



Business Update

1Q 2024

30 April 2024

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- Asset Enhancement Initiatives
- Outlook



Financial Highlights



Executive Summary for 1Q 2024 – Performance vs LY

	1Q 2024	1Q 2023	Variance
	S\$'000	S\$'000	%
Gross Revenue	27,087	25,188	7.5
Hotels	20,028	18,473	8.4
Serviced Residences (“SR”)	2,668	2,722	(2.0)
Commercial Premises	4,391	3,993	10.0
Net Property Income	25,094	23,663	6.0

- Gross revenue for 1Q 2024 increased 7.5% year-on-year to S\$27.1 million as the Hotels and Commercial Premises segments continued to grow strongly.
- As a result, Net Property Income grew 6.0% year-on-year to S\$25.1 million.



Balance Sheet Summary

	As at 31 Mar 2024	As at 31 Dec 2023	Variance
	S\$'000	S\$'000	%
Total Assets	2,597.8	2,622.4	(0.9)
<u>Comprising:</u>			
Investment Properties ¹	2,509.9	2,509.6	-
Cash and Cash Equivalents ²	36.5	63.1	(42.1)
Trade and Other Receivables ³	49.2	47.5	3.6
Other Assets	2.2	2.2	-
Total Liabilities	757.1	755.7	0.2
Net Assets	1,840.7	1,866.7	(1.4)
NAV per Stapled Security (Cents)	91.5	92.9	(1.5)

¹ Investment properties were based on valuation as at 31 December 2023 appraised by Savills Valuation And Professional Services(S) Pte Ltd or CBRE Pte. Ltd., and included capital expenditure incurred subsequent to the valuation date.

² Cash and cash equivalents comprise cash at bank of S\$4.3 million and fixed deposits of S\$32.2 million.

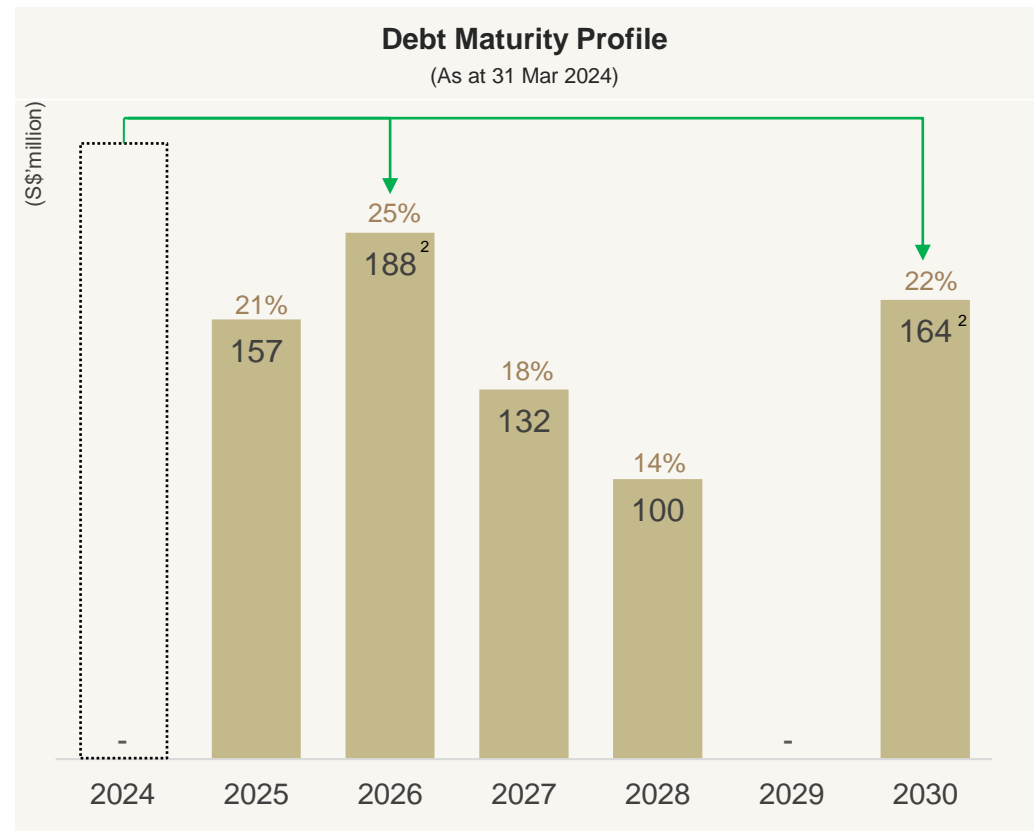
³ This includes a shareholders' loan and accrued interest due from Fontaine Investment Pte Ltd of S\$36.8 million.



Healthy Balance Sheet with Prudent Capital Management

One of the lowest geared S-REITs at 31.5% aggregate leverage

	1Q 2024
Total Debt	S\$740.8m
Available Revolving Facility	S\$275.0m
Aggregate Leverage	31.5%
Unencumbered Asset as % Total Assets	100%
Proportion of Fixed Rate	42.6%
Weighted Average Debt Maturity	3.5 years
Average Cost of Debt	3.7%
Interest Coverage Ratio ¹	3.5x



¹ Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 3.4x 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 its maturity in March 2024.



Prudent Interest Rate Management

Interest Rate Sensitivity

- 42.6% of borrowings are on fixed rates.
- A 50 bps increase in interest rate on variable rate debt is expected to have a pro forma impact of S\$2.1 million decline in distribution.

Support to cushion effects of higher interest rates

- On 27 March 2023, the REIT Manager received an additional incentive fee of S\$18.0 million from the divestment of Central Square which can be used to cushion the impact from possible higher interest expenses.

For illustration

Increase in Interest Rates	Impact on Distribution (S\$m)	Support from Incentive Fee (S\$m)	Utilisation of Incentive Fee (%)
0.50%	2.1	2.1	11.7%
1.00%	4.2	4.2	23.3%

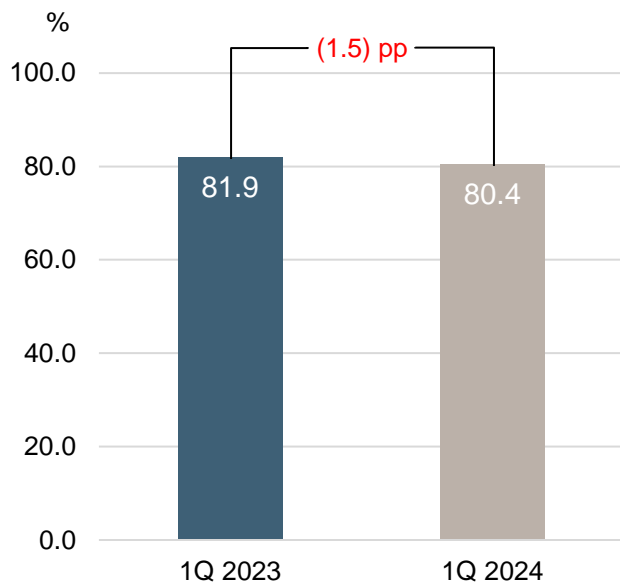


Portfolio Performance

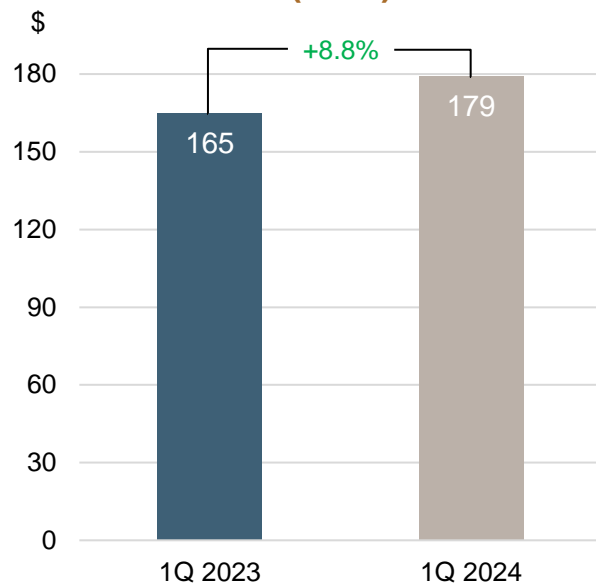


Portfolio Performance 1Q 2024 – Hotels

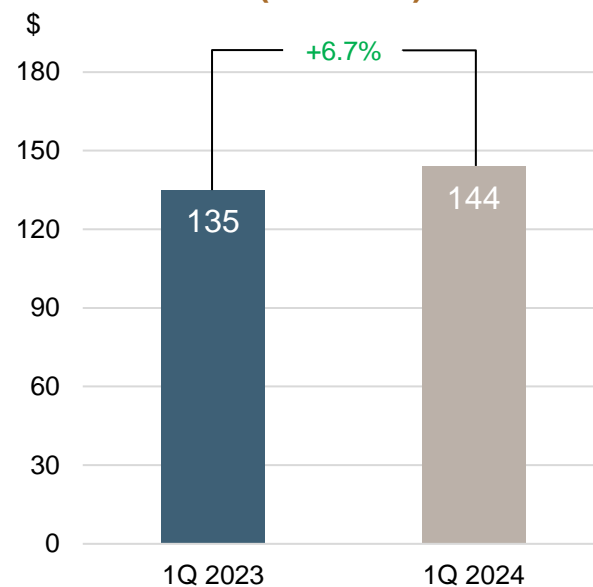
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Room (RevPAR)

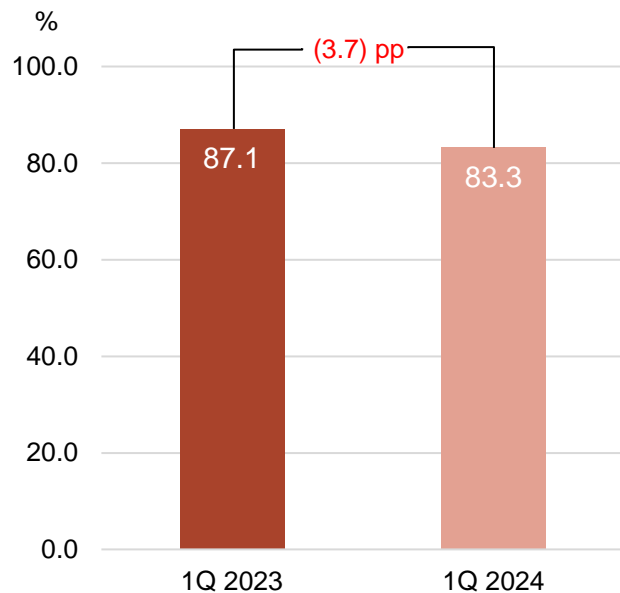


- Occupancy declined 1.5 pp year-on-year to 80.4% as some of the portfolio's hotels continued to ramp-up after exiting the Government contracts in March, October and December 2023.
- Properties that exited the Government contracts had greater flexibility in securing higher ADRs, resulting in an 8.8% increase to S\$179.
- Consequently, RevPAR grew 6.7% year-on-year to S\$144.

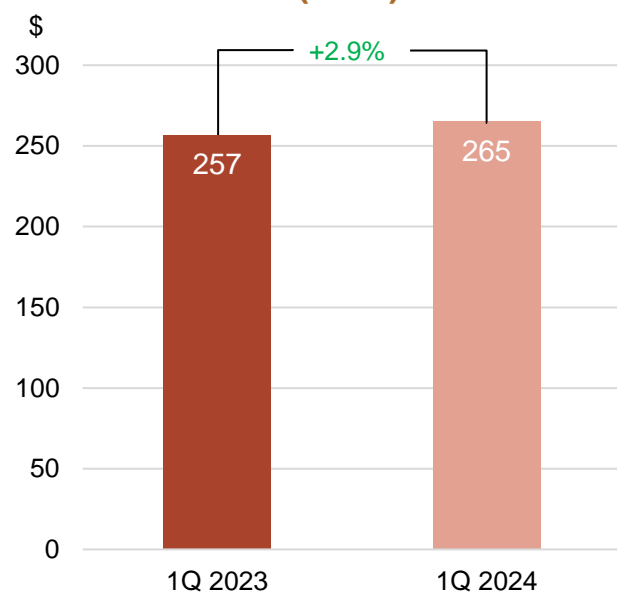


Portfolio Performance 1Q 2024 – Serviced Residences

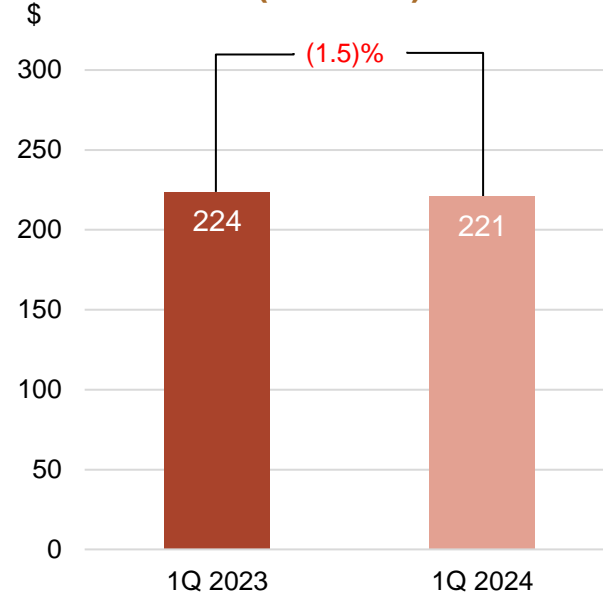
Average Occupancy



Average Daily Rate (ADR)



Revenue Per Available Unit (RevPAU)

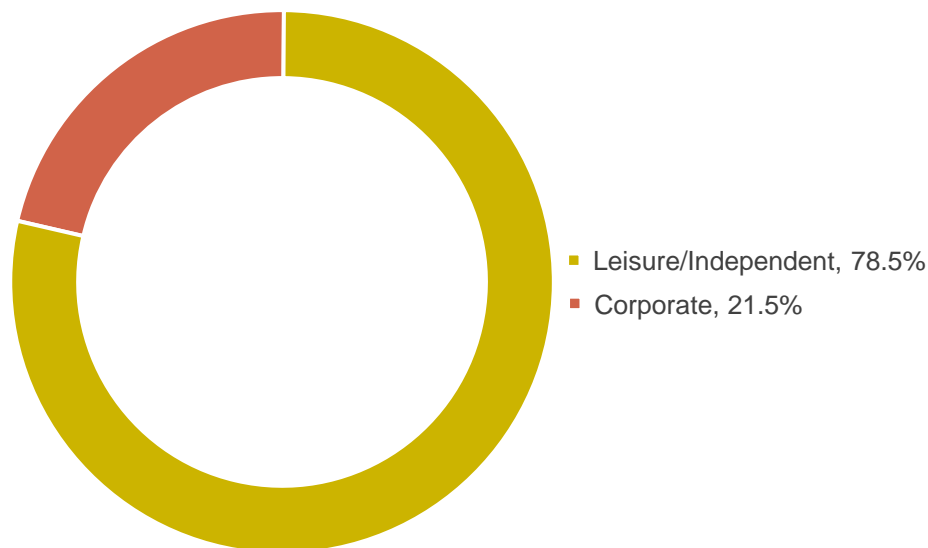


- Average occupancy of the SRs decreased 3.7pp year-on-year to 83.3% due to the expiration of a few long-stay contracts during the earlier part of the quarter.
- The SRs have since secured new contracts which have boosted occupancy to a level comparable to the previous year.
- ADR remained resilient with a growth of 2.9% to S\$265. Overall, RevPAU was 1.5% lower at S\$221.

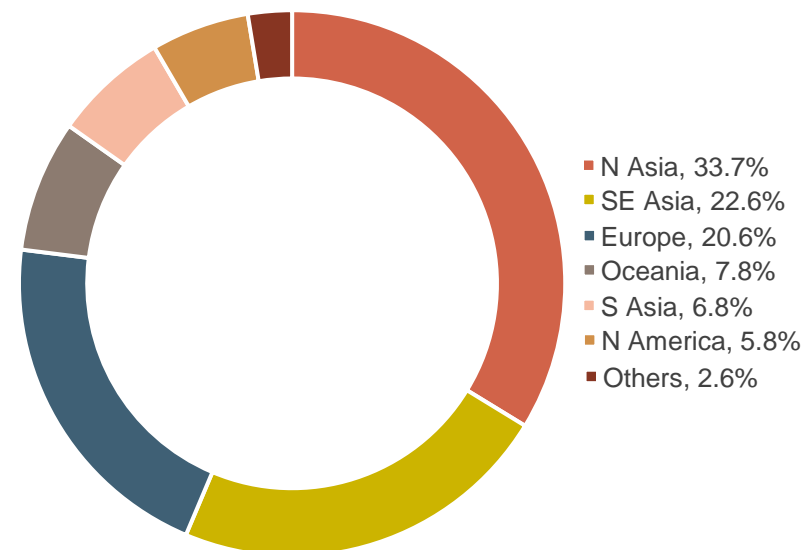


1Q 2024 Revenue Contribution – Hotels

By Market Segment



By Country of Residence

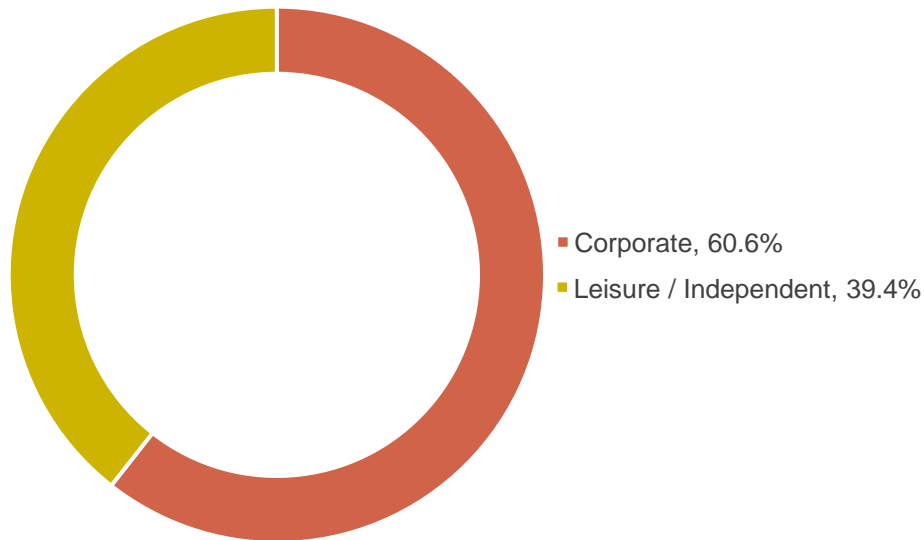


- In the absence of revenue from the government contract, contribution from the Corporate segment declined from 64.9% in 1Q 2023 to 21.5% in 1Q 2024.
- Meanwhile, the Leisure segment experienced robust growth due to higher holiday traffic to Singapore, resulting in an increase in contribution to 78.5% from 35.1% a year ago.
- Guests from North Asia, South-East Asia and Europe formed the top 3 markets, contributing 76.9% of overall revenue.

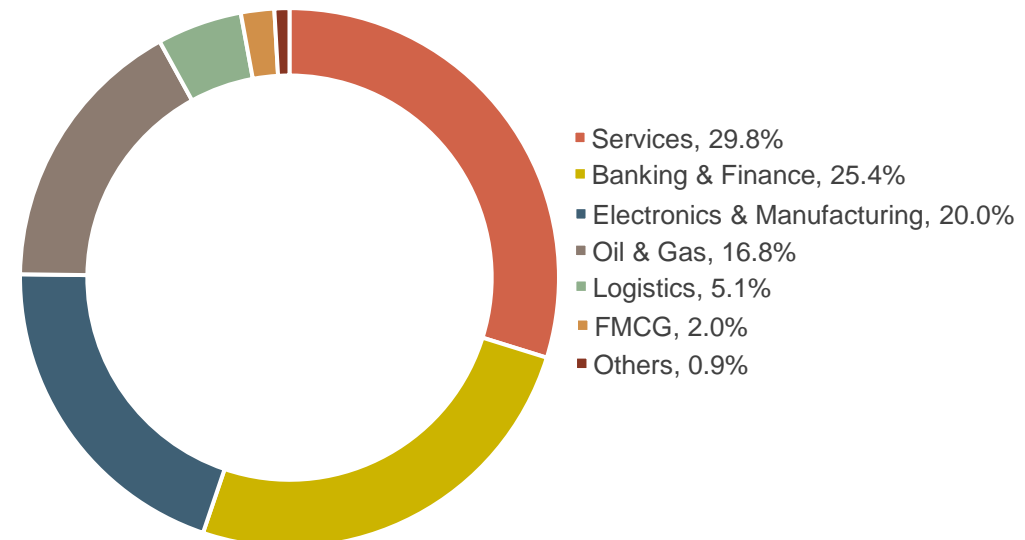


1Q 2024 Revenue Contribution – Serviced Residences

By Market Segment



By Industry

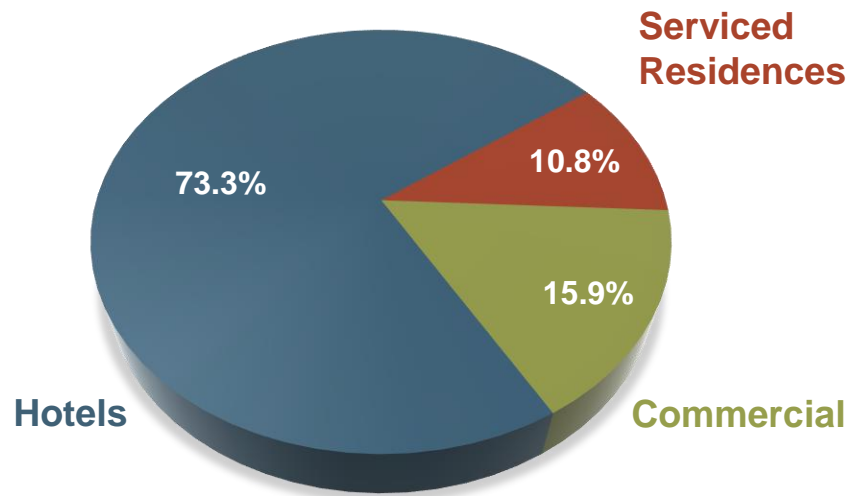


- The contribution by the Leisure segment increased from 33.5% in 1Q 2023 to 39.4% in 1Q 2024, reflecting higher independent travel demand in the first quarter of the year.
- Meanwhile, revenue contribution from the Corporate segment decreased to 60.6% from 66.5% a year ago due to the expiration of some existing long leases.
- Services, Banking & Finance and Electronics & Manufacturing were the top 3 segments, contributing 75.2% of overall revenue.

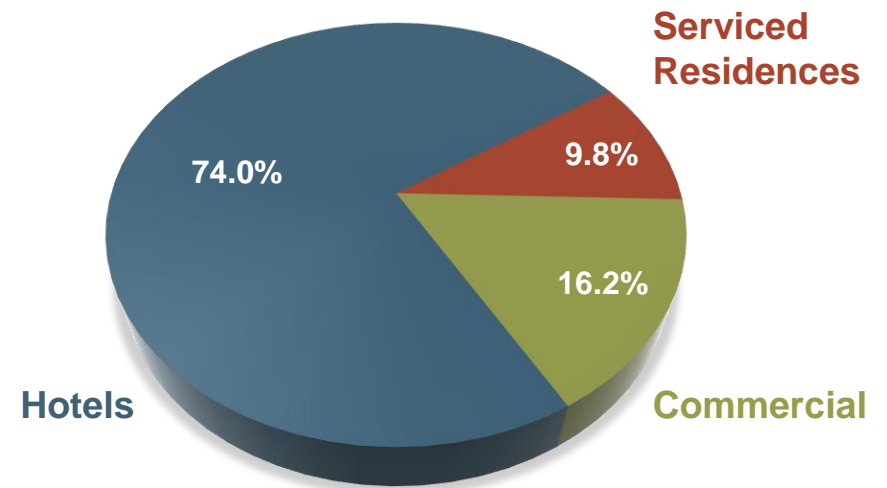


Breakdown of Gross Revenue – Total Portfolio

1Q 2023



1Q 2024



Asset Enhancement Initiatives



Lift Modernisation – Village Residence Hougang

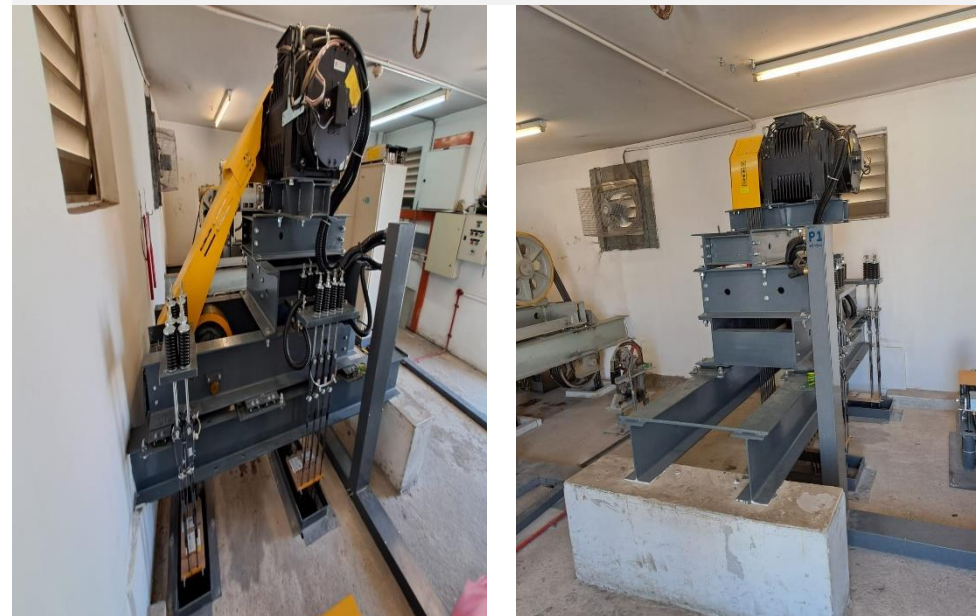
Estimated 54% energy savings in power consumption equating to approximately 6,885 kWh saved annually, sufficient to power to an average 4-room apartment¹ for over 18 months.

Revamped Lift Car



Updated finishings with provision for future RFID access

Modernised Machinery



Modernised machinery with Variable Voltage Variable Frequency (“VVVF”) drive for energy savings



¹ Average monthly consumption of a 4-room household was about 353.3 kWh in 2023 (Singapore Energy Statistics 2023 by the Energy Market Authority of Singapore)

Façade Repainting – Village Residence Robertson Quay

Before



After



Expected completion by July 2024



New Concepts Opening – Vibe Hotel Singapore Orchard

Dragonfly

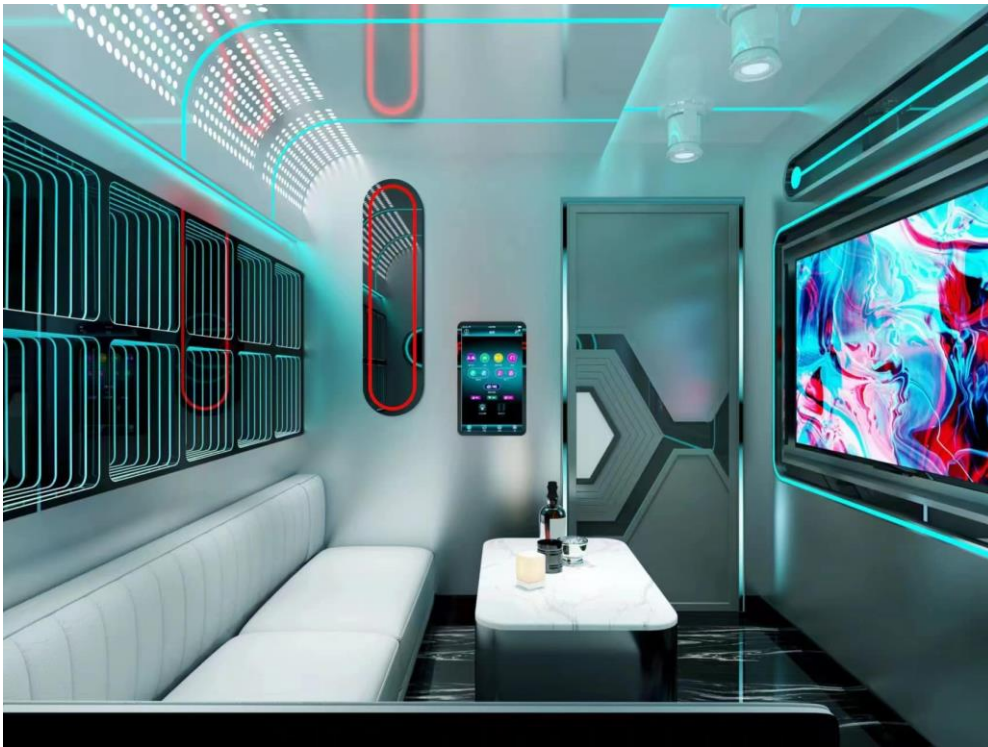
Bar/lounge concept by renowned Australian interior designer, Ashley Sutton who has designed award-winning bars globally, such as Iron Fairies in Hong Kong, Kuala Lumpur and Bali



New Concepts Opening – Rendezvous Hotel Singapore

Chao K Party Karaoke

Space-themed karaoke bar concept



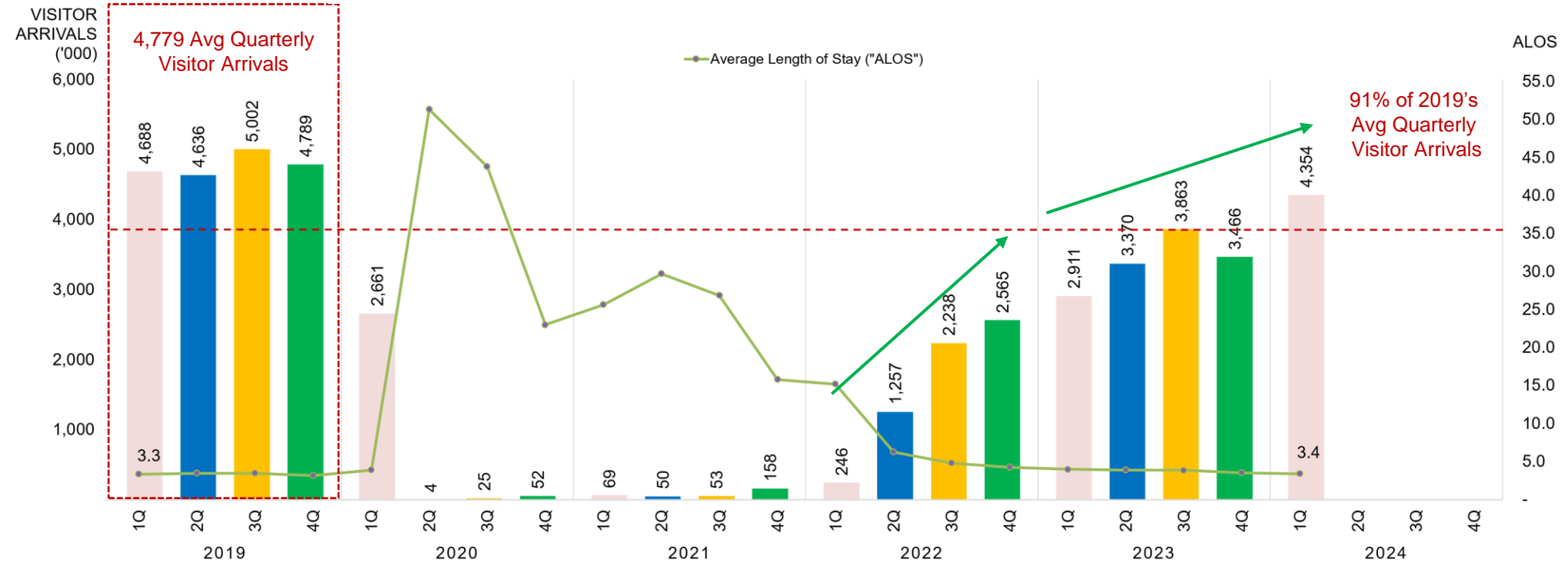
Outlook



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Increasing Visitor Arrivals to Singapore

Visitor Arrivals (2019 - 1Q 2024)

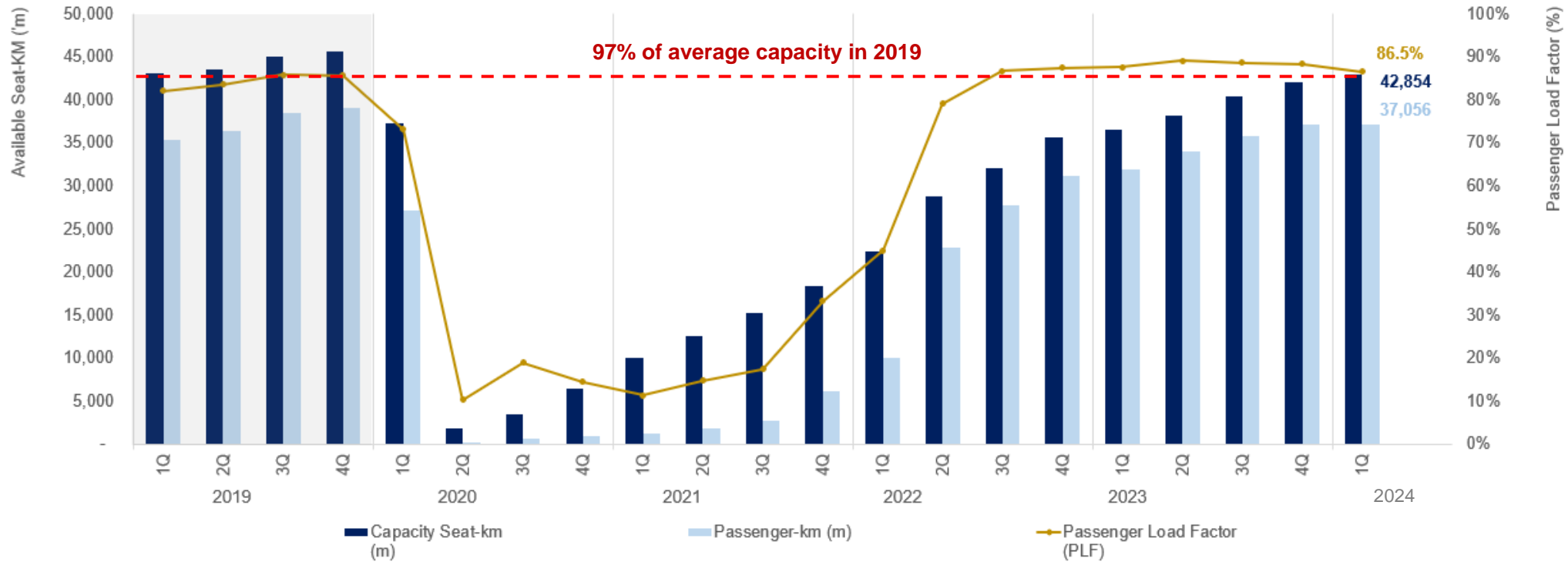


- In 2023, visitor arrivals reached 13.6 million or 71% of pre-pandemic level in 2019.
- In the first quarter of 2024, visitor arrivals into Singapore resumed its climb, reaching 4.4 million arrivals, which is almost 91% of the pre-pandemic level.
- Visitor arrivals is on track to meet Singapore Tourism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



Recovery of Air Passengers Numbers

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 first quarter of 2024, Singapore Airlines ("SIA") Group passenger capacity was restored to approximately 97% of the average capacity in 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.
- Bird Paradise made its debut in May 2023.
- 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 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.



Thank You

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



Far East H-Trust Asset Portfolio Overview

Hotels



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

