



FAR EAST
HOSPITALITY
TRUST

1H 2024

Results Presentation

30 July 2024

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- Portfolio Performance
- Asset Enhancement Initiatives
- Outlook



Financial Highlights



Executive Summary for 1H 2024 – Performance vs LY

	1H 2024	1H 2023	Variance
	S\$'000	S\$'000	%
Gross Revenue	53,808	52,038	3.4
Hotels	39,671	38,599	2.8
Serviced Residences (“SR”)	5,506	5,393	2.1
Commercial Premises	8,631	8,046	7.3
Net Property Income	49,466	48,970	1.0
Distribution to Stapled Securityholders	39,454	38,401	2.7
from taxable income	33,214	34,401	(3.5)
from other gains	6,240	4,000	56.0
Distribution per Stapled Security (“DPS”) (cents)	1.96	1.92	2.1

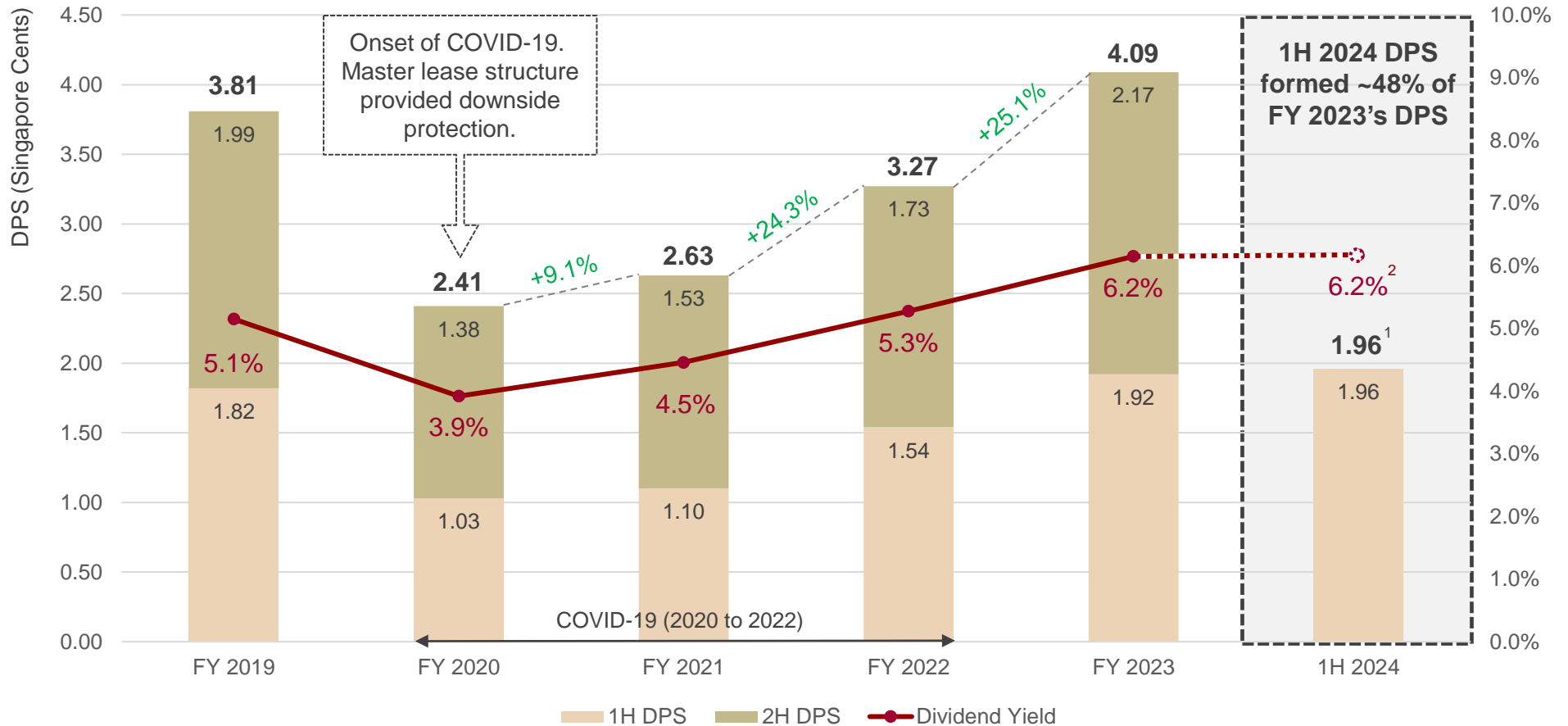
- Gross Revenue for 1H 2024 increased 3.4% year-on-year to S\$53.8 million with growth from all segments. The Hotel segment registered the largest improvement, growing from S\$38.6 million to S\$39.7 million.
- Distribution to Stapled Securityholders grew 2.7% year-on-year to S\$39.4 million due to higher NPI and distribution of other gains from divestment of Central Square¹. It includes an additional S\$2.2 million of distribution from other gains to cushion the impact of higher interest expenses by utilising a portion of the S\$18.0 million incentive fee received².
- As a result, DPS grew 2.1% year-on-year to 1.96 cents.

1 Central Square was divested on 24 March 2022 with Far East H-Trust receiving S\$313.2 million at completion.

2 The incentive fee was received on 25 March 2023 after the acquirer of Central Square obtained certain provisional permission from the Urban Redevelopment Authority of Singapore.



Progressive Recovery in DPS



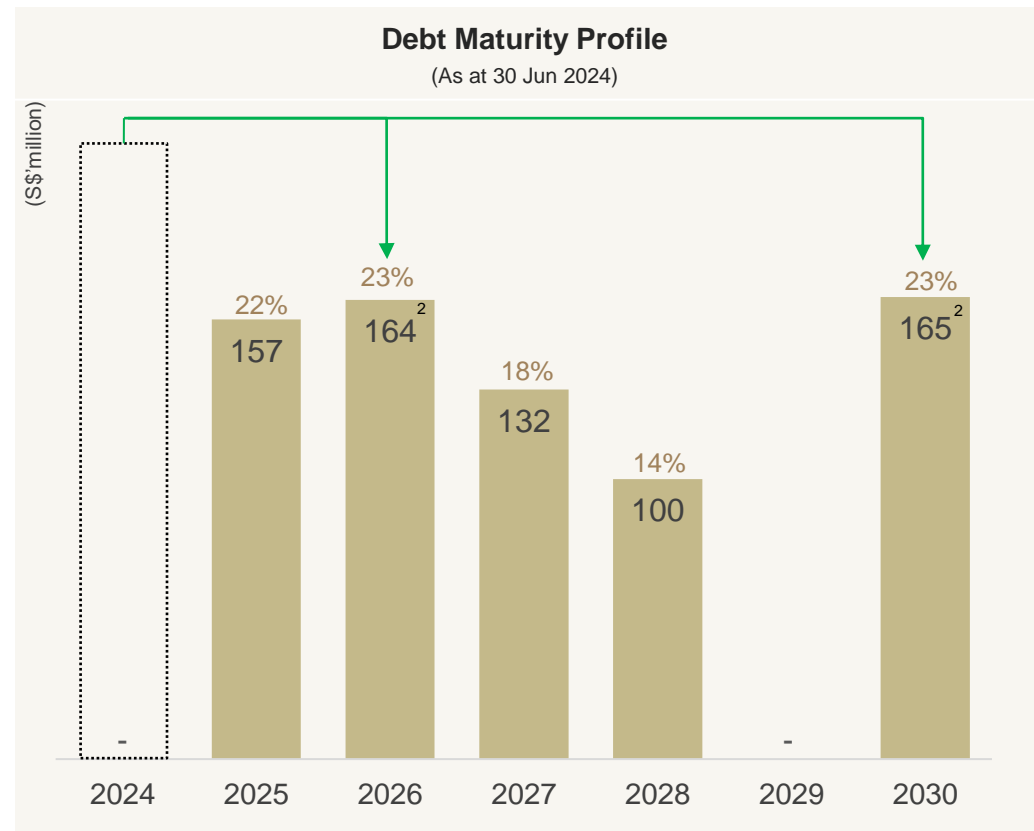
- 1 On 29 July 2022, the REIT Manager announced its' commitment to distributing approximately S\$8.0 million per year over a three-year period. For 1H 2024, an additional S\$2.2 million was distributed to cushion the impact of higher interest expenses.
- 2 Dividend yield is calculated based on the annualised DPS derived from the actual DPS for 1H 2024 divided by the closing price of S\$0.635 on 29 July 2024.
- 3 Dividend yields for FY 2019 – FY 2023 are calculated based on the actual DPS divided by the closing price of the last trading day of each respective year.



Healthy Balance Sheet with Prudent Capital Management

One of the lowest geared S-REITs at 30.8% aggregate leverage

	1H 2024
Total Debt	S\$717.7m
Available Revolving Facility	S\$275.0m
Aggregate Leverage	30.8%
Unencumbered Asset as % Total Assets	100%
Proportion of Fixed Rate ³	35.9%
Weighted Average Debt Maturity	3.3 years
Average Cost of Debt	4.1%
Interest Coverage Ratio ¹	3.2x



- 1 Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 3.1x based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.
- 2 There is no term loan due for refinancing in 2024. Early refinancing of S\$225 million term loans was completed in March and December 2023 to sustainability-linked facilities ahead of their maturity in March 2024.
- 3 Additional interest rate swap contracts were entered in mid-July 2024, bringing the hedge ratio to 35.9% from 26.5% as at 30 June 2024.



Interest Rate Management

Navigating the high interest rate environment

- With the growing likelihood of interest rate cuts, a lower percentage of total debt (35.9%¹) was secured at fixed interest rates.

Support to cushion effects of higher interest rates

- On 28 July 2023, the REIT Manager announced that it plans to utilise a portion of the S\$18.0 million incentive fee received by Far East H-Trust in March 2023 for the divestment of Central Square to cushion the impact from possible higher interest expenses.
- For 1H 2024, the REIT Manager resolved to distribute an additional S\$2.2 million from other gains to mitigate the impact of elevated borrowing costs.

¹ As at date of release.

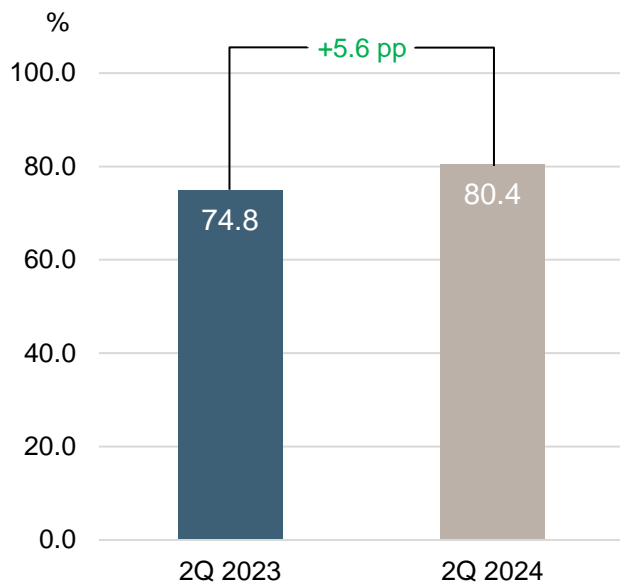


Portfolio Performance

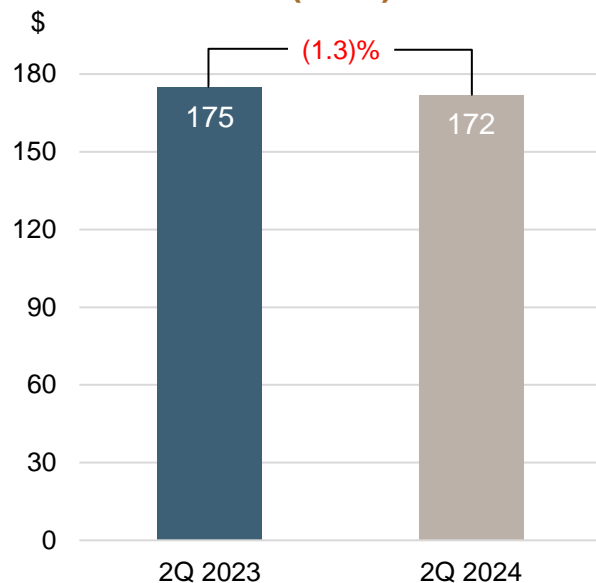


Portfolio Performance 2Q 2024 – Hotels

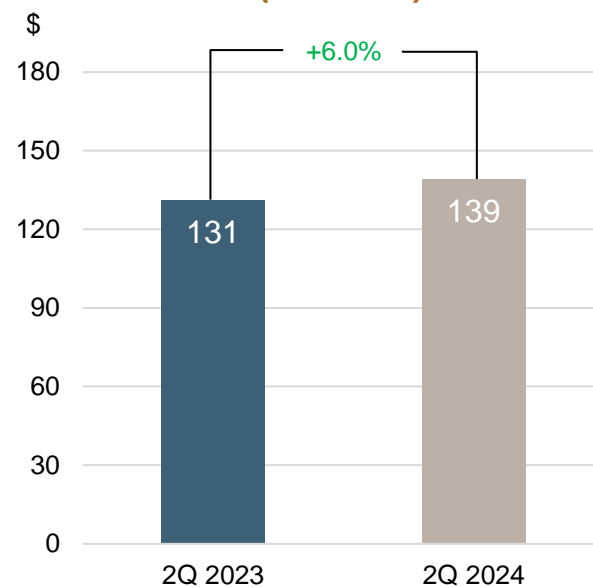
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Room (RevPAR)

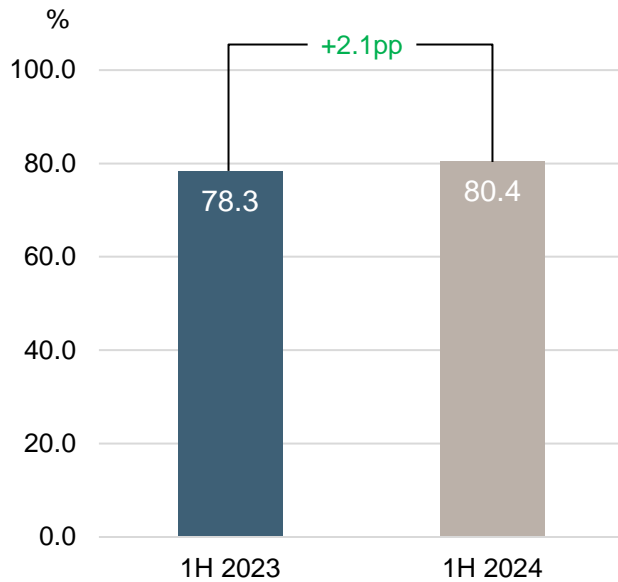


- For the quarter, efforts were put in to boost occupancy for the hotels, leading to a 5.6pp increase to 80.4%.
- With a higher proportion of leisure travellers, ADR declined marginally by 1.3% to S\$172.
- As a result, RevPAR grew 6.0% year-on-year to S\$139.

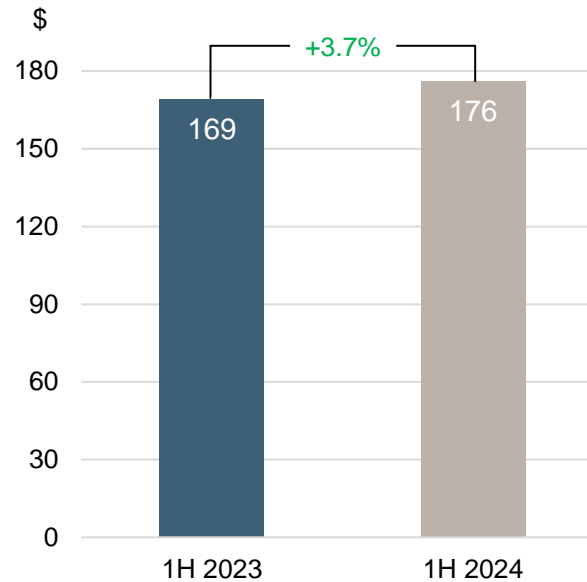


Portfolio Performance 1H 2024 – Hotels

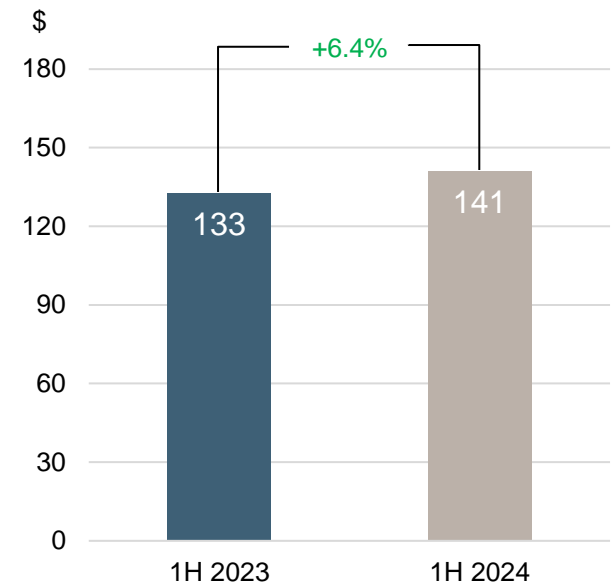
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Room (RevPAR)

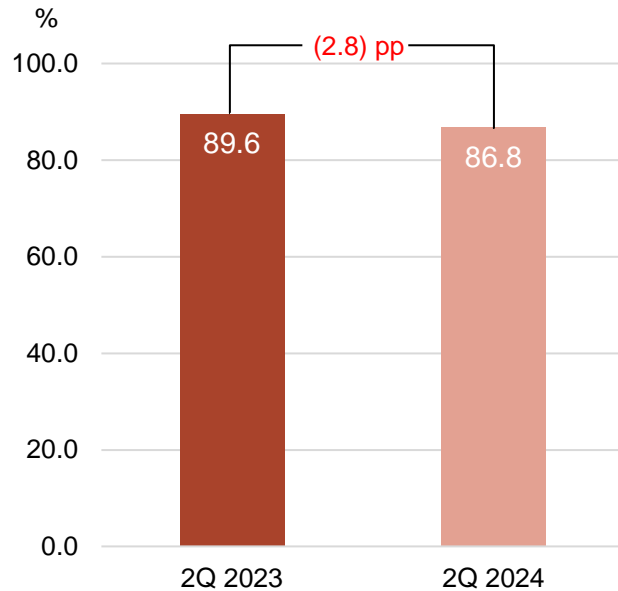


- Occupancy grew 2.1pp to 80.4% as more hotels continued to ramp-up after exiting the government contracts in 2023.
- ADR also grew 3.7% to S\$176, supported by major events and large-scale performances in the first quarter of 2024.
- Overall, RevPAR increased 6.4% year-on-year at S\$141.

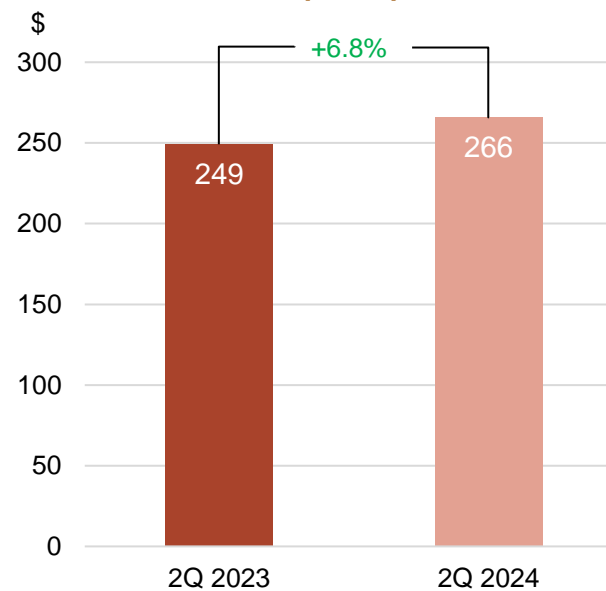


Portfolio Performance 2Q 2024 – Serviced Residences

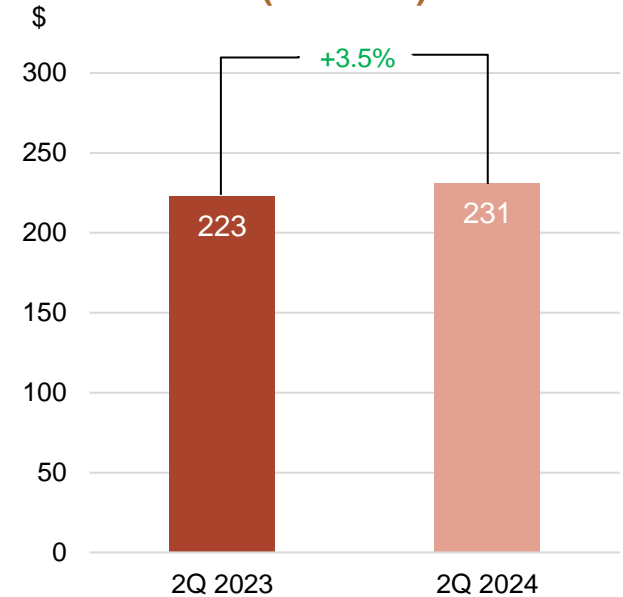
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Unit (RevPAU)

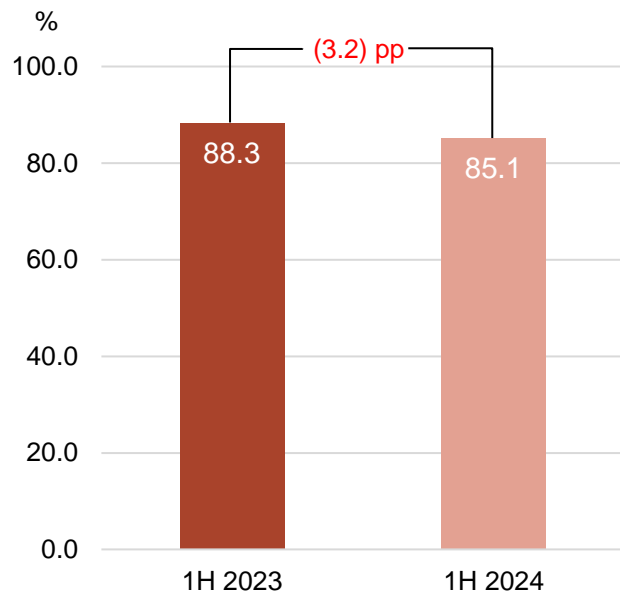


- For the quarter, average occupancy of the SRs remained healthy at 86.8%.
- ADR grew 6.8% to S\$266 as prices remained resilient and the SRs accommodated a greater mix of higher paying short-stay guests.
- Overall, RevPAU was 3.5% higher year-on-year at S\$231.

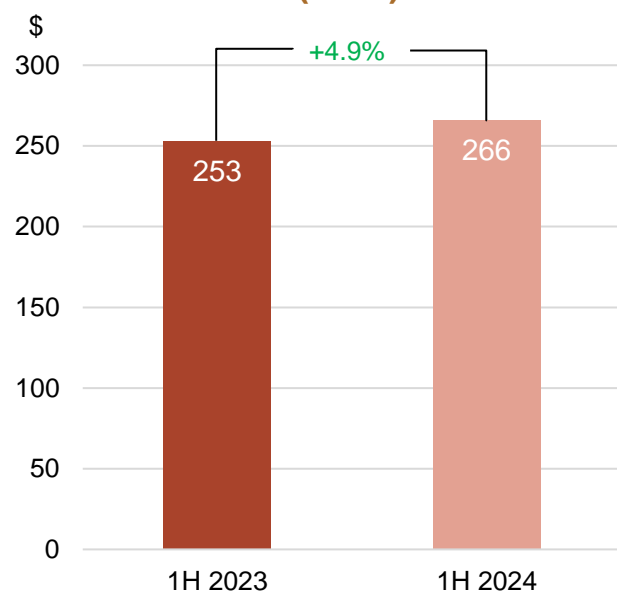


Portfolio Performance 1H 2024 – Serviced Residences

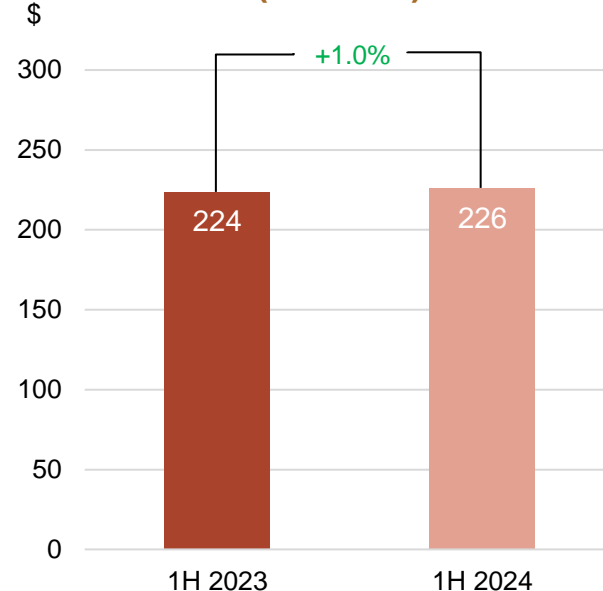
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Unit (RevPAU)

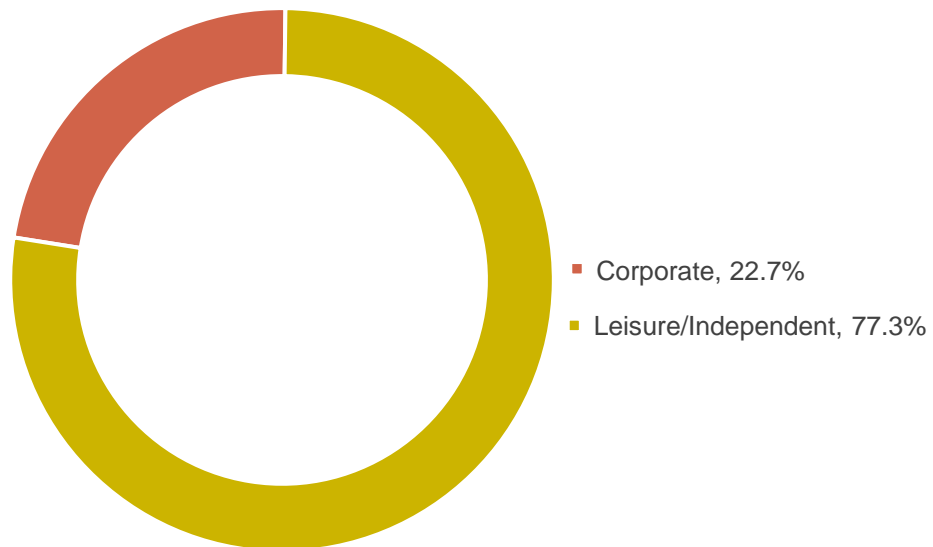


- Due to some unexpected group departures early in the year, average occupancy ended at 85.1% for the period. It subsequently picked up and improved 3.5 pp quarter-on-quarter to 86.8%.
- ADR registered a healthy increase of 4.9% to S\$266.
- As a result, RevPAU registered a 1.0% year-on-year increase to S\$226.

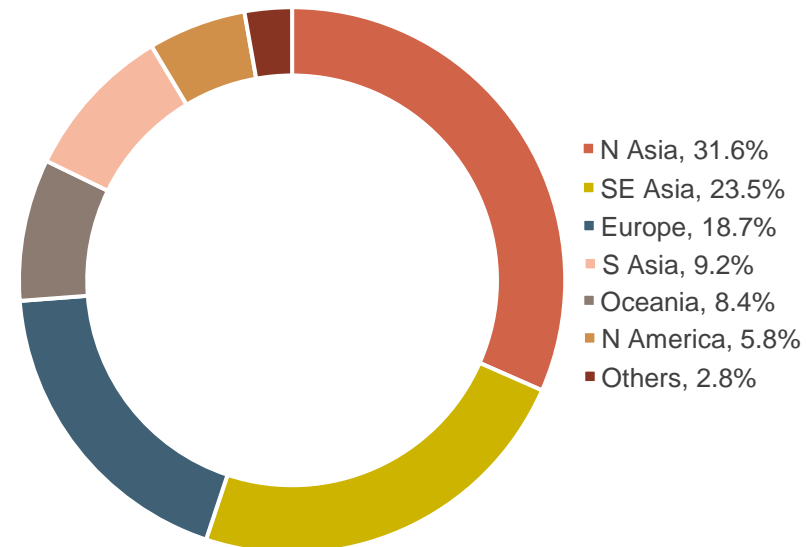


1H 2024 Revenue Contribution – Hotels

By Market Segment



By Country of Residence

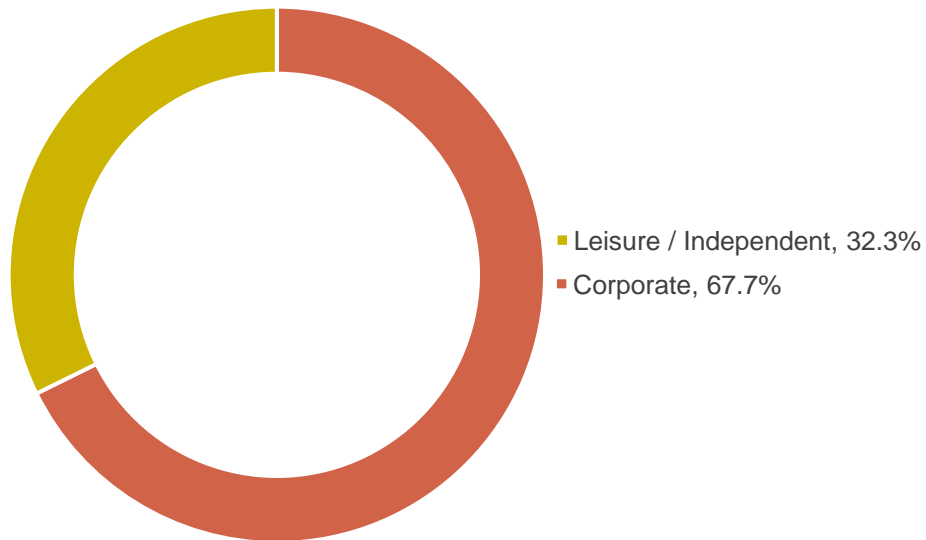


- The absence of revenue from Government contracts resulted in the decrease in Corporate contribution from 43.4% to 22.7%. As travel recovery to Singapore continued to rise year-on-year, contribution from the Leisure segment grew to 77.3%.
- Guests from North Asia, South-East Asia and Europe formed the top 3 markets, contributing 73.8% of overall revenue.

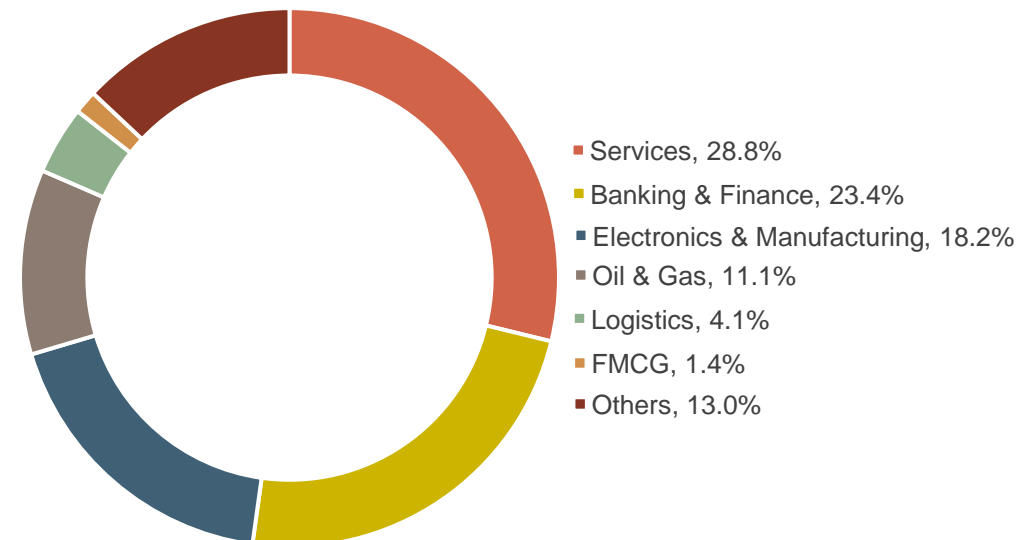


1H 2024 Revenue Contribution – Serviced Residences

By Market Segment



By Industry

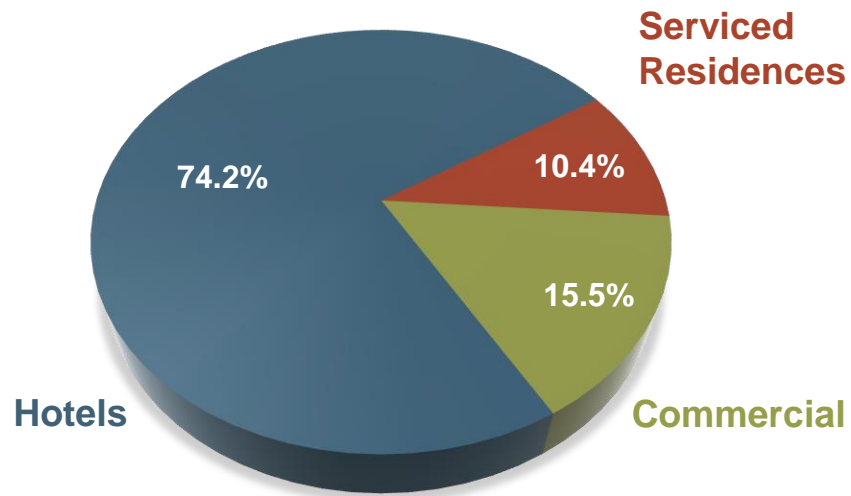


- The Leisure segment contributed 32.3%, up from 30.1% a year ago, driven by higher independent travel demand. Conversely, the Corporate segment's contribution decreased to 67.7% due to some unexpected group departures early this year.
- Services, Banking & Finance and Electronics & Manufacturing were the top 3 segments, contributing 70.4% of overall revenue.

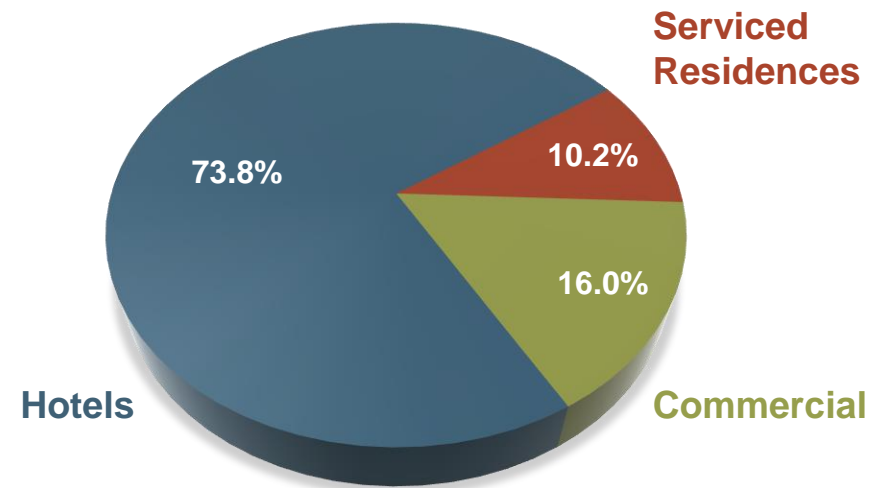


Breakdown of Gross Revenue – Total Portfolio

1H 2023



1H 2024



Asset Enhancement Initiatives



Completion of Office Renovation – 5th floor Orchard Rendezvous Hotel

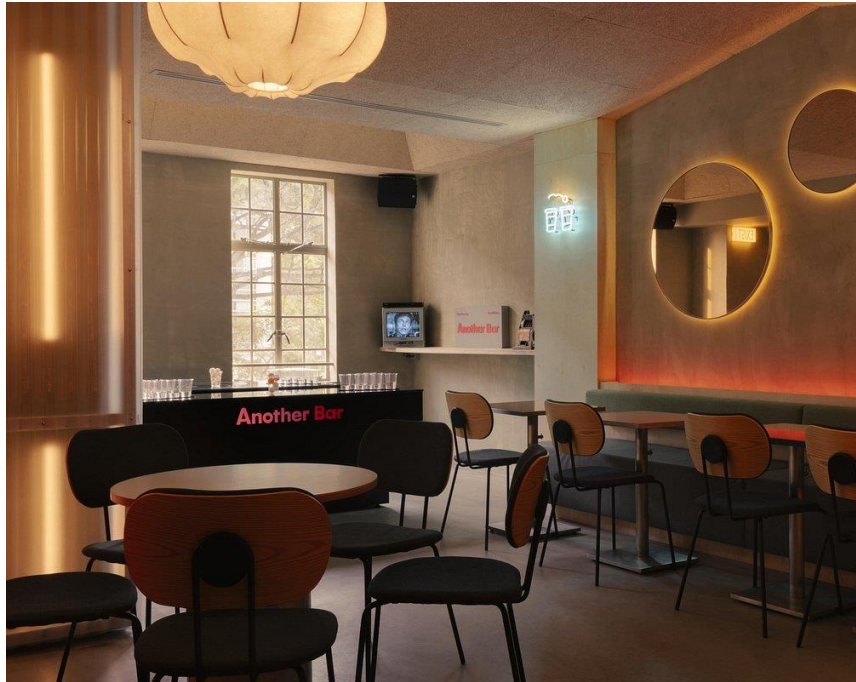


Completion of Façade Painting– Village Residence Robertson Quay



Tenant Mix Revitalisation – Rendezvous Hotel Singapore

Another Bar – Curated by sisters Ethel and Andrea, founders of Oyster Bank and Kiki's Reserve, this new bar in town aims to be a go-to destination for both locals and tourists



Tenant Mix Revitalisation – Village Hotel Bugis

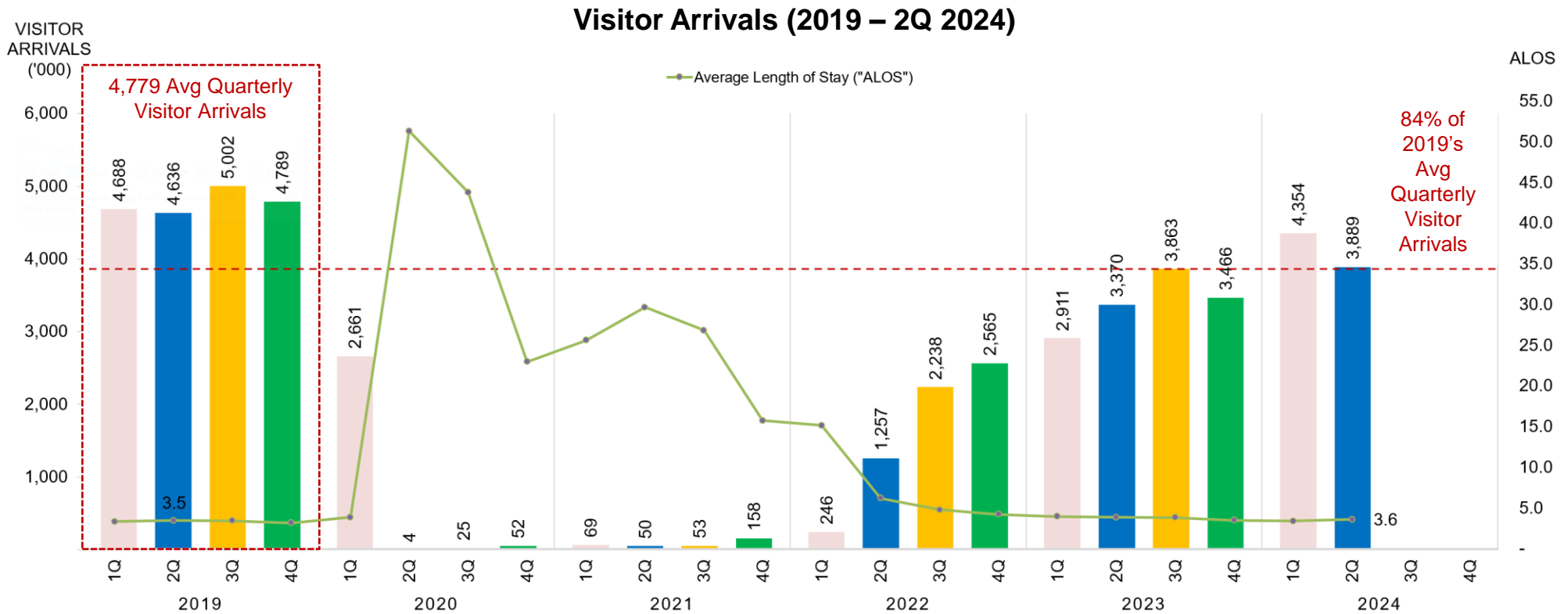
Tarboush – Helmed by celebrity Chef Ammar who has a strong influence on Mediterranean cuisine, this restaurant features refreshing and modern Middle Eastern cuisine



Outlook



Increasing Visitor Arrivals to Singapore

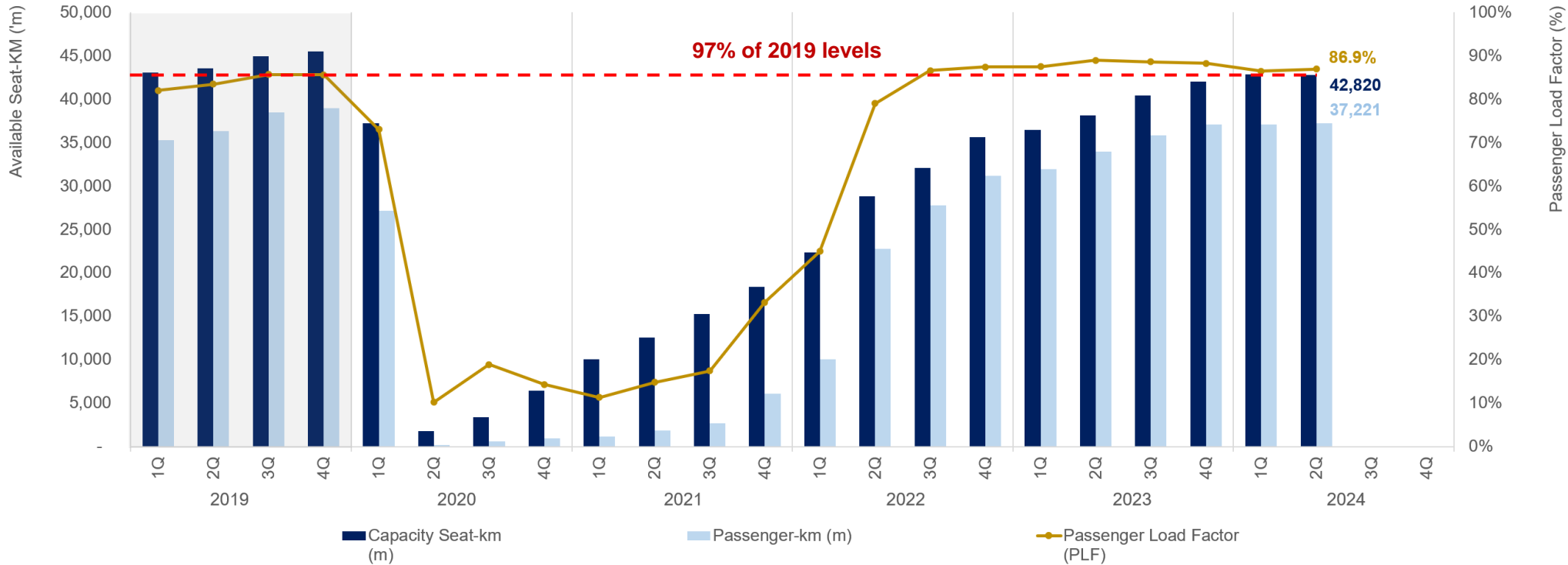


- In the second quarter of 2024, 3.9 million visitors arrived in Singapore, reaching approximately 84% of the level seen in the same period in 2019.
- Visitor arrivals is on track to meet Singapore Tourism Board's target of between 15.0 million and 16.5 million for the year 2024.



Recovery of Air Passengers Numbers

SIA Group Passenger Capacity



- As the main conduit for arrivals into Singapore, airlines' passenger capacity is a leading indicator for the recovery in cross-border travel.
- In the second quarter of 2024, Singapore Airlines ("SIA") Group passenger capacity was restored to about 97% of 2019 levels.
- The International Air Transport Association ("IATA") expects airline passenger traffic and revenues globally to hit records high in 2024.



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.
- Night Safari is celebrating its 30th anniversary with a new attraction, the fully sheltered Pangolin Trail, allowing visitors to observe a dozen different animal species in all weather conditions.



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.



Notable Foreign Direct Investments in Singapore in 2024

Notable investments highlight Singapore's appeal as a biomedical, advanced manufacturing and technology hub, driving corporate travel demand

- **Novartis** commits to invest about S\$340 million to expand its biopharmaceutical manufacturing plant in Singapore. The expanded plant is expected to be operational by early 2026 and is estimated to create 100 new jobs.



- **Collins Aerospace** is relocating its Singapore manufacturing facility to a new S\$336 million site in Seletar Aerospace Park with productions slated to commence in 2028.



- **TSMC-backed Vanguard International Semiconductor Corp** and **NXP Semiconductors** announced plans to build a S\$10.5 billion wafer chip plant in Singapore in the second half of 2024, with production slated to start in 2027. The facility is expected to create 1,500 jobs in Singapore.



- **Amazon Web Services** plans to invest S\$12 billion in its Singapore operations and cloud infrastructure by 2028.



- **AstraZeneca** plans a US\$1.5 billion (~S\$2.0 billion) cancer drug manufacturing plant in Singapore with targeted operational readiness from 2029.



- **Advanced Substrate Technologies**, a subsidiary of Japanese manufacturer Toppan Holdings will build its first microchip materials plant in Singapore with an estimated capital investment of about S\$430 million. Operations are set to begin at the end of 2026, creating up to 350 new jobs.



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.



Thank You

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



Far East H-Trust Asset Portfolio Overview

Hotels

										Total / Weighted Average
	Village Hotel Albert Court	Village Hotel Changi	Vibe Hotel Singapore Orchard	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	64 years	54 years	64 years	55 years	81 years	39 years	64 years	60 years	59 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	17,967	166,677
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	129.8	202.9	181.4	244.5	341.9	423.6	86.4	283.8	267.4	2,161.7

¹ As at 31 December 2023

² Date of acquisition by Sponsor, as property was not developed by Sponsor

Far East H-Trust Asset Portfolio Overview

Serviced Residences



Village Residence Hougang



Village Residence Robertson Quay



Adina Serviced Apartments Singapore Orchard

Total / Weighted Average

	Village Residence Hougang	Village Residence Robertson Quay	Adina Serviced Apartments Singapore Orchard	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Upscale	NA
Address	1 Hougang Street 91, S'pore 538692	30 Robertson Quay, S'pore 238251	121 Penang House, S'pore 238464	
Date of Completion	30 Dec 1999	12 July 1996	24 Oct 2000	
# of Rooms	78	72	90	240
Lease Tenure ¹	70 years	67 years	70 years	NA
GFA/Strata Area (sq m)	14,257	10,570	10,723	35,550
Retail NLA (sq m)	NA	1,179	539	1,718
Office NLA (sq m)	NA	NA	2,291	2,291
Master Lessee / Vendor	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ¹	65.3	111.1	171.5	347.9

¹ As at 31 December 2023

