



Presentation at 12th Annual General Meeting

22 April 2024

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- Year in Review:
 - Financial & Portfolio Performance
 - Capital Management
 - Tenant Mix Revitalisation
 - Key Sustainability Highlights

- Outlook

- Stapled Security Buy-Back Mandate



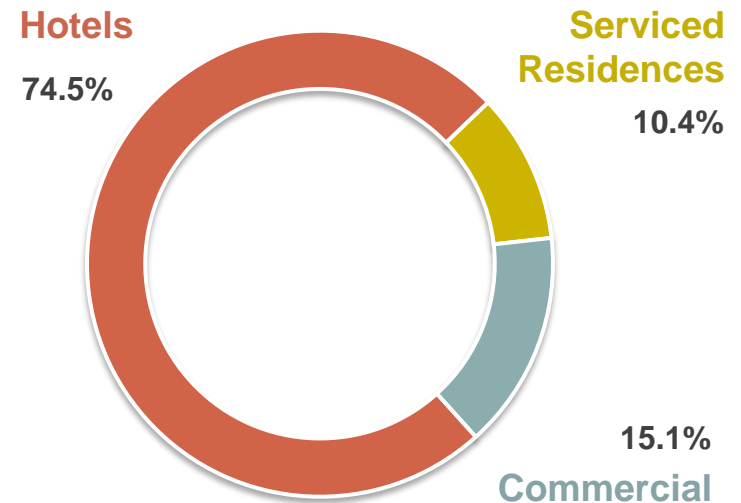
Financial & Portfolio Performance



FY 2023 Financial Performance

	FY 2023 S\$'000	YoY Variance %
Gross Revenue	106,805	27.8
Net Property Income	98,741	27.7
Distribution to Stapled Securityholders	81,911	26.0
Distribution per Stapled Security (cents)	4.09	25.1

Breakdown of Revenue by Segment



- Gross revenue for FY 2023 rose 27.8% year-on-year to S\$106.8 million led by the rebound of Hotel revenue which increased 36.0%.
- **Excluding the effect of Central Square's divestment in FY 2022, gross revenue would have grown 30.0% year-on-year.**
- **Distribution to Stapled Securityholders grew 26.0%** to S\$81.9 million on the back of higher net property income and distribution of other gains from the divestment of Central Square, translating into a higher DPS of 4.09 cents.



Portfolio Performance – Hotels

Performance

Revenue (millions)

S\$79.6 (+36.0% YoY)

Average Occupancy

80.1% (+6.3pp YoY)

Average Daily Rate

S\$170 (+36.1% YoY)

Revenue per Available Room

S\$136 (+47.8% YoY)

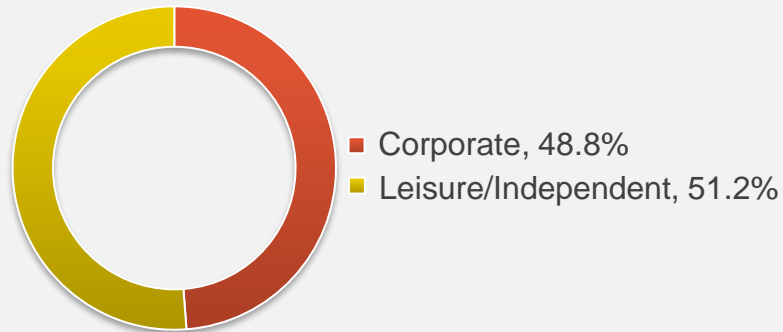
- For FY 2023, overall RevPAR grew 47.8% on the back of higher ADR and Occupancy as recovery from both leisure and corporate travel continued to drive demand.



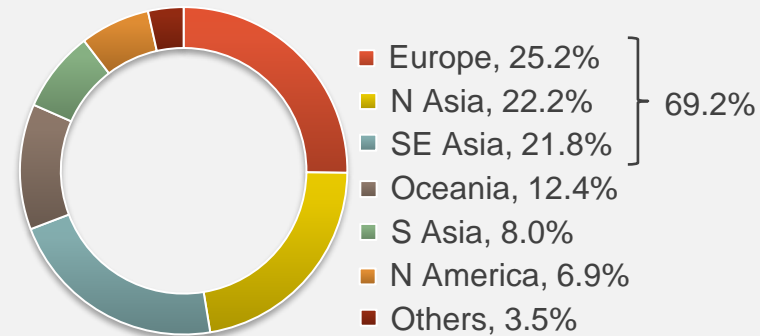
Portfolio Performance – Hotels

Revenue Contribution

By Market Segment



By Region



- Revenue contribution from the Leisure segment increased significantly by 167.7% compared to the previous year. As such, the Leisure segment's contribution expanded from 29.7% to 51.2%.
- Guests from Europe, North Asia and Southeast Asia formed the top 3 markets contributing to 69.2% of overall revenue.



Portfolio Performance – Serviced Residences

Performance

Revenue (millions) S\$11.1 (+7.9% YoY)		
Average Occupancy 87.8% (+0.3pp YoY ¹)	Average Daily Rate S\$260 (+16.6% YoY ¹)	Revenue per Available Unit S\$229 (+17.0% YoY ¹)
<ul style="list-style-type: none">• For FY 2023, the Serviced Residences continued to achieve new highs, driven by sustained demand from project groups and professionals requiring long-stay accommodation.• Excluding the effect of Central Square divestment in FY 2022, revenue would have grown 17.2% year-on-year.		

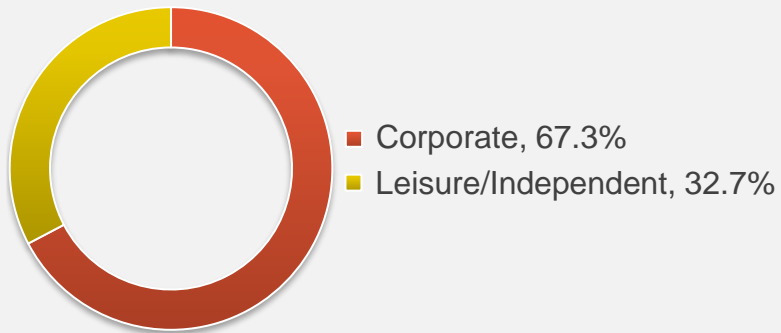
1 The year-on-year comparison against FY 2022 includes contribution from Central Square which was divested on 24 March 2022. Central Square is a mixed-used development comprising Village Residence Clarke Quay and commercial spaces. On a same-store-basis comparison excluding Central Square, average occupancy would have decreased by 0.5pp and ADR would have increased by 15.3%, resulting in an overall RevPAU increase of 14.7%.



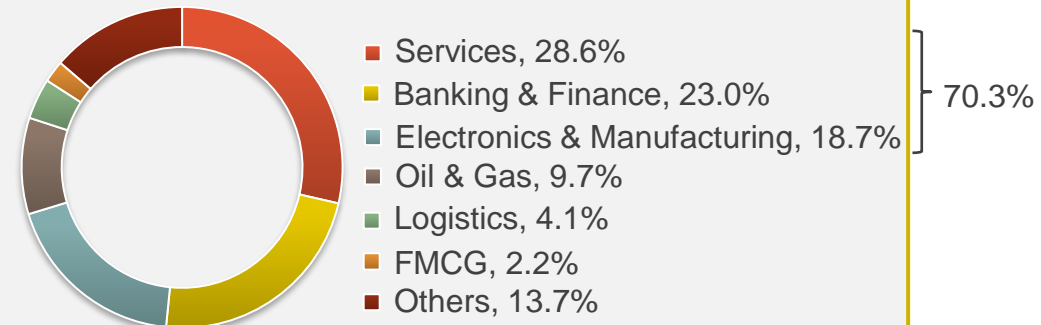
Portfolio Performance – Serviced Residences

Revenue Contribution

By Market Segment



By Industry



- The Corporate segment remained the primary driver of revenue, contributing 67.3% of revenue.
- Services, Banking & Finance and Electronics & Manufacturing formed the top 3 segments contributing to 70.3% of overall revenue.



Portfolio Performance – Commercial Premises

Performance

Revenue (millions)

S\$16.2 (+9.2% YoY)

Average Occupancy

82.5% (+7.2pp YoY)

WALE (Years)

1.74 (+0.37 year YoY)

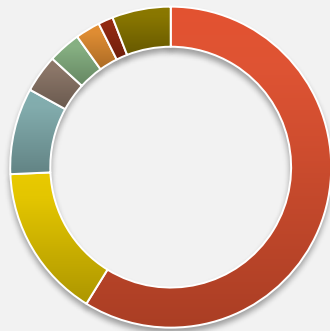
- For FY 2023, revenue from the REIT commercial premises (“RCP”) increased 9.2% year-on-year to S\$16.2 million due to higher occupancies and rental rates secured for both the Retail and Office premises.
- Excluding the effect of Central Square’s divestment in FY 2022, revenue would have grown 13.7% year-on-year.



Portfolio Performance – Commercial Premises

Revenue Contribution

Trade Sector Mix of Tenants by Revenue



- Food & Beverage, 58.8%
- Beauty & Wellness, 15.5%
- Real Estate, 8.7%
- Education, 3.8%
- Consultancy, 3.3%
- Entertainment, 2.5%
- Retail, 1.5%
- Others, 5.9%

Top 10 RCP Tenants (Revenue Contribution)

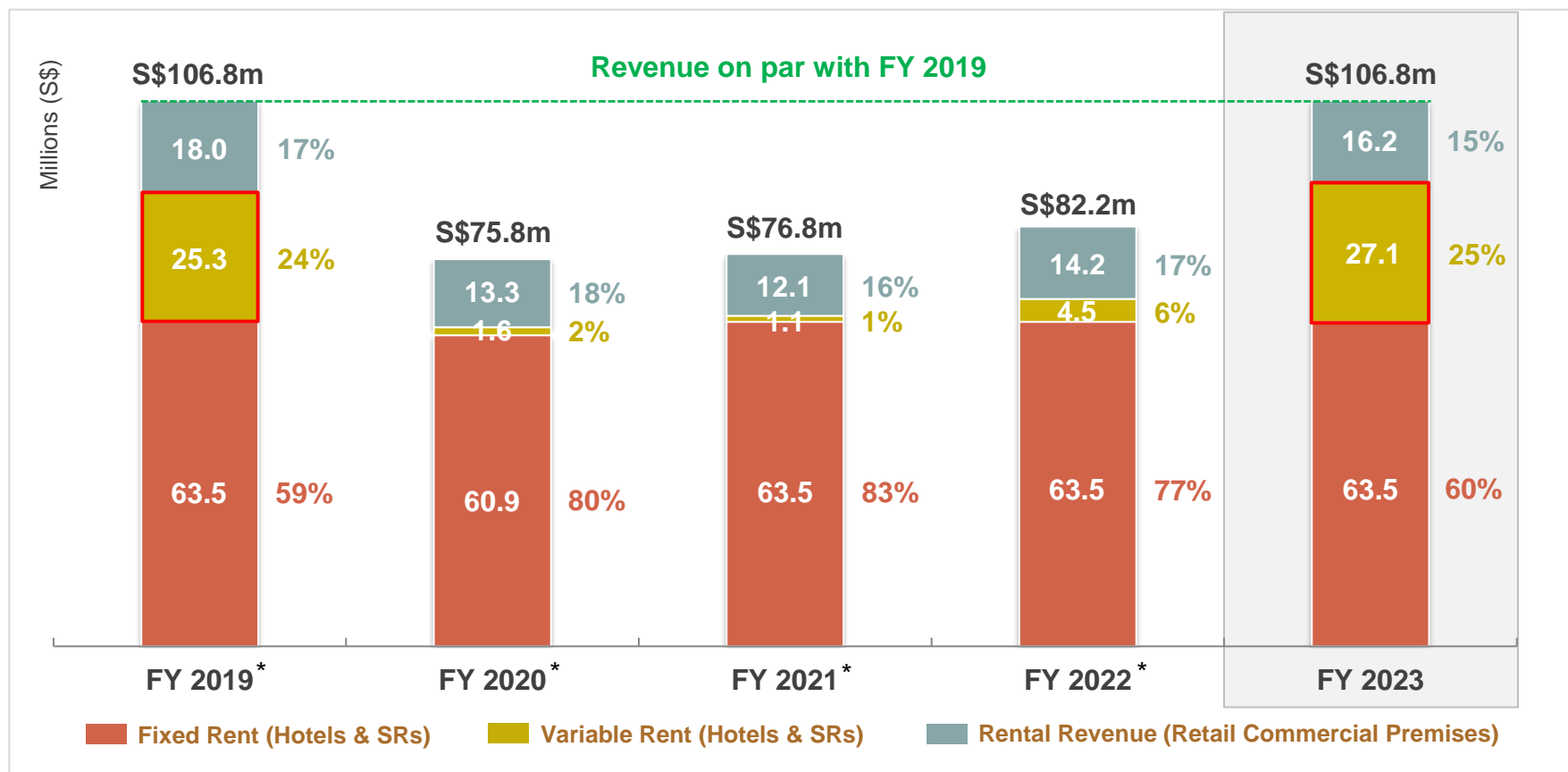
1.	Akashi Japanese Restaurant OPH Pte Ltd	6.7%
2.	Club Chinois Pte Ltd	6.6%
3.	Far East Organization entities	5.7%
4.	White Marble (2021) Pte Ltd	4.4%
5.	Natureland Global Pte Ltd	4.3%
6.	Singapore Hospitality Group Pte Ltd	3.4%
7.	Menu 2 Pte Ltd	2.8%
8.	Kam Boat Chinese Cuisine Pte Ltd	2.6%
9.	Royal Palm Pte Ltd	2.3%
10.	328 F&B Holding Pte Ltd	2.3%

- Top 10 tenants contributed approximately 41.1% of RCP revenue.



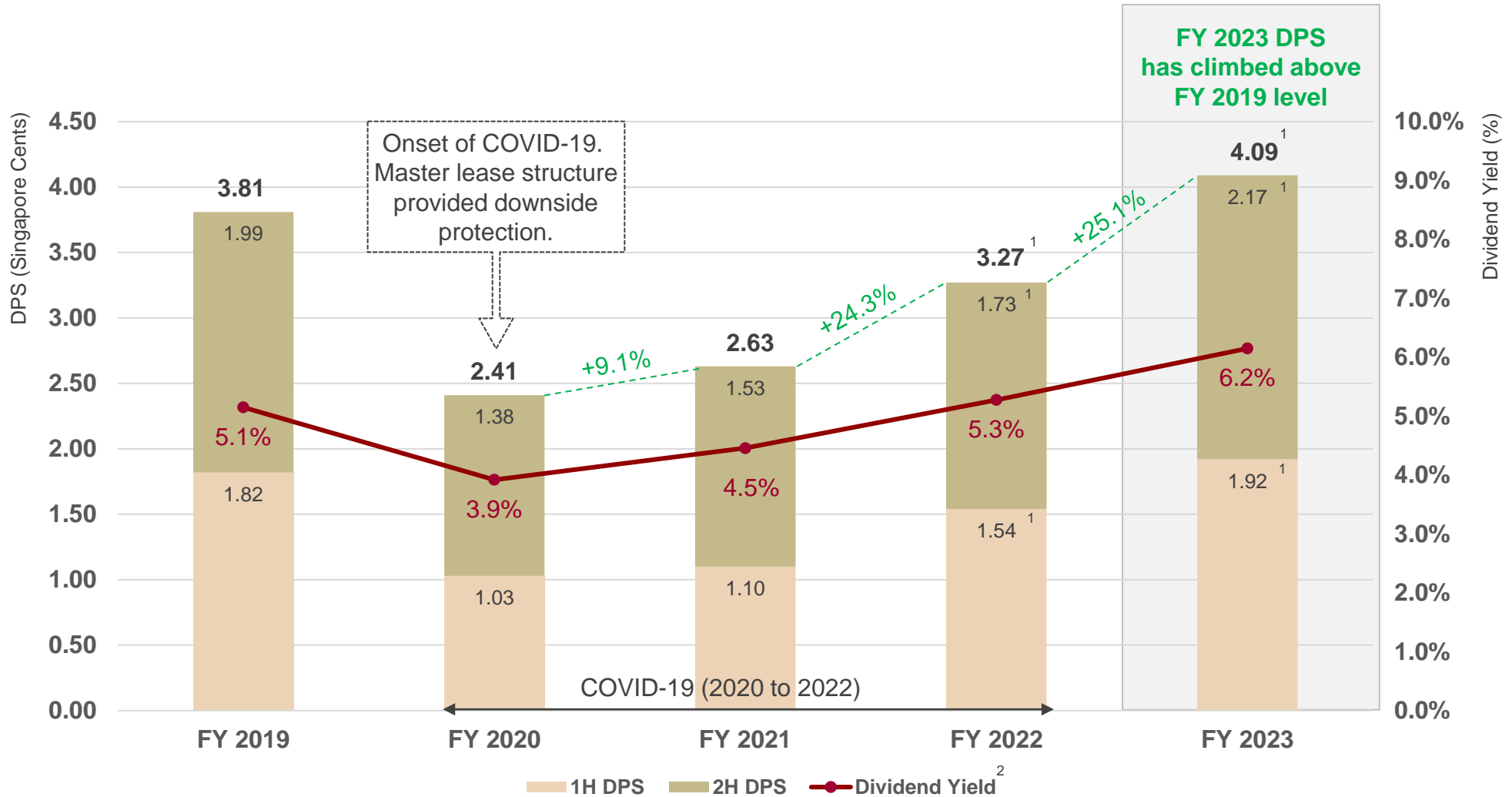
Gross Revenue Mix

Contribution from variable rent grew ~6.0x over the prior year, contributing 25% or S\$27.1 million of overall revenue, higher than FY 2019



* On a same-store-basis, excluding the effects of Central Square which was divested on 24 March 2022.

Progressive Recovery in DPS



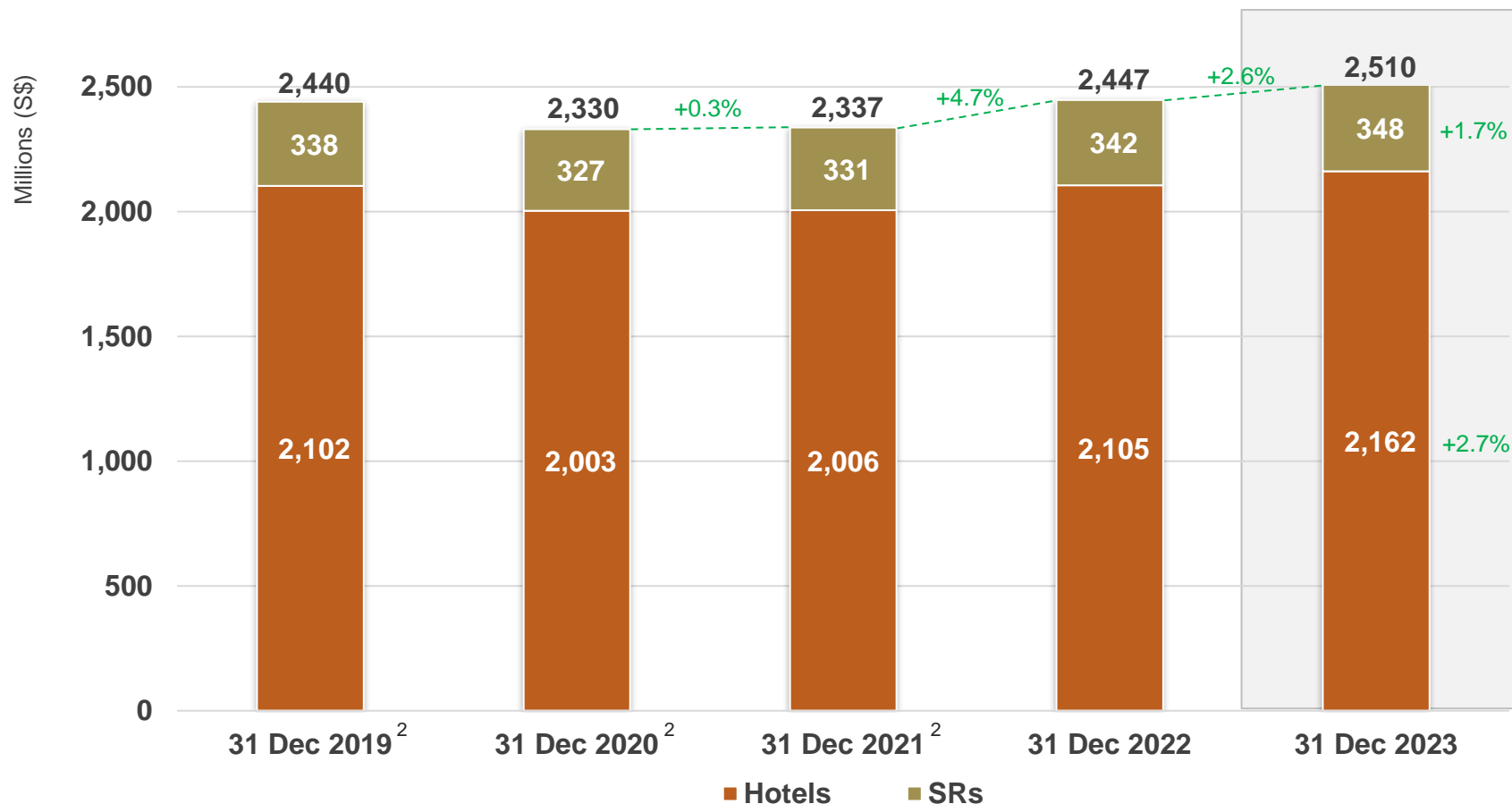
1 DPS includes other gains distribution relating to the divestment of Central Square completed on 24 March 2022. The REIT Manager has committed to distributing approximately S\$8.0 million per year over a three-year period.

2 Dividend yield is calculated based on the actual DPS divided by the closing price of the last trading day of each respective year.



Portfolio Valuation

Fair value gain¹ in investment properties of S\$59.2 million in FY 2023



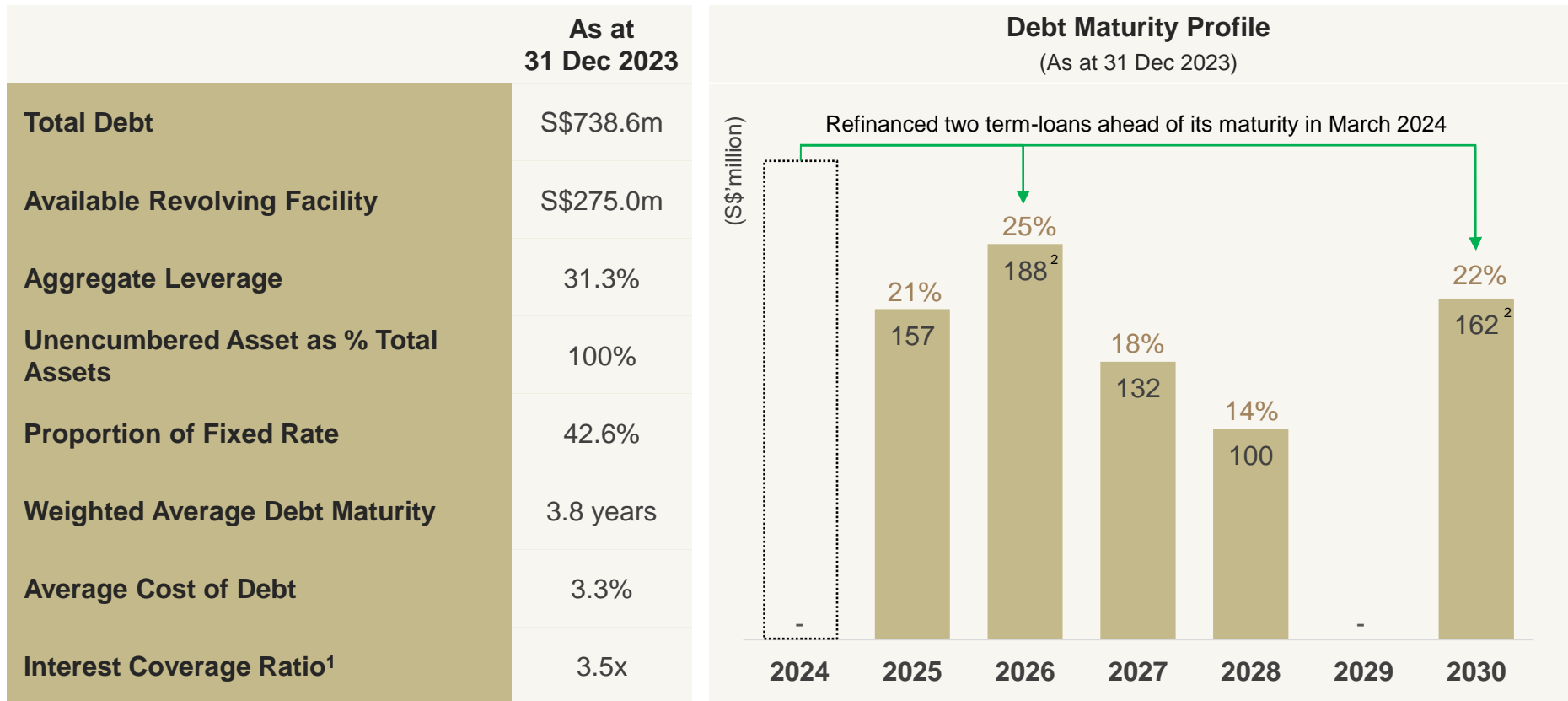
- 1 Fair value gain is based on the difference between the carrying amount and the latest fair value excluding capitalised capital expenditure of S\$3.6 million for 2023.
- 2 Excludes Central Square for a same-store-basis comparison.

Capital Management



Healthy Balance Sheet with Prudent Capital Management

One of the lowest geared S-REITs at 31.3% aggregate leverage



1 Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 3.5x based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.

2 Early refinancing was completed in March 2023 for S\$125.0 million sustainability-linked facilities comprising term loan of S\$100.0 million and revolving credit facility of S\$25.0 million ahead of its maturity in March 2024. In December 2023, a term loan of S\$125.0 million was refinanced, S\$62.5 million with an existing lender and S\$62.5 million with a new lender respectively.



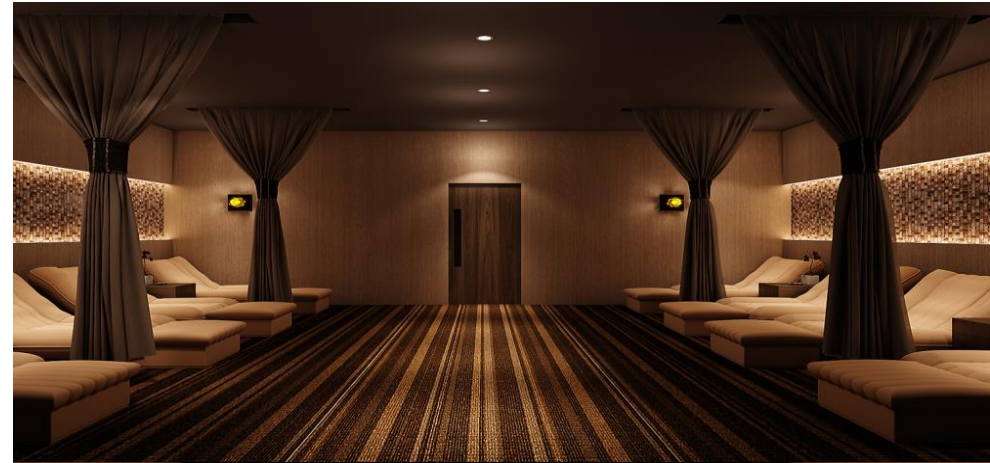
Tenant Mix Revitalisation



Tenant Mix Revitalisation – Orchard Rendezvous Hotel

Natureland

Provision of ancillary spa services to hotel guests



Tenant Mix Revitalisation – Rendezvous Hotel Singapore

Reverie

Supporting all-day-dining operations of the hotel



Tenant Mix Revitalisation – Regency House

SIP Wine Bistro

Successful change of use to restaurant and activation of outdoor refreshment areas



Tenant Mix Revitalisation – Village Hotel Changi

Atelier

Rooftop restaurant providing events collaboration with the hotel



Key Sustainability Highlights



Key Sustainability Highlights – Securing Our Future (Environment)

Feasibility Study – Upgrading of Chiller System at Village Hotel Changi

Completed a feasibility study for upgrading the chiller system at Village Hotel Changi, aiming to achieve Green Mark (Gold Plus) Certification. The upgrade could potentially reduce approximately 40% to 45% of energy consumption upon completion.



Key Sustainability Highlights – Impacting Lives (Social)

Education Assistance Scheme

- Established to support the children of employees working for the Trust's retail and office tenants, the Scheme aims to enhance the future prospects of these youths through education support.
- In 2023, 10 children benefited from the Scheme, more than doubling the number from the prior year.



Key Sustainability Highlights – Good Governance

Singapore Governance and Transparency Index 2023 (“SGTI”) (REITs and Business Trust)

Ranked 2nd

- In August 2023, FEHT was ranked 2nd out of 43 REITs and Business Trusts in the SGTI.
- Fifth consecutive year being placed amongst the top 10 ranked REITs and Business Trusts in the SGTI.
- SGTI is a collaboration between:



Centre for Governance and Sustainability
NUS Business School



Key Sustainability Highlights – Good Governance

Securities Investors Association (Singapore) (“SIAS”) Investors’ Choice Awards 2023



Shareholder Communications Excellence Award

Winner

- FEHT emerged as winner for the Shareholder Communications Excellence Award (REITs & Business Trusts category) at the 2023 SIAS Investor’s Choice Awards, recognising the Manager’s efforts in transparent disclosure and excellent communication with shareholders.
- This marks FEHT’s third Award since listing in 2012.



Singapore Corporate Governance Award

Winner

- FEHT emerged as the winner for the Singapore Corporate Governance Award (REITs & Business Trusts category), recognising the Manager’s efforts in adopting good corporate governance, transparency and sustainability practices.
- This marks FEHT’s third Award since listing in 2012.



Outlook



Increasing Visitor Arrivals to Singapore

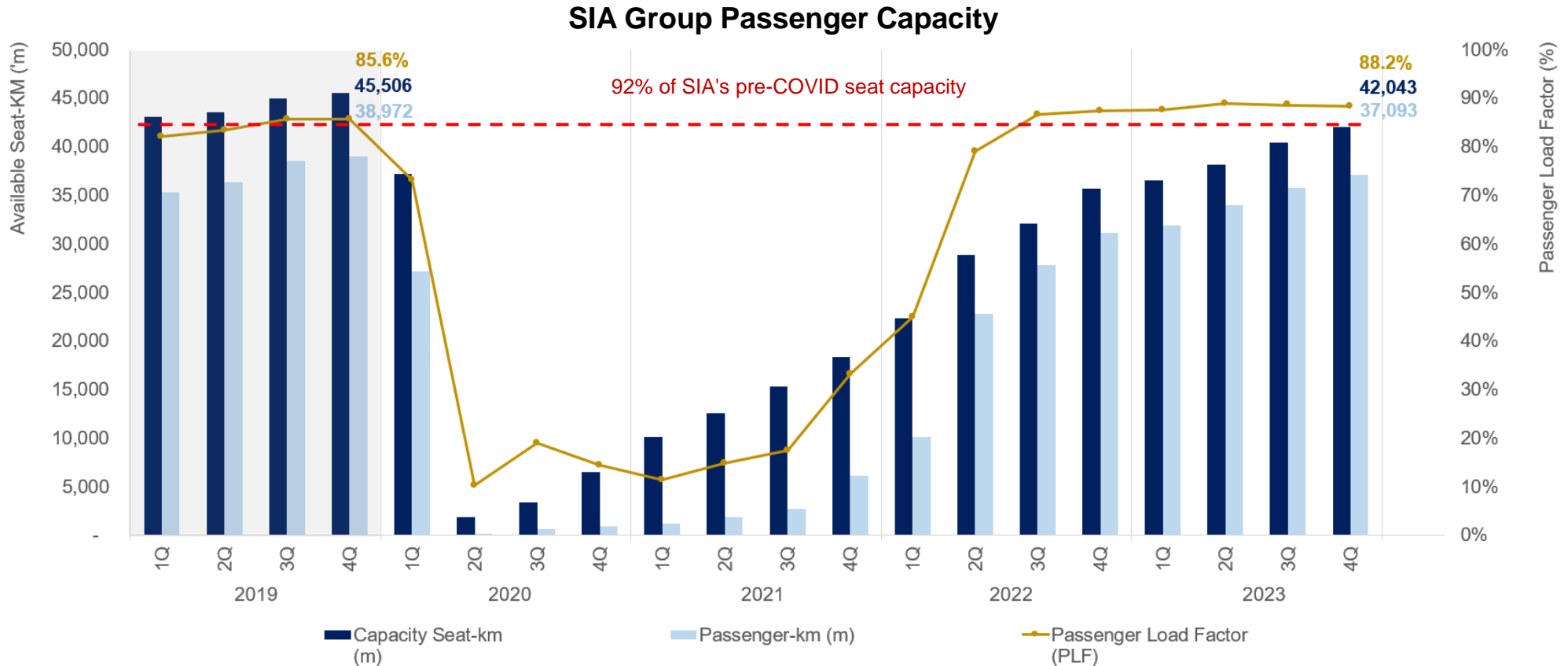
Visitor Arrivals (2019 - 1Q 2024)



- In 2023, visitor arrivals reached 13.6 million or 71% of pre-pandemic level in 2019.
- In the first quarter of 2024, visitor arrivals into Singapore resumed its climb, reaching 4.4 million arrivals, which is almost 91% of the pre-pandemic level.
- Visitor arrivals is on track to meet Singapore Tourism Board's target of between 15 million and 16 million for the year 2024.



Recovery of Air Passengers Numbers



- As the main conduit for arrivals into Singapore, airlines' passenger capacity is a leading indicator for the recovery in cross-border travel.
- For 4Q 2023, Singapore Airlines ("SIA") Group passenger capacity was restored to about 92% of 4Q 2019.
- SIA expects a full recovery by early 2025.



Upcoming Tourism Developments



Rejuvenation of Sentosa

- SensoryScape, a two-tiered walkway offering a multisensory experience connecting Resorts World Sentosa (“RWS”) in the north with Sentosa’s beaches in the south opened in March 2024.
- Revitalisation of Palawan Beach and its vicinity into a lifestyle and entertainment precinct with new leisure attractions such as KidZania (2Q 2024).
- New masterplan to further transform Sentosa and Brani.



Mandai Wildlife Reserve

- A major wildlife and nature heritage project integrating five zoological parks: the Singapore Zoo, Night Safari, River Wonders, Bird Paradise and Rainforest Wild.
- In May 2023, Bird Paradise made its debut, while Rainforest Wild and additional amenities are scheduled to open over the next two years.



Upcoming Tourism Developments



Resorts World Sentosa

- Two new zones announced, Minion Land (2025) and Super Nintendo World (2025) to be added to Universal Studios Singapore.
- The S.E.A aquarium will also be expanded by three times its current size and rebranded as the Singapore Oceanarium in early 2025.



Marina Bay Sands

- Expansion plans comprising of a fourth tower consisting of a hotel and a 15,000-seat entertainment arena for events and large conferences slated for completion in 2029.



Positive Tourism and Macroeconomic Environment Outlook

Tourism and Infrastructure

Recovery in visitor arrivals to Singapore

- Increase of flight capacities and upcoming tourism developments (i.e. Rejuvenation of Sentosa, Mandai Wildlife Reserve and Expansion of the integrated resorts).
- Positive policy changes such as the 30-day visa waiver for Chinese travellers to Singapore.
- STB earmarks S\$300 million to bolster Singapore's global standing as a tourist destination and business hub.

Continual infrastructure projects for Singapore's global connectivity and relevance

- Changi Airport Terminal 5, Tuas Mega port, the North-South Corridor and the Cross Island MRT line.

Macroeconomic Environment

Global economic growth to drive recovery in travel and hospitality

- The International Monetary Fund has revised higher growth rates for global economies in 2024.

Interest rates are nearing a peak, with expectations for moderation in the second half of 2024

Singapore's continues to appeal as an attractive business hub

- Singapore attracted S\$12.7 billion in fixed asset investments in 2023, above the medium to long-term annual target of between S\$8.0 billion and S\$10.0 billion set by the Economic Development Board.



Key Strategies to Drive Both Immediate and Long-Term Growth

Asset management and enhancement initiatives

- Optimising the performance of hospitality assets and commercial spaces
- Implementing refurbishment programmes to refresh and upgrade the properties
- Unlocking latent value and potential of assets

Investments

- Value-adding acquisitions through:
 - Sponsor's pipeline of ROFR properties
 - Suitable third-party properties

Capital and risk management

- Maintaining a prudent level of borrowings
- Managing the cost of debt by utilising interest rate hedging strategies to reduce exposure to market volatility
- Employing an appropriate mix of debt and equity to finance investments



Stapled Security Buy-Back Mandate



Stapled Security Buy-Back Mandate

Approval and adoption of the Stapled Security Buy-Back Mandate would allow the Managers to:

Repurchase Stapled Securities

- up to a **limit of 2.0%** of the total number of issued Stapled Securities as at the date of the AGM; and
- at the **Trust Deed Repurchase Price¹** (no more than **105.0% of the Average Closing Price²** if Trust Deed Repurchase Price is higher)

Rationale



1

Flexible and cost-effective capital management tool to enhance return on equity for Stapled Securityholders and/or the net asset value (“NAV”) per Stapled Security



2

Mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Stapled Securities and bolster market confidence in the Stapled Securities

1. Refer to paragraph 2.2.4 *Repurchase Price* on page 6 of the Appendix in Relation to the Proposed Stapled Security Buy-back Mandate for more information.
2. **Average Closing Price** refers to the average of the closing market prices of the Stapled Securities over the last five Market Days before the day on which the purchases are made. Excluding brokerage, stamp duty, commission, applicable goods and service tax and other related expenses.



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