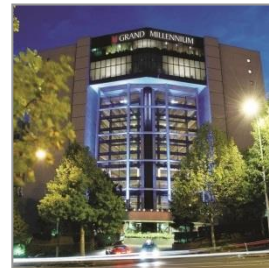




CDL HOSPITALITY TRUSTS

Acquisition of Pullman Hotel Munich, Germany  
and  
Launch of Renounceable Underwritten Rights Issue  
27 June 2017



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# Executive Summary

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# Executive Summary of Overall Transactions



CDL HOSPITALITY TRUSTS

Acquired on  
4 May 2017  
The Lowry Hotel  
Manchester, UK



Acquisition announced on  
27 June 2017  
Pullman Hotel Munich  
Munich, Germany



Renounceable and fully underwritten Rights  
Issue to raise gross proceeds of S\$255.4M

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Proceeds to partially repay CDLHT's existing borrowings, not including those for the acquisition of The Lowry Hotel and Pullman Hotel Munich (the "Acquisitions")
- Enhanced financial flexibility from lower gearing and increased debt headroom
- Realignment of capital structure will lower CDLHT's weighted average cost of debt and further improve its interest coverage ratio
- Provides existing Stapled Securityholders with pro rata opportunity to participate in equity fund raising
- Potential increase in trading liquidity of Stapled Securities

**Both acquisitions are/will be fully funded by debt financing**

- Fully funding the Acquisitions by debt financing allows CDLHT to capitalise on the window of opportunity presented by the low funding environment in Europe and to achieve a natural hedge
- On a standalone basis, each of the above acquisition is a DPS accretive acquisition <sup>(1)</sup>
- On an overall basis, the Acquisitions are accretive <sup>(2)</sup>

(1) Pro forma FY 2016 distribution per security ("DPS") based on each acquisition being fully funded by debt financing, compared against actual FY 2016 DPS.

(2) Based on an illustrative hypothetical scenario with a rights issue raising gross proceeds of S\$167.8 million such that gearing of CDLHT is maintained at 36.8% (as at 31 March 2017).



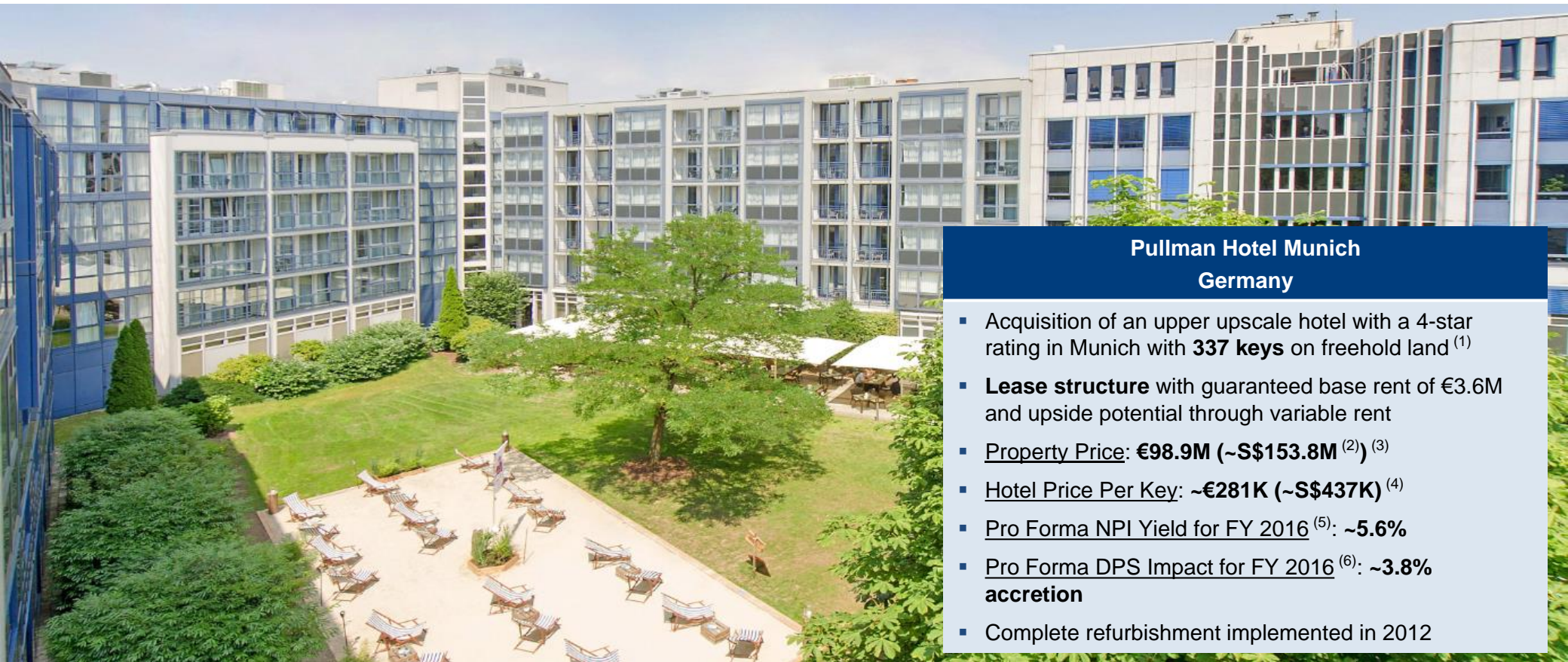
# Overview of Pullman Hotel Munich Acquisition

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# Executive Summary of Pullman Hotel Munich Acquisition



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## Pullman Hotel Munich Germany

- Acquisition of an upper upscale hotel with a 4-star rating in Munich with **337 keys** on freehold land <sup>(1)</sup>
- **Lease structure** with guaranteed base rent of €3.6M and upside potential through variable rent
- **Property Price: €98.9M (~S\$153.8M)** <sup>(2)</sup> <sup>(3)</sup>
- **Hotel Price Per Key: ~€281K (~S\$437K)** <sup>(4)</sup>
- **Pro Forma NPI Yield for FY 2016** <sup>(5)</sup>: **~5.6%**
- **Pro Forma DPS Impact for FY 2016** <sup>(6)</sup>: **~3.8% accretion**
- Complete refurbishment implemented in 2012

- (1) Acquisition comprises an effective interest of 94.5% in Pullman Hotel Munich (the “**Hotel**”) and its office and retail components (the “**Commercial Components**”) and the fixture, furniture and equipment used by the Hotel (“**FF&E**”, and together with the Hotel and the Commercial Components, the “**Property**”).
- (2) Unless otherwise stated, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.
- (3) €98.9 million (approximately S\$153.8 million) is the payment of Property Price pursuant to H-REIT’s effective interest of ~94.5% in the Property. On the basis of 100% interest in the Property, the Property price is €104.7 million (approximately S\$162.7 million).
- (4) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.
- (5) Pursuant to H-REIT’s interest in the Property, based on the pro forma annualised net property income (“**NPI**”) of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million) and a Purchase Consideration of €100.6 million (approximately S\$156.3 million). Taking into consideration the Total Acquisition Cost of €103.2 million (approximately S\$160.4 million), the pro forma annualised NPI yield will be 5.4%.
- (6) Based on the change of the pro forma Distribution per Stapled Security (“**DPS**”) for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.

# Executive Summary of Pullman Hotel Munich Acquisition (Con't)



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**Maiden entry into continental Europe through presence in Munich, Germany** – where Germany is the largest economy in Europe <sup>(1)</sup> and recorded its strongest GDP growth in 5 years in 2016 <sup>(2)</sup>, with a positive outlook in 2017 and 2018 <sup>(3)</sup>

## **Vibrant hospitality market with diversified demand drivers:**

- Munich is one of Germany's top performing hospitality market where it posted the highest ADR and RevPAR in 2016 amongst the major German cities <sup>(4)</sup>, supported by well-diversified demand drivers:
  - **Corporate demand:** Munich is home to a broad spectrum of industries and the headquarters of various companies listed on the Frankfurt Stock Exchange such as Allianz and BMW
  - **Meetings, Incentives, Conferencing, Exhibitions (“MICE”) demand:** The city has strong MICE demand as it hosts the world's leading trade fairs such as those by Messe Munich and is supported by well developed trade fair infrastructure such as the Messe München
  - **Leisure demand:** Iconic festivals and cultural events such as Oktoberfest as well as the presence of FC Bayern Munich help to drive healthy leisure demand

## **High quality asset with ~€18 million invested towards refurbishment of the Property between 2012 and 2016**

**Excellent location** as the hotel is in close proximity to a major business park, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services and Microsoft, and easily accessible to the city centre, tourist attractions and airport

**Lease structure offers downside protection and upside participation** where the Lessor will receive rent of around 90% of the Net Operating Profit of the hotel subject to a guaranteed fixed rent of €3.6 million <sup>(5)</sup>

**Accretive acquisition** with pro forma DPS accretion of 3.8% for FY 2016

**Transaction reinforces CDLHT's strategy** to diversify and enter markets with strong fundamentals and growth potential

(1) CIA World Factbook

(2) Reuters, “German economy surges at fastest rate in five years”, 12 January 2017

(3) Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017

(4) STR Global Data

(5) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.



## Location

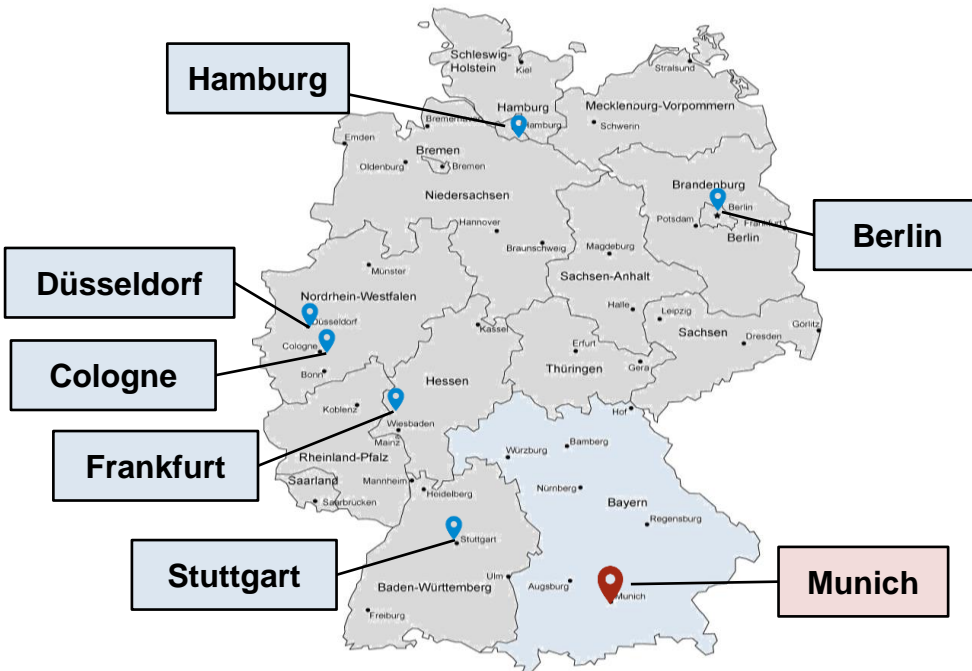
- As at 2016, Munich Airport serves 257 destinations across 73 countries, an increase of 10 new destinations in the medium and long-haul routes year-on-year (“yoy”)
- Regional train services such as InterCity Express connects Munich to all the major German cities:
  - Berlin to Munich (~6 hours)
  - Frankfurt to Munich (~3.5 hours)

## City of Sports and Culture

- Munich is home to FC Bayern Munich, the dominant football team in Germany
- FC Bayern Munich, a record 27 times Bundesliga champion and 5 times Champions League winner, draws fans from all over the world for matches and stadium tours
- It is famous internationally for Oktoberfest – the world’s largest annual beer festival and funfair

## One of the Most Attractive Business Locations in Europe

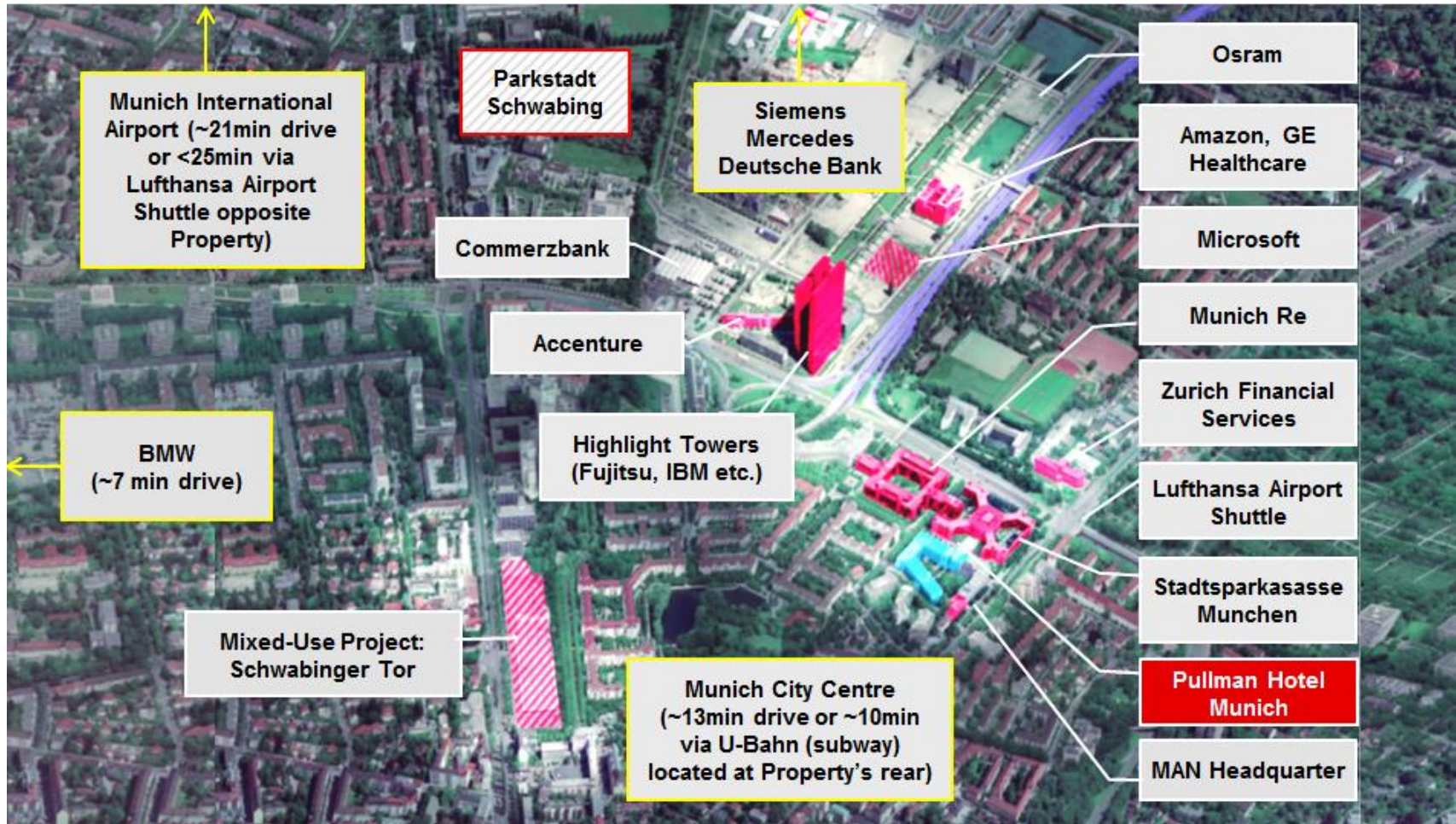
- Munich is the capital of the federal state of Bavaria which boasts of economic resilience and strength<sup>(1)</sup>
- It is the third largest city in Germany by population, with a population of 1.53 million in 2016<sup>(2)</sup>
- It is touted as an important research and knowledge hub with 17 universities and more than 115,000 students<sup>(1)</sup>
- The city is identified as one of the most important fintech locations in Europe over the next two years<sup>(1)</sup>
- Munich is a vibrant trade fair destination and is host to world leading trade fairs such as BAU and bauma



(1) Colliers International, Immobilien-Marktbericht München (“Real Estate Market Report Munich”) 17/18

(2) Muenche.de

# Location of Pullman Hotel Munich

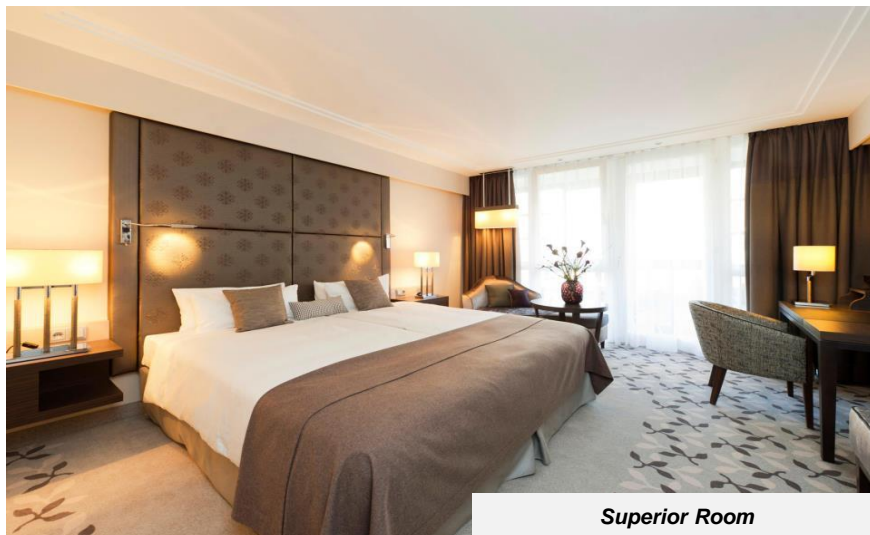


- Parkstadt Schwabing, a 400,000 sq m commercial district, is in close proximity to the Property
- In September 2016, Microsoft opened its new Germany office, which is an 8-minute walk from the Property
- The strong catchment of international firms will continue to drive corporate accounts

# Details and Description of Property



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*Superior Room*



*Theo's Restaurant*

Overview	Property Description
Property	<ul style="list-style-type: none"> <li>Property consists of Pullman Hotel Munich and its office and retail components and the fixture, furniture and equipment used by the Hotel</li> </ul>
Location	<ul style="list-style-type: none"> <li>Theodor-Dombart-Strasse 4, Munich, 80805, Germany</li> </ul>
Title Details	<ul style="list-style-type: none"> <li>2 freehold land plots</li> </ul>
Year of Opening	<ul style="list-style-type: none"> <li>Opened in 1986</li> <li>Underwent a full renovation and rebranding in 2012</li> </ul>
Rooms	<ul style="list-style-type: none"> <li>337 rooms, including 24 suites</li> <li>Weighted average room size of 34 sq m</li> </ul>
Others Amenities	<ul style="list-style-type: none"> <li>5 Food and Beverage (“F&amp;B”) outlets</li> <li>400 sq m of fitness and spa area</li> <li>2 conference rooms for up to 80 people</li> <li>150 parking lots for Hotel and 48 parking lots for Commercial Components</li> <li>Commercial Components currently leased out to 4 retail and 7 office tenants</li> </ul>

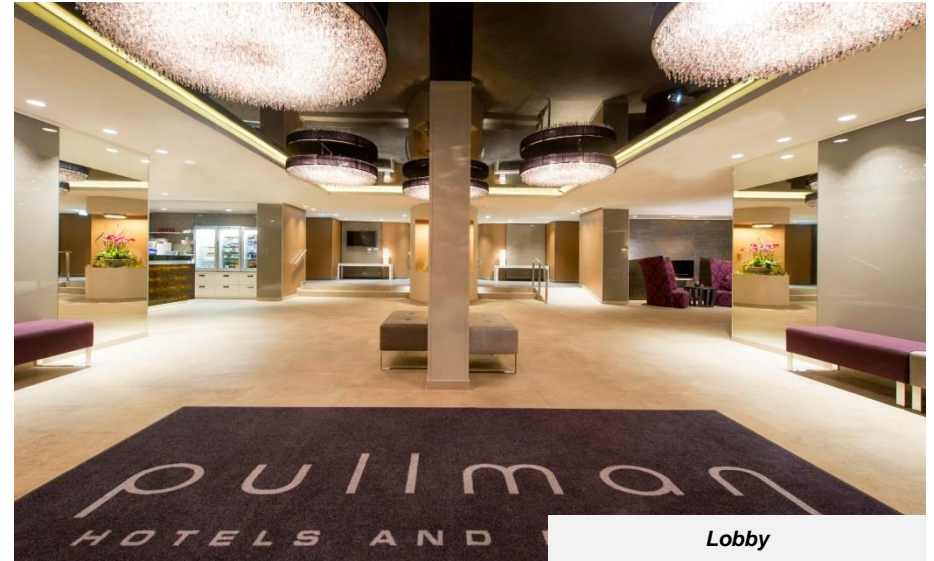
# Details and Description of Property (Con't)



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*Meeting Room - Marienplatz*



*Lobby*



*Meeting Room - Königsplatz*



*Executive Room*



## Transaction Summary

Acquisition	<ul style="list-style-type: none"> <li>▪ Acquisition of an effective interest of 94.5% in the Property through the purchase of:                             <ol style="list-style-type: none"> <li>i. 94.9% of the issued share capital of NKS Hospitality I B.V. (“<b>NKS</b>”) from Event Hospitality Group B.V. (the “<b>Vendor</b>”); and</li> <li>ii. Acquisition from the Vendor of 94.9% of the issued share capital of Munich Furniture B.V. (“<b>FurnitureCo</b>”, and together with NKS, the “<b>Target Companies</b>”), which is the legal owner of the FF&amp;E used by the Hotel</li> </ol> </li> <li>▪ Upon Completion, 5.1% of the issued share capital of each of the Target Companies will continue to be owned by the Vendor</li> </ul>
Purchaser	<ul style="list-style-type: none"> <li>▪ CDLHT Munich One Pte. Ltd.</li> </ul>
Property Price	<ul style="list-style-type: none"> <li>▪ €98.9 million / (~S\$153.8 million)<sup>(1)</sup> based on a property price of €104.7 million on a 100% interest basis</li> </ul>
Hotel Price per key <sup>(2)</sup>	<ul style="list-style-type: none"> <li>▪ ~€281K (~S\$437K)</li> </ul>
Valuation <sup>(3)</sup>	<ul style="list-style-type: none"> <li>▪ €105.3 million on a 100% interest basis / (~S\$163.7 million)</li> </ul>
Net Working Capital and Cash of Target	<ul style="list-style-type: none"> <li>▪ Apart from the payment of Property Price, the purchase consideration for the Acquisition also comprise the payment of a sum of approximately €1.7 million / (~S\$2.6 million)<sup>(1)</sup> based on the estimated net working capital and cash of the Target Companies</li> </ul>
Encumbrance	<ul style="list-style-type: none"> <li>▪ Franchise Agreement with AccorHotels (~5 years unexpired term)</li> </ul>
Date of Completion	<ul style="list-style-type: none"> <li>▪ On or around 18 July 2017</li> </ul>

(1) Pursuant to H-REIT’s interest in the Property.

(2) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.

(3) Valuation report dated 26 May 2017 by CBRE using the discounted cash flow method to arrive at its valuation of the Property.



## Management Lease Summary

Management Lease	<ul style="list-style-type: none"> <li>Upon completion, a new Management Lease Agreement will be entered in relation to the management and operation of the Property</li> </ul>
Lessee	<ul style="list-style-type: none"> <li>UP Hotel Operations GmbH &amp; Co. KG (a wholly-owned subsidiary of EVENT Hotels)</li> </ul>
Term of Lease	<ul style="list-style-type: none"> <li>20 years commencing from completion date</li> </ul>
Rent	<ul style="list-style-type: none"> <li>Lessor will receive rent of around 90% of the Net Operating Profit<sup>(1)</sup> of the Hotel subject to a guaranteed fixed rent of €3.6 million<sup>(2)</sup></li> </ul>
Capital Expenditure Obligations	<ul style="list-style-type: none"> <li>Lessor is responsible for the capital expenditures of the Hotel</li> </ul>

(1) The Net Operating Profit shall mean the gross operating profit of the Hotel less property taxes, premium payable on the Lessor's insurance obligations, fees payable to a hotel manager and an annual contribution to a FF&E replacement reserve.

(2) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.



## 5.1% Shareholder and Lessee



- Upon Completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels
  - AccorHotels is a top leading hotel group operating more than 4,100 hotels in 95 countries <sup>(1)</sup>
- In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which is also the 5.1% shareholder of the Target Companies
  - EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany

(1) AccorHotels Website

# Transaction Details (Con't)



Financing	
Total Acquisition Cost	
Property Price	€98.9 million (~S\$153.8 million) <sup>(1)</sup>
Estimated Net Working Capital & Cash of the Target Companies	€1.7 million (~S\$2.6 million) <sup>(1)</sup>
Professional Fees & Expenses	€1.6 million (~S\$2.5 million)
Acquisition Fee <sup>(2)</sup>	€1.0 million (~S\$1.6 million)
<b>Total</b>	<b>€103.2 million (~S\$160.4 million)*</b>

\*Numbers will not add up due to rounding.



- Initially fully funded by 100.0% debt financing through H-REIT's loan facility
- Depending on market conditions, H-REIT's loan could be refinanced by a term loan or other means, as may be determined by the Managers

(1) Pursuant to H-REIT's interest in the Property.

(2) Acquisition fee to be paid by H-REIT is calculated based on 1.0% of the Property Price of €98.9 million and the Estimated Net Working Capital & Cash of the Target Companies of €1.7 million.





# Investment Highlights

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# Investment Highlights



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- 1 Accretive Acquisition
- 2 Maiden Entry into Continental Europe through Presence in Munich, Germany
- 3 Vibrant Hospitality Market with Diversified Demand Drivers
- 4 High Quality Asset with Excellent Location
- 5 Capitalising on Low Funding Environment and Expected Economic Recovery in Europe
- 6 Broaden Earnings Base and Strengthen Portfolio through Diversification

# 1 Accretive Acquisition



## Pullman Hotel Munich



*THEO's Lounge*



*Junior Suite*



*Superior Suite*

### Assuming CDLHT owned the Property from 1 Jan 2016\*

Pro Forma NPI Yield of the Property 5.6% <sup>(1)</sup>

DPS accretion 3.8% <sup>(2)</sup>

\*For the avoidance of doubt, this excludes the acquisition of The Lowry Hotel, which was completed on 4 May 2017.

(1) Pursuant to H-REIT's interest in the Property, based on the pro forma annualised pro rata NPI of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million).

(2) Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.



## Economy of Germany

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	1.6%	1.8%	1.9%	1.5%

- With a nominal GDP of €3.1 trillion in 2016, Germany is the largest European economy and the fourth largest economy in the world <sup>(3)</sup>
- Its real GDP grew by 1.9% in 2016 (strongest growth in five years), driven by falling unemployment rates and strong growth in private consumption amidst an ultra-low interest rate environment and the outlook into 2017 remains positive
- German business confidence soared in May 2017 to levels not seen in more than a quarter of a century, underpinned by positive data from manufacturing and construction <sup>(4)</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May 2017 <sup>(5)</sup>
- This continued economic resilience amongst its European counterparts have recently made it a highly sought-after destination for real estate investments <sup>(6)</sup>
- With Brexit underway, Germany could potentially benefit from the relocation of financial firms out of United Kingdom (“UK”) into Europe <sup>(7)</sup>, attributed to speculations on the loss of passporting rights and tighter immigration rules

(1) Federal Statistical Office (Destatis)

(2) World Economic Outlook Update, January 2017

(3) CIA World Factbook

(4) Business Times. “German business confidence hits highest level since 1991”, 23 May 2017

(5) PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017

(6) JLL Market Intelligence Munich, September 2016

(7) Sky News, “Germany sees rise in relocation queries from UK-based banks”, November 2016



## Economy of Munich

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	2.6%	2.2%	1.8%	1.5%

- Munich is the capital of Bavaria which has the second largest share of Germany's GDP <sup>(1)</sup>
- It is the third largest city in Germany by population and the second largest employment hub in Germany as of 2016 <sup>(3)</sup>
- It has a well balanced mix of industries across the financial services, healthcare and retail industries, allowing its economy to be relatively resilient against economic shocks
- Rare opportunity to penetrate a highly sought-after market as:
  - The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city <sup>(3)</sup>
  - Munich has considerably higher barriers to entry than other German cities, with relatively higher land costs



*City Hall and Church of Our Lady*



*Nymphenburg Castle*

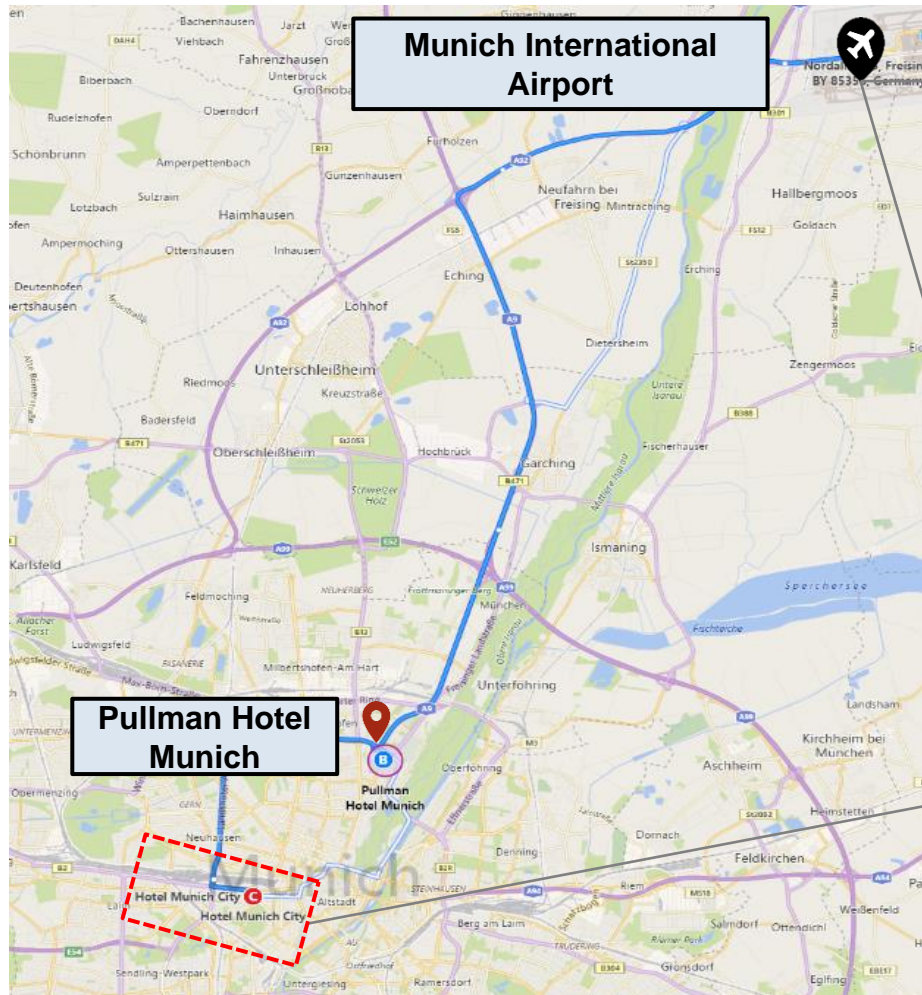
Image Credits: Dorinser (<http://bit.ly/2rzrF0K>), Eric Bauer (<http://bit.ly/2rz6Sdq>)

(1) Federal Statistical Office (Destatis)

(2) Oxford Economics

(3) CBRE Valuation Report dated 26 May 2017

## Major Development Projects



- Project:** Expansion of Terminal 1 which includes a new pier and a central building complex
  - Aim:** Increase passenger capacity by 6 million a year to 31 million passengers (+24%)
  - Expected Opening:** 2022 (*currently in Planning Phase*)

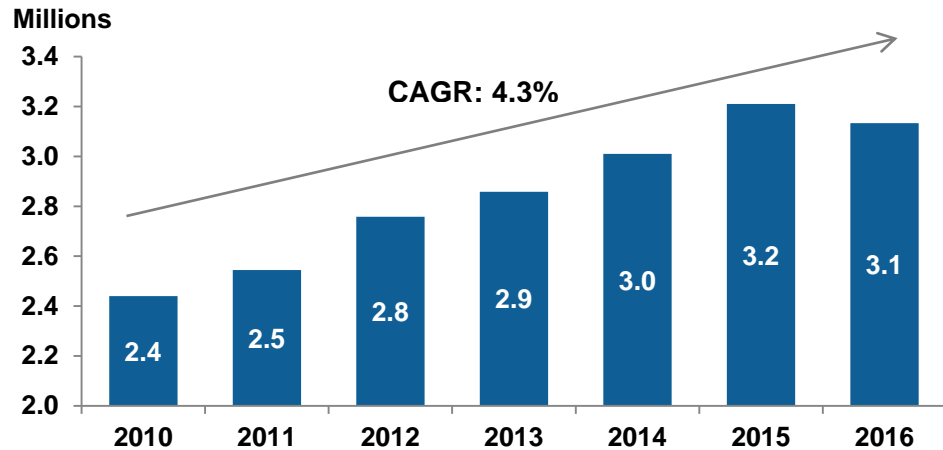
- Project:** Addition of a third runway
  - Aim:** Increase aircraft movement capacity from 90 to 120 per hour (+25%)
  - Expected Opening:** 2022

- Project:** Construction of a second S-Bahn tunnel beneath the Munich City Centre; new underground stations are planned at Munich Main Station, Marienhof, and Munich East
  - Aim:** Increase passenger capacity to house more than 840,000 passengers; increase arrivals to Munich city centre by train
  - Expected Opening:** 2026 (*currently in Planning Phase*)

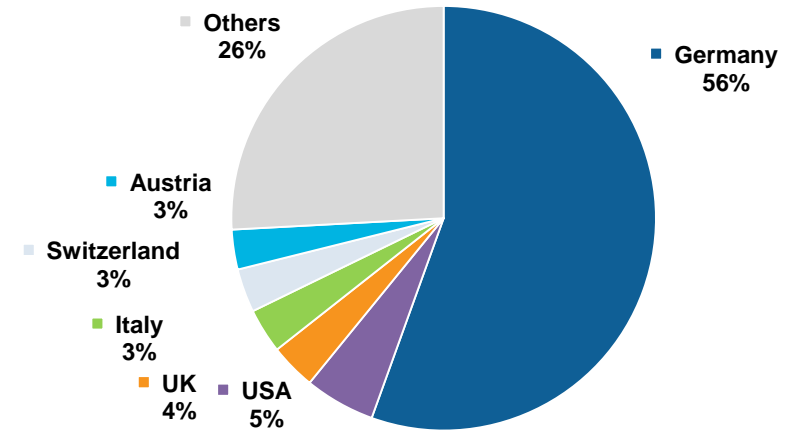


## Healthy Growth in Tourist Arrivals

**Total International Visitor Arrivals to Munich <sup>(1)</sup>**



**Geographical Mix 2016 <sup>(1)</sup>**



- Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016 <sup>(1)</sup>
- Munich enjoys a good balance of domestic and international visitors – 44% of total arrivals in 2016 were international visitors
- The top three international source markets in 2016 include the United States, UK and Italy
- Whilst the Munich market faced a 2.4% drop in international tourist arrivals in 2016 due to a number of terrorism activities in Europe, Munich is capable of attracting a healthy and stable mix of tourists in 2017 with MICE, international sports events and the annual Oktoberfest lined up throughout the year
- While the expected 5 year CAGR for new hotel rooms supply is slightly above 2%, the city is also one of Germany's top performing hospitality market <sup>(2)</sup> where it posted the highest Average Daily Rate and RevPAR in 2016 amongst the major German cities and RevPAR recorded a CAGR of 4.4% between 2011 and 2016 <sup>(3)</sup>

(1) Muenchen.de

(2) Jones Lang LaSalle, Hotel Intelligence Munich, March 2017

(3) STR Global data

## Important Business Hub within Germany



*BMW Headquarters and BMW World*



*The Linde Group Headquarters*

- Munich is home to high-tech industries, traditional production, information and communication technology, automotive engineering, medical engineering and finance, all of which are strong market drivers
- The city hosts the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW
- Munich is also the third largest office location in Europe, with 22.5 million sq m of existing office space <sup>(1)</sup>






## Vibrant Trade Fair Destination more than 70 Trade Shows in 2017-2018 <sup>(1)</sup>

- Munich has well developed trade fair infrastructure including the Messe München and the International Congress Centre Munich (“ICM”), which is ideal for attracting MICE demand <sup>(2)</sup>
- Messe München, with a combined exhibition area of 625,000 sq m indoors and outdoors, recorded around 2.4 million visitors in 2016, a 23.6% growth yoy <sup>(2)</sup>
  - In order to keep up with the growing MICE demand, Messe München has broken ground to construct two new exhibition halls, to be completed by 3Q 2018
- ICM, with a total exhibition area of 7,000 sq m and meeting rooms with a capacity for up to 6,000 participants, hosts more than 100 conferences and events annually with around 110,000 visitors <sup>(2)</sup>

### Major Trade Fairs in Munich

<b>bauma</b>		International Trade Fair for Construction Machinery, Building Material and Mining Machines and Construction Vehicles	Triennial	~580,000 attendance
<b>BAU</b>		World's Leading Trade Fair for Architecture, Materials and Systems	Biennial	~254,000 attendance
<b>IFAT</b>		World's Leading Trade Fair for Water, Sewage, Waste and Raw Materials Management	Biennial	~136,000 attendance
<b>Heim+Handwerk</b>		Trade Fair for Building, Furnishing and Living	Annual	~140,000 attendance
<b>Internationale Handwerksmesse</b>		The Leading Trade Fair for Craft Trades, including Munich's indoor garden fair	Annual	~131,000 attendance

(1) Events Eye

(2) CBRE Valuation Report dated 26 May 2017

(3) Messe Munchen

## Leisure Demand Supported by Sporting and Cultural Events



- Munich home to FC Bayern Munich, the dominant football team in Germany
- Allianz Arena, with a capacity of 75,000 <sup>(1)</sup>, is home to FC Bayern Munich, the dominant team in Germany and second highest earning football club (revenue) in the world <sup>(2)</sup>:
  - Draws close to 2 million foreign fans per season to Munich to watch matches and ticket sales for Bundesliga 2016/2017 has 100% attendance for FC Bayern Munich matches <sup>(3)</sup>
  - Fanfare driven by numerous accolades of the club, including a record 27 times Bundesliga champion, 18 times DFB German Cup winner, 5 times Champions League winner and also 1 of 5 clubs in the world to win all 3 major UEFA trophies <sup>(4)</sup>
  - Football-related demand is a significant business driver for Property during match days
  - Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich

Image Credits: Michael Hofmann (<http://bit.ly/2q2yLcl>), FC Bayern Munich website

(1) Allianz Arena website, Facts, General Information

(2) Deloitte, Football Money League, January 2017

(3) FC Bayern Munich website, Bayern's home

(4) UEFA website



## Leisure Demand Supported by Sporting and Cultural Events (Con't)



*Oktoberfest*



*Tollwood Festival (Winter)*

- Munich is famous internationally for Oktoberfest – the world’s largest annual beer festival and funfair held in September:
  - In 2016, Oktoberfest attracted 5.6 million visitors (2015: 5.9 million) <sup>(1)</sup>
  - Strong hotel performance during Oktoberfest as rooms are sold at a premium amidst high industry wide occupancies
- Other famous festivals include the semi-annual Tollwood Festival which takes place in Olympiapark (summer) and Theresienwiese (winter) across 55 days and attracts ~1.5 million visitors <sup>(2)</sup>

Image Credits: Bernd Wackerbauer (Tollwood website), Oktoberfest website

(1) Oktoberfest.de

(2) GO Group Cologne, Tollwood Festival of Culture, April 2016



Marienplatz



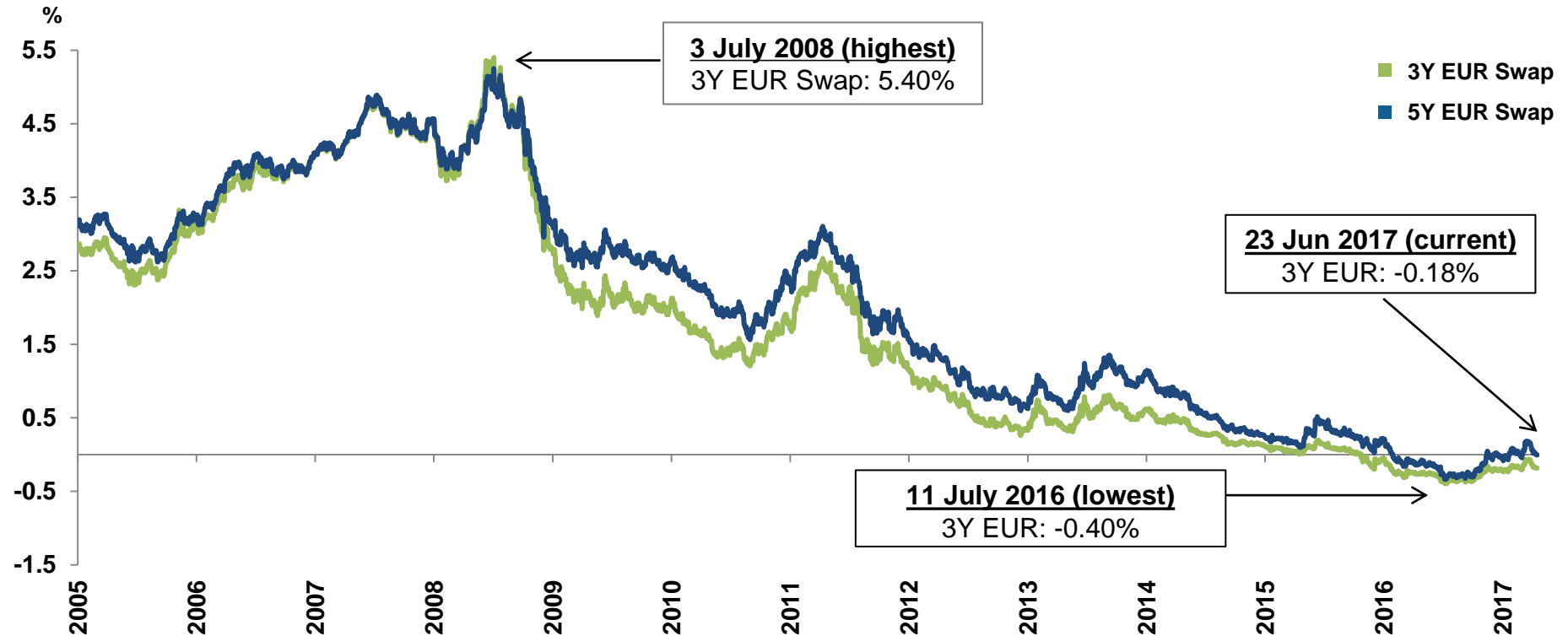
Schwabinger Tor Mixed Development

- Between 2012 and 2016, a total of ~€18 million was invested towards renovation and refurbishment for the Property, including a full renovation of its 337 guest rooms, F&B outlets, spa and lobby areas
- Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft
- Property is easy accessible to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests within minutes to the main historic city centre, the trendy retail district of Schwabing
- FC Bayern Munich's football stadium – Allianz Arena – is only 5 stops (~8 minutes) away via the U-bahn
- Motorways connecting Munich to Berlin and Frankfurt is within a 2-minute drive from the Property
- New developments in the proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office and residential areas
- Direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals, offering significant cost and ease of travel to the airport within 25 minutes

# Capitalising on Low Funding Environment and Expected Economic Recovery in Europe



## EUR Swap <sup>(1)</sup>



- Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates
- A European economic recovery is expected given the recent strong economic indicators with the Eurozone recording its lowest unemployment rate in 8 years and with factories reporting their highest levels of activity since 2011 <sup>(2)</sup>

(1) Bloomberg

(2) Financial Times, "Eurozone unemployment falls to its lowest rate in 8 years", 3 April 2017

# Broaden Earnings Base and Strengthen Portfolio through Diversification



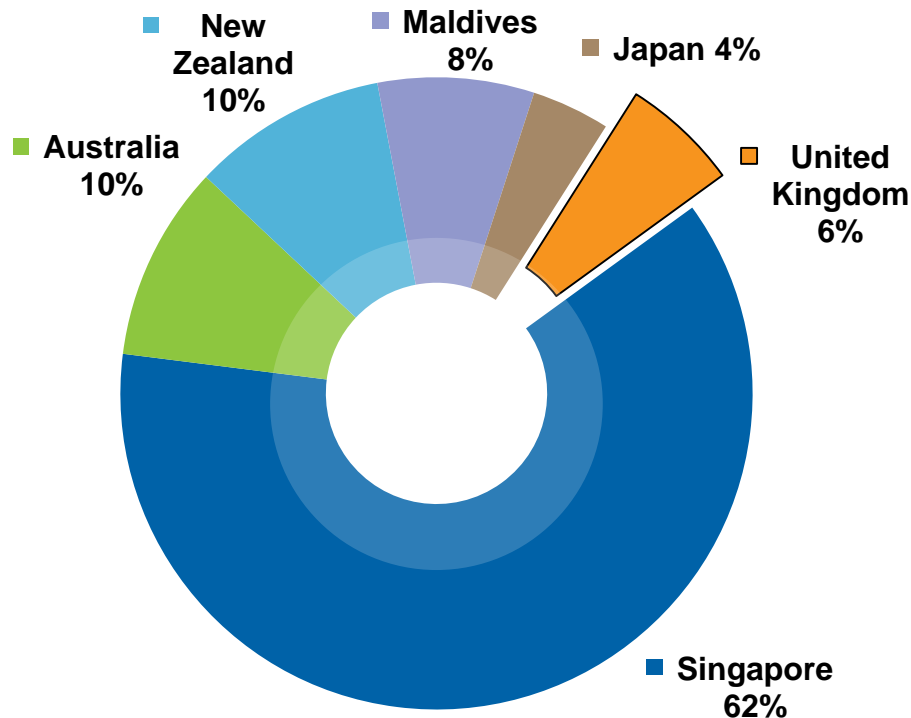
- Upon completion, total number of properties will increase to 20

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)

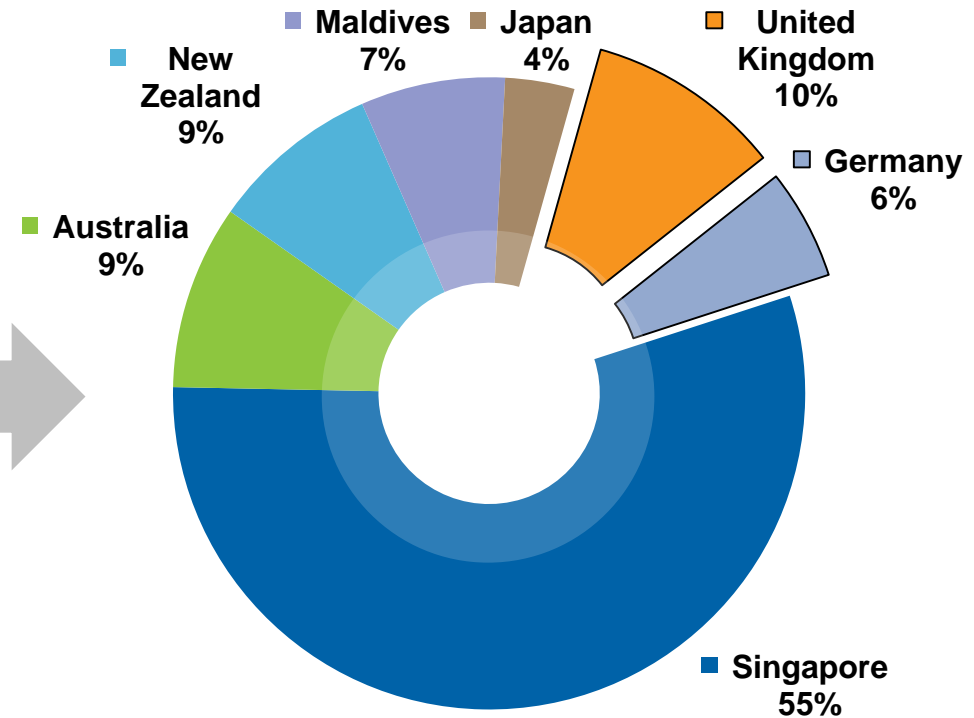


## Pro Forma NPI Contribution for FY 2016<sup>(1)</sup>

### Pre-Acquisitions\*



### Post-Acquisitions\*



- Assuming CDLHT owned The Lowry Hotel and the Property from 1 January 2016, the Property would have accounted for 5.7% of CDLHT's total NPI on a pro forma basis for FY 2016

\*For the avoidance of doubt, the Pre-Acquisitions NPI excludes the The Lowry Hotel and the Post-Acquisitions Pro Forma NPI Contribution for FY 2016 assumes CDLHT owned The Lowry Hotel and Pullman Hotel Munich from 1 January 2016.

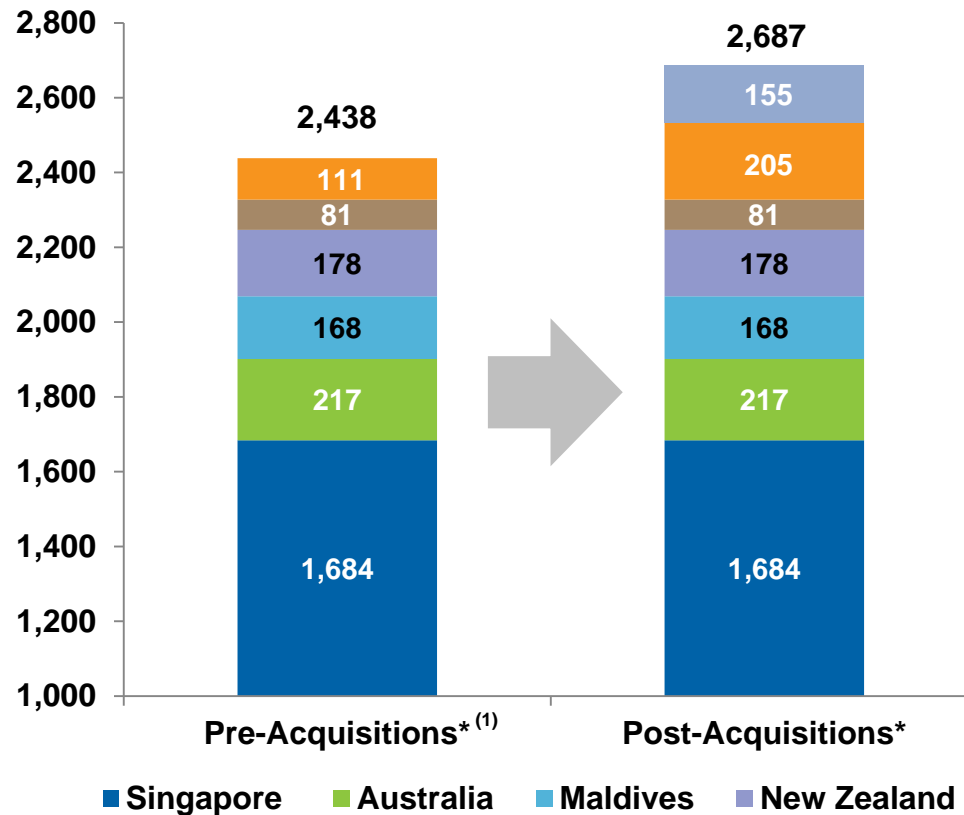
(1) Percentages may not add up due to rounding.

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)



## Valuation of CDLHT's Properties

S\$ Million



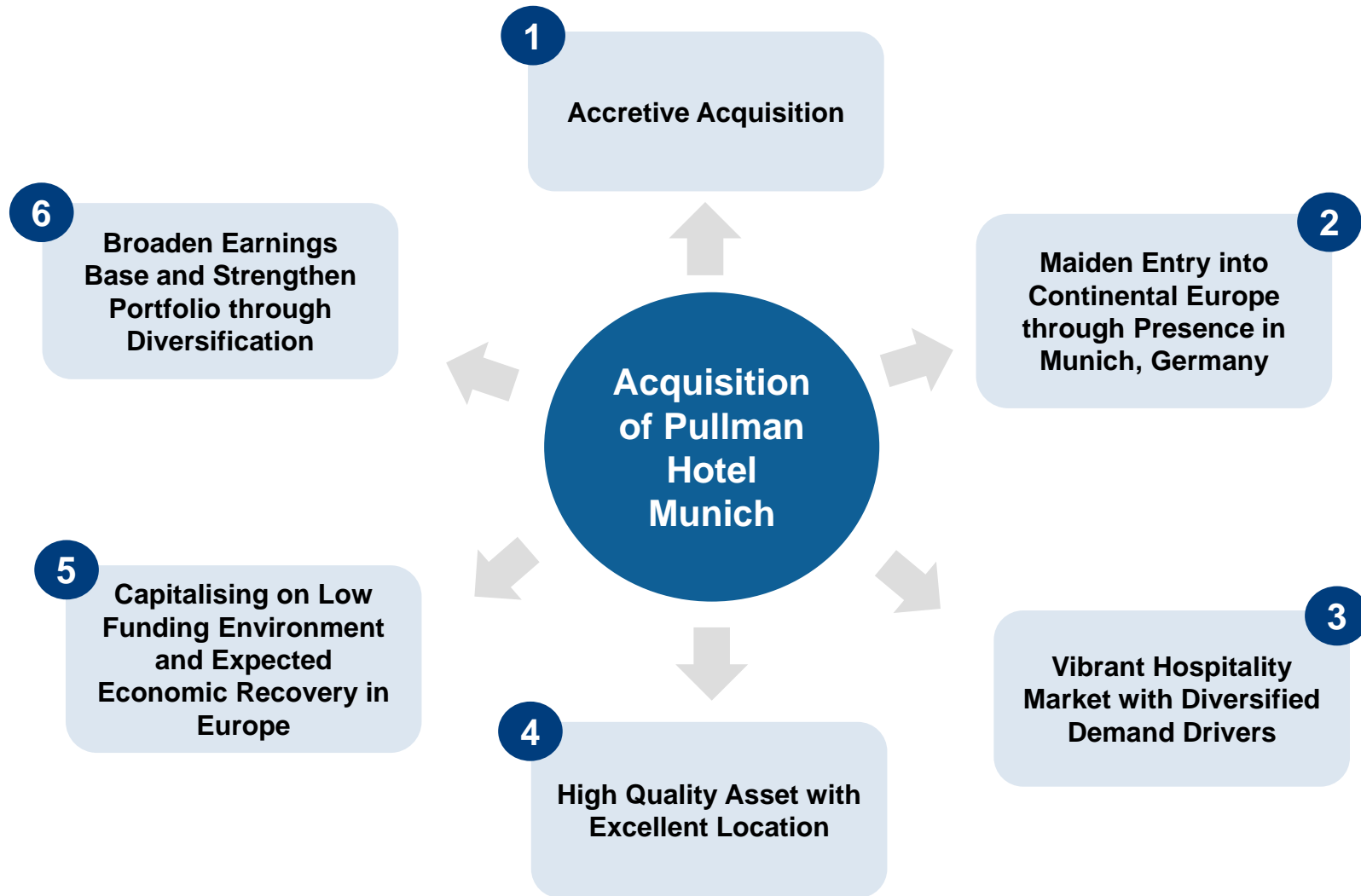
Country	Pre-Acquisitions <sup>(1)</sup>	Post-Acquisitions
Singapore	69.1%	62.7%
Australia	8.9%	8.1%
Maldives	6.9%	6.2%
New Zealand	7.3%	6.6%
Japan	3.3%	3.0%
United Kingdom	4.5%	7.6%
Germany	-	5.8%

\*For the avoidance of doubt, the Pre-Acquisitions valuation excludes The Lowry Hotel and the Post-Acquisitions valuation takes into account The Lowry Hotel and Pullman Hotel Munich.

(1) Valuations as reflected in CDLHT Annual Report 2016.



# Summary of Investment Highlights



CDLHT is poised to benefit from the rare opportunity to secure a presence in the largest economy in Europe and a city with well-diversified demand drivers while capitalising on low funding cost



# Rights Issue

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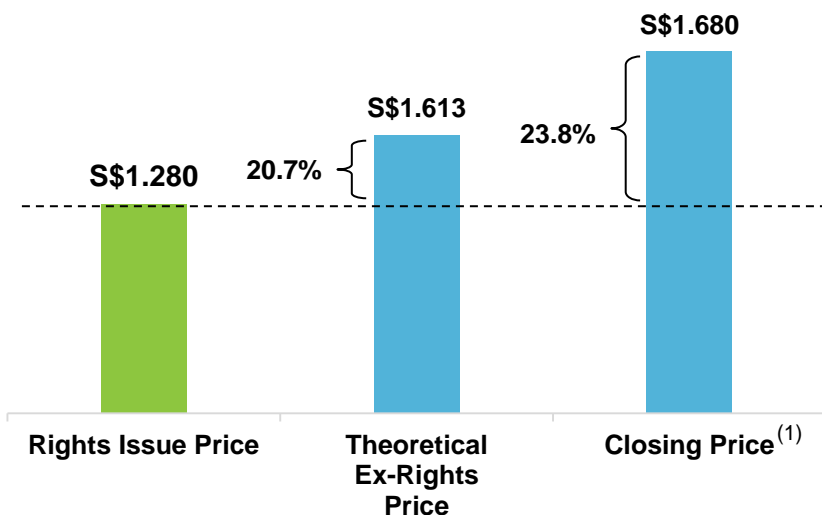
# Details of Rights Issue



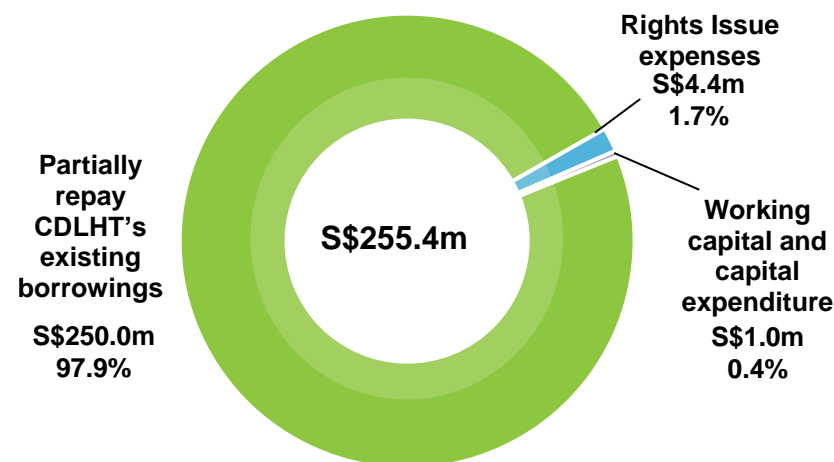
## Renounceable and fully underwritten Rights Issue to raise gross proceeds of S\$255.4 million

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Irrevocable undertaking by CDLHT's Sponsor, Millennium & Copthorne Hotels plc (the "Sponsor"), to subscribe fully for the pro rata rights entitlements of its wholly-owned subsidiaries, aggregating c.36.98% of the Rights Issue
- Remaining rights Stapled Securities are underwritten by DBS Bank Ltd.

### Rights Issue Price (in S\$ per Stapled Security)



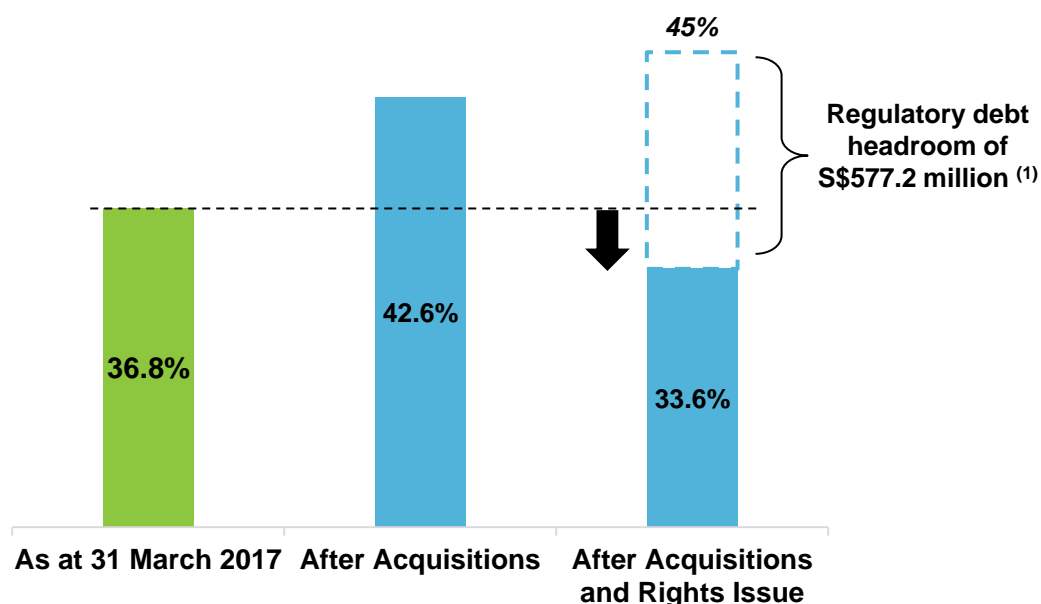
### Use of Gross Proceeds of Rights Issue



(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue

## 1 Enhanced Financial Flexibility from Lower Gearing and Increased Debt Headroom

### Gearing



- Strengthen balance sheet and enhance credit profile of CDLHT
- Realignment of capital structure through partial repayment of existing higher interest-bearing borrowings
- Gearing of CDLHT is expected to be lowered to approximately 33.6% on a pro forma basis as at 31 March 2017
- Regulatory debt headroom will increase to approximately S\$577.2 million <sup>(1)</sup>, increasing CDLHT's ability to pursue future growth opportunities via acquisitions and/or asset enhancement initiatives
- Lower CDLHT's weighted average cost of debt and improve interest coverage ratio

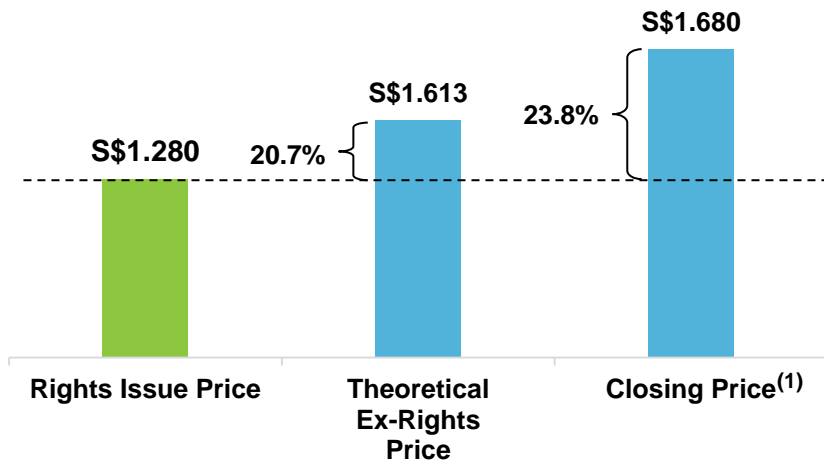
(1) Based on gearing of 45.0%.

# Rationale and Benefits of Rights Issue (Con't)



## 2 Provides Existing Stapled Securityholders with Pro Rata Opportunity to Participate in Equity Fund Raising

Rights Issue Price (in S\$ per Stapled Security)

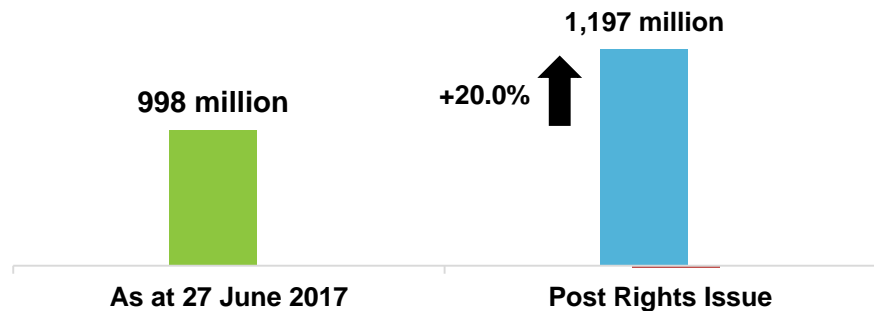


- Rights Stapled Securities offered at discount to TERP and Closing Price
- Stapled Securityholders may sell their Rights Entitlements to crystallise the value of their Rights Entitlements and may apply for Excess Rights Stapled Securities

(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue.

## 3 Potential Increase in Trading Liquidity of Stapled Securities

Number of Stapled Securities



- Rights Issue will increase the number of Stapled Securities in issue by 199,545,741 Stapled Securities
- Stapled Securityholders may potentially enjoy an improvement in trading liquidity of Stapled Securities after the Rights Issue



# Pro forma Financial Information

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# Pro forma Financial Information



CDL HOSPITALITY TRUSTS

	FY 2016 Audited Financial Statements	Pro forma Financial Effects for FY 2016 After acquisition of The Lowry Hotel and Pullman Hotel Munich and Rights Issue
<b>DPS (cents)</b> <sup>(1) (2)</sup>	10.00 <sup>(3)</sup>	9.43 <sup>(4)</sup>
<b>DPS yield (%)</b>	5.95 <sup>(5)</sup>	5.85 <sup>(6)</sup>
<b>NAV per Stapled Security (S\$)</b> <sup>(1)</sup>	1.55 <sup>(3)</sup>	1.49 <sup>(7)</sup>

(1) Figures rounded to two decimal places.

(2) Based on the distributable income of CDLHT (before deducting income retained for working capital) which comprises the aggregate of distributions by H-REIT and HBT, divided by the number of Stapled Securities entitled for distributions as at 31 December 2016.

(3) Based on the audited consolidated financial statements of CDLHT for FY 2016.

(4) Includes (i) pro forma income contribution from The Lowry Hotel and Pullman Hotel Munich as if they were acquired on 1 January 2016, (ii) deduction of additional property expenses in connection with the Acquisitions for the period from 1 January 2016 to 31 December 2016 (iii) pro forma effects of the Rights Issue, as if it was completed on 1 January 2016.

(5) Based on the Stapled Securities' closing market price of S\$1.680 as at 27 June 2017.

(6) Based on TERP of S\$1.613.

(7) Adjusted for the acquisitions of The Lowry Hotel and Pullman Hotel Munich, as well as the Rights Issue, assuming the aforementioned were completed on 31 December 2016.



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# Indicative Rights Issue Timetable

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# Indicative Rights Issue Timetable



CDL HOSPITALITY TRUSTS

Event	Dates and Times
Last day of Stapled Securities traded “cum-rights” for the Rights Issue	30 June 2017
First day of Stapled Securities traded “ex-rights” for the Rights Issue	3 July 2017
Lodgement of Offer Information Statement	5 July 2017
Rights Issue Books Closure Date	5 July 2017 at 5.00pm
Despatch of Offer Information Statement	10 July 2017
Commence trading of Rights Entitlement	10 July 2017 from 9.00am
Last day of trading of Rights Entitlement	18 July 2017 at 5.00pm
Closing date of the Rights Issue	24 July 2017 at 5.00pm <sup>(1)</sup> (9.30pm for Electronic Application through ATMs of Participating Banks)
Expected listing of the Rights Stapled Securities	2 August 2017 from 9.00am

**NOTE: The above timetable is indicative only and is subject to change. Any changes to the dates and times will be announced on SGXNet.**

(1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP.



THANK YOU

