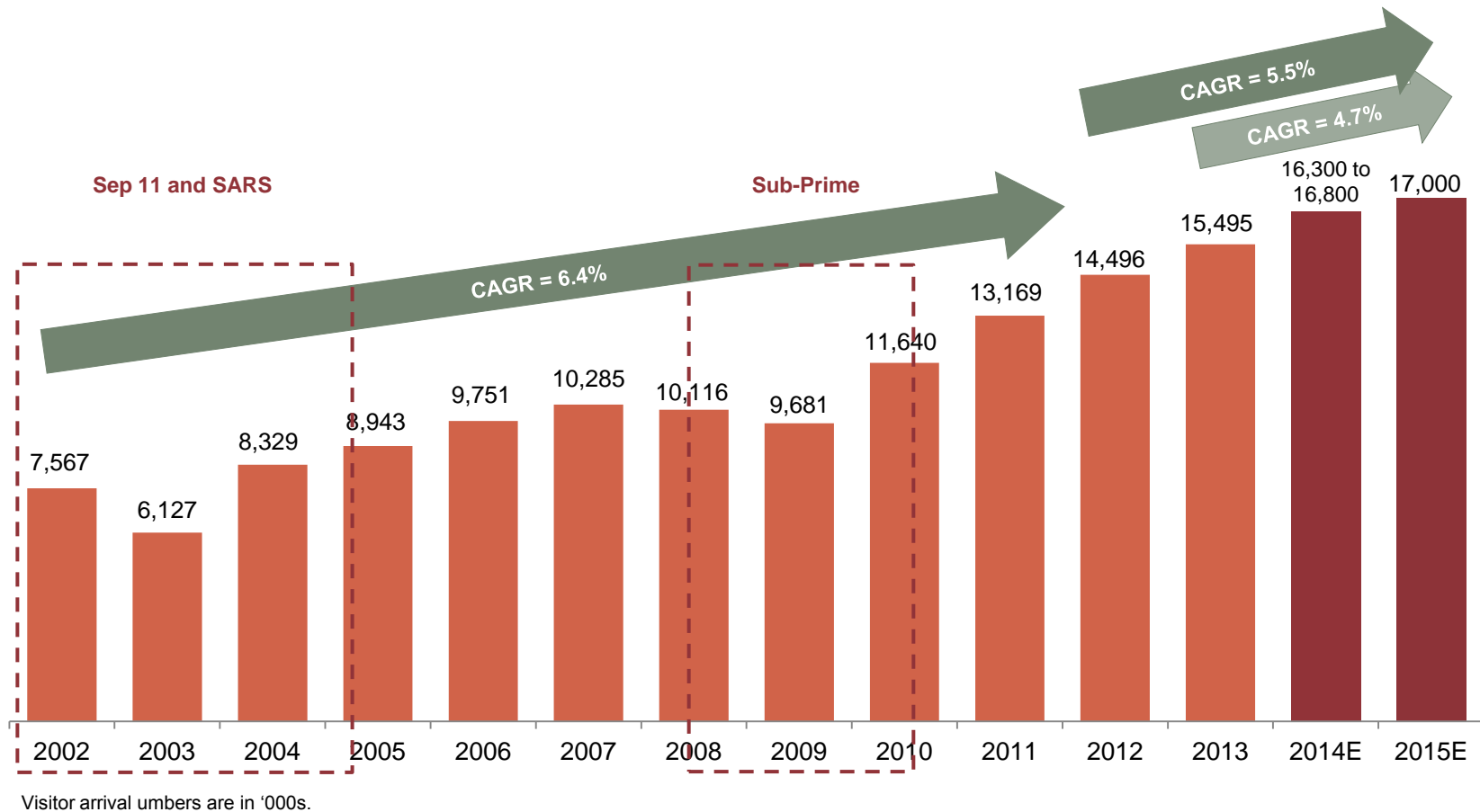
Hotel Room Supply in Singapore



Hotel supply is expected to increase at a CAGR of 3.8% from 2013 to 2016



Historical and Forecast Visitor Arrivals in Singapore



- **Visitor arrivals are projected to grow at a CAGR of 5.5% from 2012 to 2015**
- **For Jan – Dec 2013, visitor arrivals grew by 6.9% as compared to the same period last year**

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 28 Feb 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)



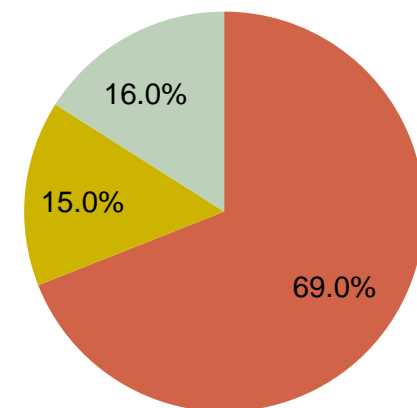
Portfolio Performance



Executive Summary - Performance

	Actual FY 2013	Forecast FY 2013	Variance
	\$	\$	%
Gross Revenue (\$'000)	122,478	130,504	-6.2
NPI (\$'000)	111,878	118,006	-5.2
Income Available for Distribution (\$'000)	94,597	97,666	-3.1
DPS (cents)	5.64	5.82	-3.1

Actual FY 2013
Breakdown by Revenue



Hotels Serviced Residences Commercial

- Rental from Serviced Residences and Excluded Commercial Premises exceeded Forecast and helped to mitigate the shortfall in Master Lease Rental derived from Hotels.
- FY 2013 Income Available for Distribution fell short of Forecast by 3.1%.



Financial Results – 1 Jan 2013 to 31 Dec 2013

	1 Jan 2013 to 31 Dec 2013	1 Aug 2012 to 31 Dec 2012
	S\$'000	S\$'000
Master lease rental	102,693	35,910
Retail and office revenue	19,785	6,306
Gross revenue	122,478	42,216
Property tax	(7,388)	(2,354)
Property insurance	(83)	(53)
MCST contribution	(47)	(16)
Retail and office expenses	(2,579)	(863)
Property manager fees	(469)	(147)
Other property expenses	(34)	-
Property expenses	(10,600)	(3,433)
Net property income	111,878	38,783
REIT Manager's fees	(11,493)	(3,831)
Trustee's fees	(293)	(98)
Other trust expenses	(559)	(12,706)
REIT level expenses	(12,345)	(16,635)
Total finance costs	(15,169)	(4,077)
Net income before tax and fair value changes	84,364	18,071
Fair value change in derivative financial instruments	7,933	(1,843)
Fair value change in investment properties	45,861	53,309
Total return for the period before income tax	138,158	69,537



Statement of Distribution to Stapled Securityholders

	1 Jan 2013 to 31 Dec 2013	1 Aug 2012 to 31 Dec 2012
	S\$'000	S\$'000
Total return for the period before income tax	138,158	69,537
Income tax expense	-	-
Total return for the period after income tax	138,158	69,537
Add/(less) non tax deductible/(chargeable) items :		
REIT Manager's fees paid/payable in stapled securities	9,194	3,065
Amortisation of debt upfront cost	738	237
Trustee's fees	293	98
Other Adjustment	8	-
Fair value change in investment properties	(45,861)	(53,309)
Fair value change in derivative financial instruments	(7,933)	1,843
Net tax adjustment	(43,561)	(35,891)
Income available for distribution	94,597	33,646



Portfolio Performance – Key Highlights for FY 2013

Hotels

- Hotel occupancy of 86.4% was higher than FY 2013 forecast by 1.6 pp; lower than expected room rates caused RevPAR to be below forecast by 9.2%.
- In FY 2013, the hospitality industry was impacted by:
 - Price competition
 - Subdued business travel spending due to the uncertain macro-environment
 - Slower leisure traffic from some regional markets, as a result of the depreciation of their currencies
- Despite the challenging operating environment, FY 2013 RevPAR decreased marginally by 2.2% year-on-year. The shortfall against Forecast was 9.2%.

Serviced Residences

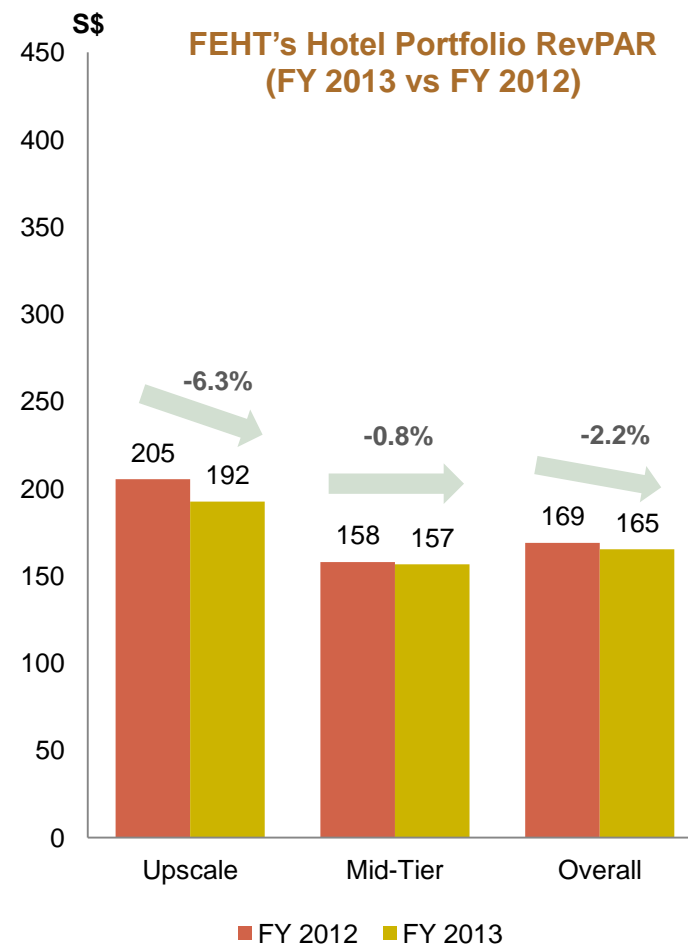
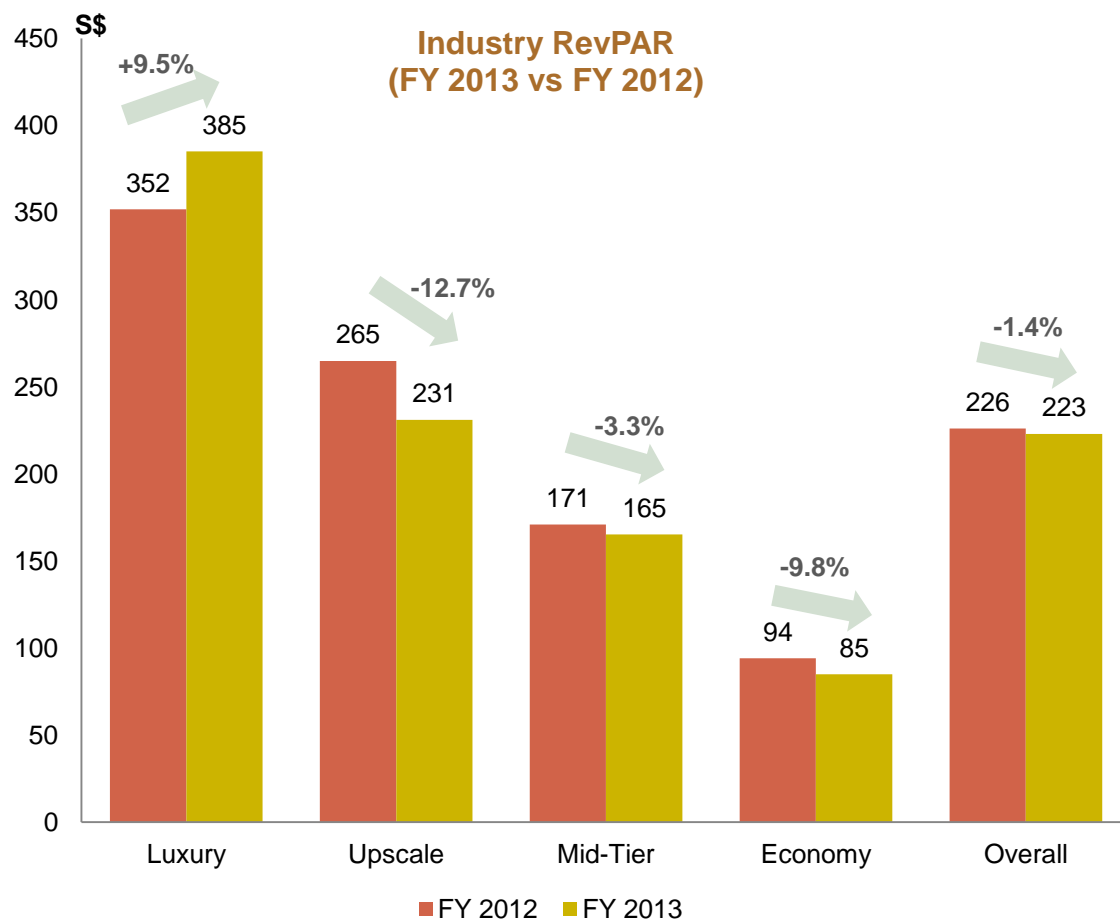
- Average occupancy remained high at 89.0%.
- Revenue per available unit (“RevPAU”) was marginally higher than Forecast for FY 2013 by 0.8%.
- Year-on-year, FY 2013 RevPAU grew 10.9%.

Excluded Commercial Premises

- Revenue from retail and office spaces exceeded Forecast by 5.9% in FY 2013.



Industry & Portfolio RevPAR Comparison (FY 2013 vs FY 2012)

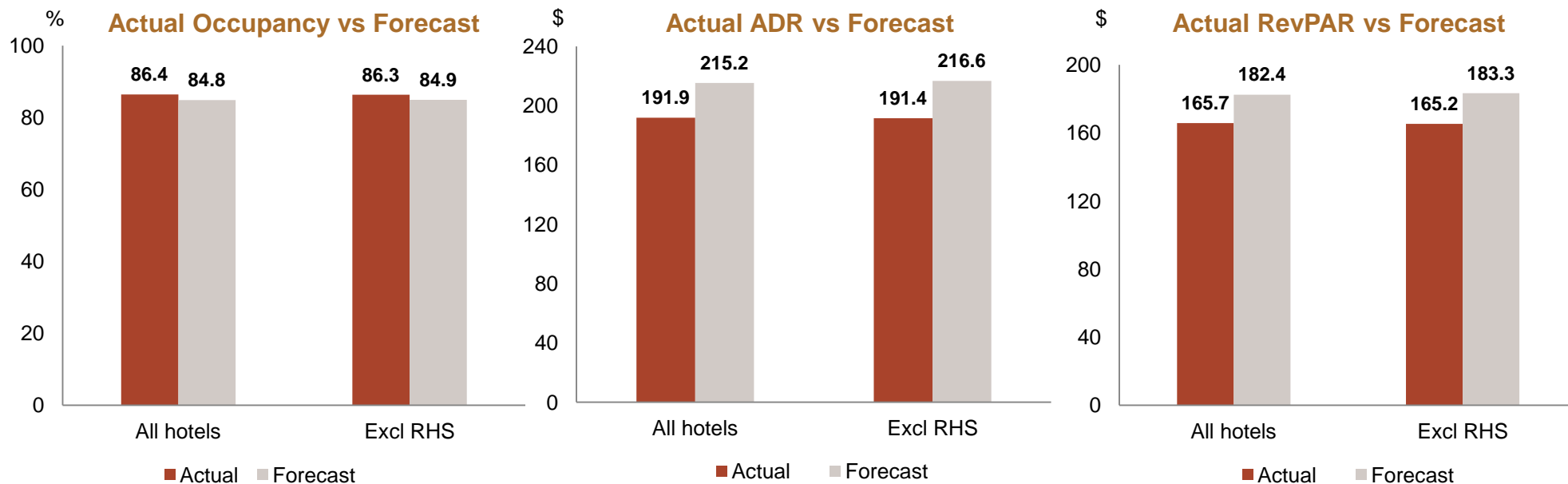


* The Rendezvous Property was acquired on August 1, 2013. For a same store year-on-year comparison, the statistics above exclude RHS.

- **Far East H-Trust's mid-tier and upscale hotels showed more resilience as compared to the industry**



Portfolio Performance FY 2013 vs Forecast - Hotels

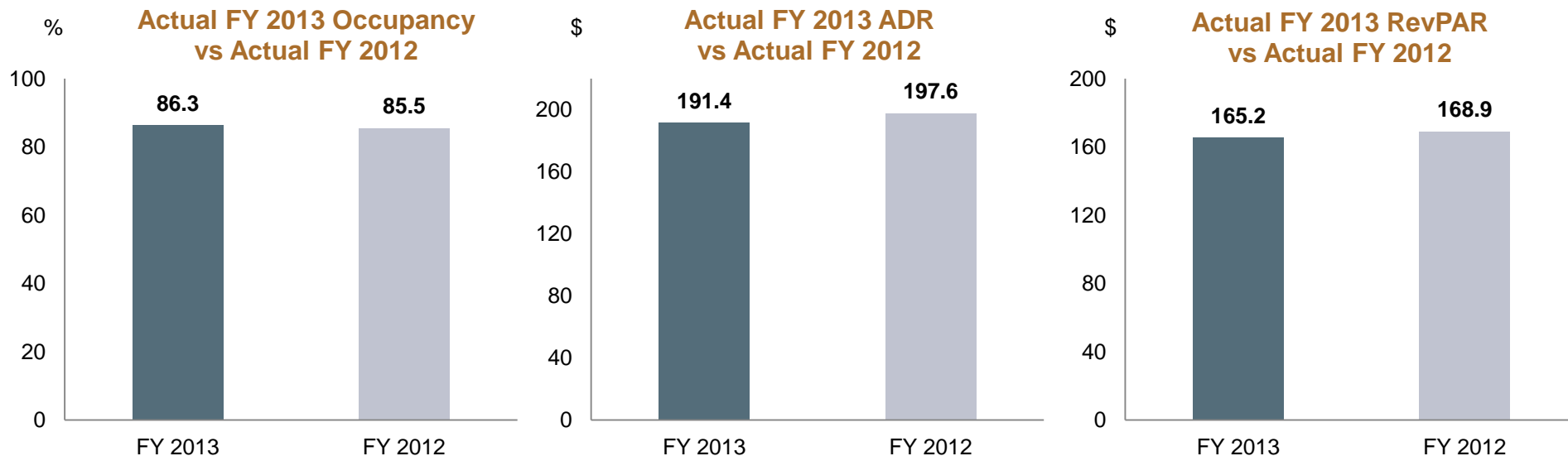


	All Hotels			Hotels (Excluding RHS)		
	Actual	Forecast	Variance	Actual	Forecast	Variance
Occupancy (%)	86.4	84.8	+1.6 pp	86.3	84.9	+1.4 pp
ADR (\$)	191.9	215.2	-10.8%	191.4	216.6	-11.4%
RevPAR (\$)	165.7	182.4	-9.2%	165.2	183.3	-9.9%

* The Rendezvous Hotel Singapore (“RHS”) and Rendezvous Gallery (“Rendezvous Property”) was acquired on August 1, 2013. For a same store comparison, the statistics shown in the table illustrate the hotel portfolio’s performance with and without RHS.



Portfolio Performance FY 2013 vs FY 2012 - Hotels



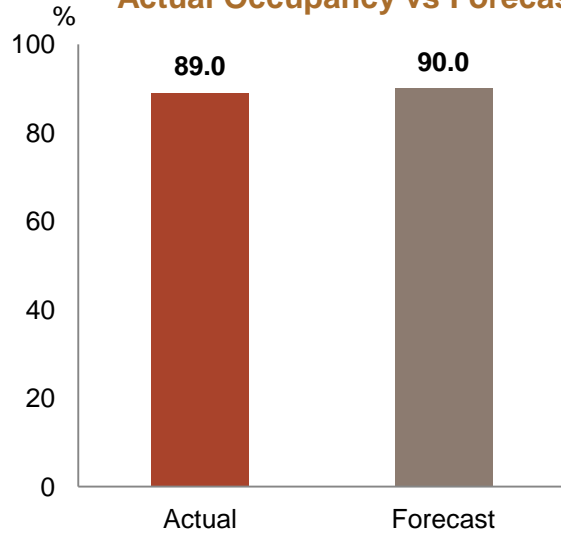
	Excluding RHS		
	FY 2013	FY 2012	Variance
Occupancy (%)	86.3	85.5	+0.8 pp
ADR (\$)	191.4	197.6	-3.1%
RevPAR (\$)	165.2	168.9	-2.2%

* The Rendezvous Property was acquired on August 1, 2013. For a same store year-on-year comparison, the statistics shown in the table above exclude RHS.

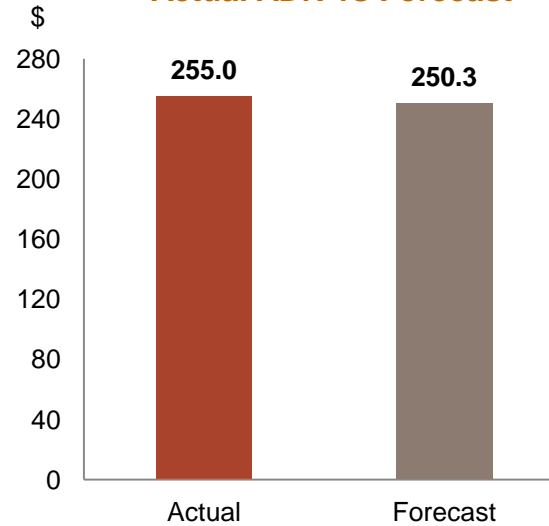


Portfolio Performance FY 2013 vs Forecast – Serviced Residences

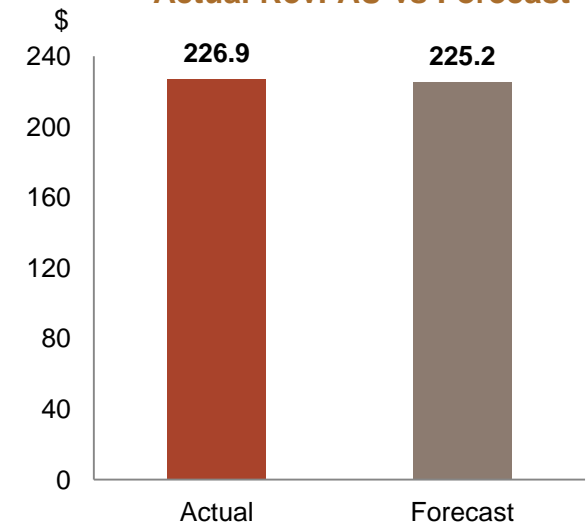
Actual Occupancy vs Forecast



Actual ADR vs Forecast



Actual RevPAU vs Forecast

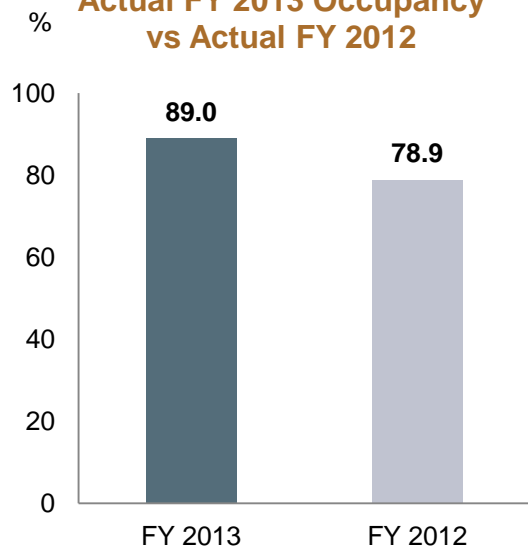


	Actual	Forecast	Variance
Occupancy (%)	89.0	90.0	-1.0 pp
ADR (\$)	255.0	250.3	+1.8%
RevPAU (\$)	226.9	225.2	+0.8%

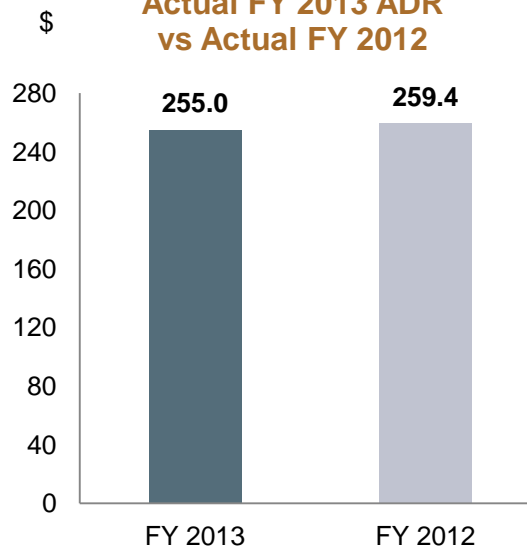


Portfolio Performance FY 2013 vs FY 2012 – Serviced Residences

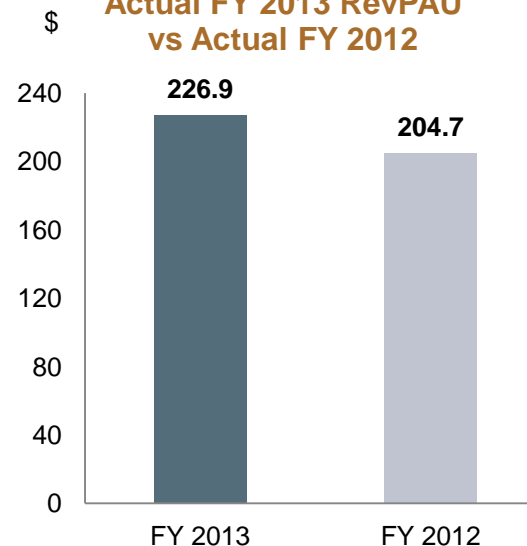
Actual FY 2013 Occupancy vs Actual FY 2012



Actual FY 2013 ADR vs Actual FY 2012



Actual FY 2013 RevPAU vs Actual FY 2012



	FY 2013	FY 2012	Variance
Occupancy (%)	89.0	78.9	+10.1%
ADR (\$)	255.0	259.4	-1.7%
RevPAU (\$)	226.9	204.7	+10.9%



Portfolio Valuation

	Valuation as at 31 Dec 2012 (\$'000)	Valuation as at 31 Dec 2013 (\$'000)
Hotels		
Village Hotel Albert Court (VHAC)	126,000	128,000
Village Hotel Changi (VHC)	257,000	255,000
The Elizabeth Hotel (TEH)	193,000	193,000
Village Hotel Bugis (VHB)	227,000	230,000
Oasia Hotel (OHS)	322,000	330,000
Orchard Parade Hotel (OPH)	419,000	428,000
The Quincy (TQH)	84,000	86,000
Rendezvous Hotel Singapore (RHS)	- *	277,000
	1,628,000	1,927,000
Serviced Residences		
Village Residence Clarke Quay (VRCQ)	186,800	202,200
Village Residence Hougang (VRH)	65,800	67,300
Regency House (RH)	164,000	163,500
Village Residence Robertson Quay (VRRQ)	113,800	114,700
	530,400	547,700
Total Portfolio	2,158,400	2,474,700

*Rendezvous Property was acquired on 1 August 2013 at a purchase price of \$264.3 million

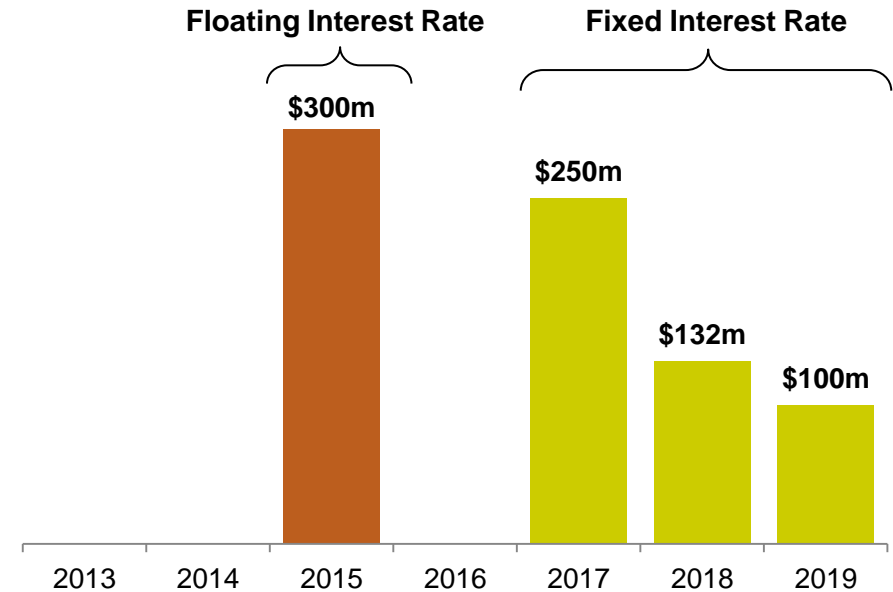
Note: Based on the carrying value and valuation of the investment properties as at 31 Dec 2013, a fair value gain of \$45.9 million was recognised in the Statement of Total Return of Far East H-REIT



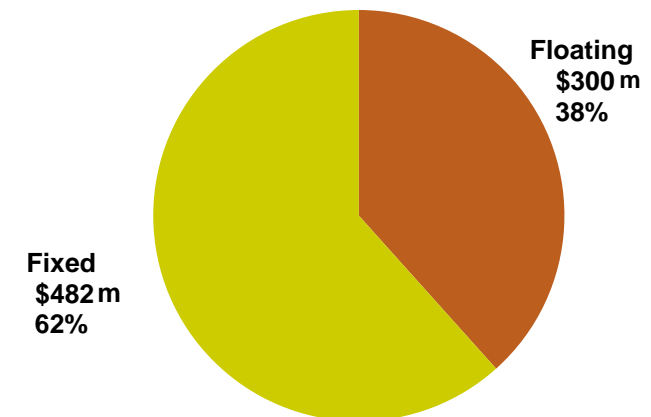
Capital Management

Total debt	\$782m
Available revolving facility	\$75 m
Gearing ratio	30.9%
Unencumbered asset as % total asset	100%
Proportion of fixed rate	62%
Weighted average debt maturity	3.3 years
Average cost of debt	2.2%

Debt Maturity Profile



Interest Rate Profile



Outlook & Prospects



Outlook & Prospects

- Growth in visitor arrivals is expected to continue in 2014 with the strengthening of the global economy.
- The supply of approximately 2,572 new hotel rooms¹ is expected to be balanced by the rising demand from the increase in visitors and a stronger events calendar in 2014.
- Asset enhancement initiatives at The Elizabeth Hotel, Village Hotel Albert Court, Village Hotel Changi and Regency House are expected to improve the properties' competitiveness.

(1) Jones Lang LaSalle



Other Corporate Updates



Recognition



Far East H-Trust received “Runner-Up - SIAS Most Transparent Company Award 2013, New Issues Category” at SIAS 14th Investors’ Choice Award.



Community Involvement



Love Bazaar – helping social enterprises raise funds



Project Homeworks – improving the living conditions of the less fortunate



Bull Charge 2013 – raising funds for children and adults with special needs



Thank You



Appendix



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**

	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

