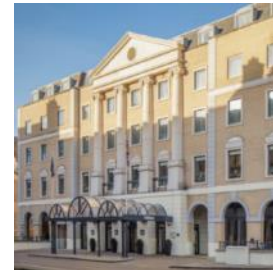




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Investment into Residential Build-to-Rent Property Forward-Funding Scheme Manchester, UK 31 August 2021



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Strategic Pivot to Position for Growth

Strategic Pivot to Position for Growth



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1

Strategic pivot in CDLHT's principal investment strategy aimed at promoting growth through the revision of mandate which will also bring about asset class diversification and enhanced income stability, thereby lowering portfolio risk

2

Maiden investment in the adjacent accommodation/lodging space, expected to provide CDLHT with a **more diversified, balanced and stable revenue stream**

3

Favourable demand-supply dynamics of the Build-to-Rent ("BTR") market in Manchester and across many other markets globally, and the **increased institutional investment interest** in the sector, positive for income growth and capital appreciation

4

Complement the expected recovery in performance of CDLHT's hospitality assets, which will continue to make up the majority of CDLHT's portfolio



Overview of Property

Property Details



Concept drawing – subject to change

Details of the Property										
The Transaction	<ul style="list-style-type: none"> The Castings (“New Property”), a residential Build-to-Rent property Investment into a forward-funding scheme 									
Location	<ul style="list-style-type: none"> Piccadilly East, Manchester, UK 									
Target Completion	<ul style="list-style-type: none"> Around May 2024 ~140-week build period (“Development Period”) 									
Land Title	<ul style="list-style-type: none"> Freehold 									
Total Area	<ul style="list-style-type: none"> Approximately 236,900 sq ft 									
Residential Apartments	<ul style="list-style-type: none"> Net internal area of approximately 219,600 sq ft 352 apartments 									
	<table border="1"> <thead> <tr> <th>Unit Type</th> <th>Number of Units</th> </tr> </thead> <tbody> <tr> <td>Studio</td> <td>39</td> </tr> <tr> <td>One Bedroom</td> <td>77</td> </tr> <tr> <td>Two Bedroom</td> <td>227</td> </tr> <tr> <td>Three Bedroom</td> <td>9</td> </tr> </tbody> </table>	Unit Type	Number of Units	Studio	39	One Bedroom	77	Two Bedroom	227	Three Bedroom
Unit Type	Number of Units									
Studio	39									
One Bedroom	77									
Two Bedroom	227									
Three Bedroom	9									
Amenities Spaces and Other Common Areas	<ul style="list-style-type: none"> Internal and external common amenity spaces which may include a gym, a cinema, resident lounge areas, a roof terrace and ground floor retail spaces (subject to design and changes) Approximately 350 bicycle storage 20 parking spaces 									

Overview of Location



Manchester, United Kingdom

- Greater Manchester is the largest regional economy in the UK outside London
- Manchester Piccadilly Station is well-connected to the rail network (approximately 2hr 20 min from London, 3 services per hour)
- Manchester Airport is the UK's third largest Airport (largest outside of London) and is a 20-min drive from the city centre
- Continued investments in infrastructure include:
 - Expansion of Manchester Airport
 - High Speed 2 railway (“**HS2**”)
- Strategic framework proposals for HS2 include comprehensive redevelopment of the railway station, ~2.9 million sq ft of office space, 261,000 sq ft of retail space, 5,000 apartments and 250 hotel rooms ⁽¹⁾



(1) Place North West, “Alternative HS2 Piccadilly hub ‘could save billions’”, 29 Jun 2020

Prime Location within Manchester City Centre



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Location of The Castings

- Piccadilly East is a neighbourhood situated close to Manchester Piccadilly train station and the tram stop and minutes from highly popular districts of Northern Quarter, Ancoats and New Islington
- Currently undergoing a large scale rejuvenation as part of the Portugal Street East Strategic Redevelopment Framework (“SRF”) to be transformed into a new vibrant mixed-use, pedestrian community

Good Accessibility

- Within 2km from the Manchester CBD
- 9-min walk from Manchester Piccadilly Station (Manchester’s main train station) which has direct access to the airport and major cities in UK
- Upcoming HS2 (est. 2035 to 2040) ⁽¹⁾ at the Piccadilly station will provide high speed connectivity between Manchester, London, Birmingham and other key cities
- When completed, the HS2 will reduce the journey time from Manchester to London to approximately 1hr 7min (from 2hr 20min)



(1) BBC, “HS2: When will the line open and how much will it cost?”, 11 Feb 2020

Concept Drawings



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Transaction Structure and Details

Transaction Parameters



Transaction Parameters	
Purchase Price	<p>Maximum Commitment Sum of £73.3 million (S\$136.0 million ⁽¹⁾), comprising:</p> <ul style="list-style-type: none"> ▪ Land Consideration: £9.5 million (S\$17.6 million) ▪ Progressive Payments: £58.2 million (S\$108.1 million) ▪ Balancing Payment: £5.6 million (S\$10.4 million)
Valuation on Forward-Funding Basis ⁽²⁾	£76.1 million (S\$141.3 million)
Additional Budget	Estimated £3.1 million (S\$5.8 million) to be funded by CDLHT for furnishing and fit-out expenses
Total Project Cost (Including Additional Budget)	<p>£76.4 million (S\$141.9 million)</p> <ul style="list-style-type: none"> ▪ £217.0k (S\$403.0k) per unit ▪ £322 (S\$599) psf
Other Transaction Cost	£2.5 million (S\$4.6 million)
Total Transaction Cost	£78.9 million (S\$146.5 million)
Pro Forma Stabilized NPI Yields	<ul style="list-style-type: none"> ▪ 5.1% ⁽³⁾ (on Total Project Cost) ▪ 5.0% ⁽³⁾ (on Total Transaction Cost)
Pro Forma DPS Accretion	<ul style="list-style-type: none"> ▪ 2.2% ⁽⁴⁾

(1) Unless otherwise stated, all conversions between £ and S\$ are based on an assumed exchange rate of £1.00 = S\$1.857.

(2) Savills (UK) Limited (the “**Independent Valuer**”) has valued the New Property on a forward-funding basis as at 27 Aug 2021 using the capitalisation method for the residential and car park components and the direct comparison method for the retail component (the “**New Property Independent Valuation**”).

(3) Based on the annual stabilized NPI of the New Property.

(4) Based on the Total Transaction Cost of £78.9 million (S\$146.5 million) and assuming development was completed and the New Property was stabilized on 1 Jan 2020, pro forma accretion is based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded and annual stabilized NPI is £3.9 million (S\$7.3 million).

Transaction Parameters (Con't)



Key Parties to the Transaction

Purchaser	<ul style="list-style-type: none"> CDL HBT Investments (I) Property Limited, an indirectly wholly-owned subsidiary of HBT (the “HBT PropCo”)
Vendor & Developer	<ul style="list-style-type: none"> Packaged Living (FREOF V Heyrod) LLP (the “Vendor”)⁽¹⁾ will redevelop the land into the residential BTR building to be known as “The Castings” for a fixed price of £63.8 million (S\$118.4 million) – this excludes the Land Consideration of £9.5 million (S\$17.6 million) for the land
Main Contractor	<ul style="list-style-type: none"> Midgard Limited (“Midgard”) Appointed by the Vendor as the main contractor under a fixed-price building contract

Packaged Living Ltd



- Vertically integrated business, established for the direct investment and development of BTR assets across the UK
- Pipeline of over 4,000 BTR homes
- Senior management team has a collective track record of bringing forward approximately 5,000 BTR homes, investing more than £1 billion into the sector
- Backed by Fiera Real Estate UK Limited (a Fiera Capital Corporation subsidiary) which manages over US\$5.3 billion of commercial real estate

Midgard Limited



- Formed in 2006 and provides main contractor services with a specific focus towards residential
- Contractor of the Year in the Building Awards 2018
- Wholly owned subsidiary of JRL Group Limited (“**JRL Group**”), a managed integrated construction solutions company with an annual turnover in excess of £500 million
- Midgard is the turnkey contracting division of the JRL Group

(1) The Vendor is a joint venture between FREOF V (General Partner) LLP and Packaged Living (FREOF V Heyrod PM) LLP, ultimately owned by Fiera Capital Corporation and Packaged Living Ltd respectively.

Transaction Parameters (Con't)



Structure of the Forward-Funding Scheme	
Land Purchase	<ul style="list-style-type: none"> Upfront payment of £9.5 million as Land Consideration to the Vendor on completion of land purchase on 31 Aug 2021
Progressive Payments during Development Period	<ul style="list-style-type: none"> £58.2 million to be paid periodically to the Vendor, based on progressive construction costs incurred under the Development Funding Agreement
Balancing Payment	<ul style="list-style-type: none"> Approximately £5.6 million to be paid to Vendor shortly after practical completion
Limited Development Risk	<ul style="list-style-type: none"> Maximum Commitment Sum of £73.3 million (S\$136.0 million) → Fixed-cost model limits development risk. Scheme structured with payment mechanisms to safeguard interest of HBT PropCo in the following manner: <ul style="list-style-type: none"> Development Contract Price will be paid periodically during the Development Period based on the construction costs incurred The progressive payments will be net of a 3% construction retention, which will amount to about £1.6 million (S\$3.0 million) over the course of Development Period (the “Construction Retention”) Balancing Payment and 50% of the Construction Retention will only be paid after the completion of the Property Development Balance 50% of Construction Retention will be released after expiry of 24-month defects rectification period following practical completion, subject to any applicable deductions arising from the costs incurred by HBT PropCo to rectify defects

Transaction Costs and Gearing

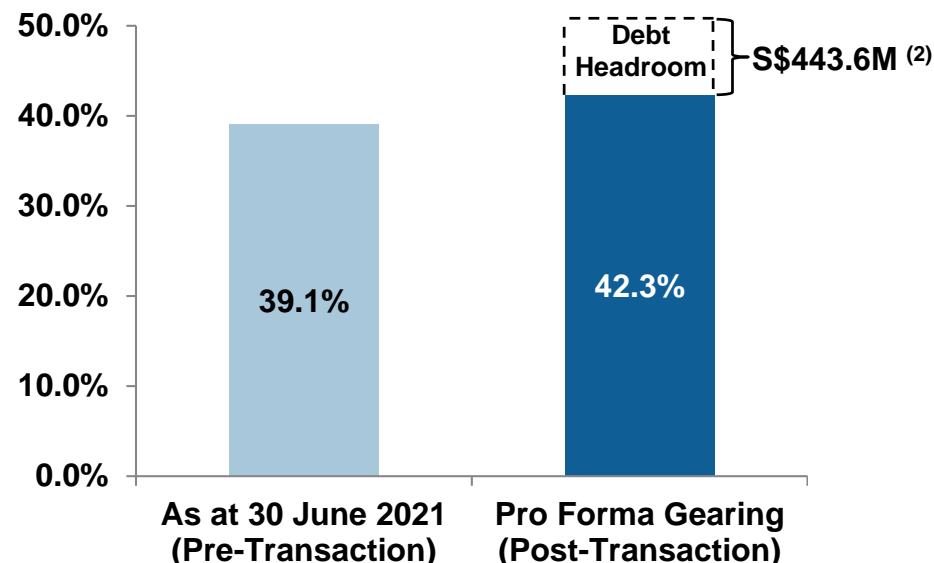


Financing

Total Transaction Cost

Total Project Cost	£76.4 million (S\$141.9 million)
Acquisition Fee ⁽¹⁾	£0.7 million (S\$1.4 million)
Other Transaction Expenses and Professional Fees	£1.8 million (S\$3.3 million)
Total Transaction Cost	£78.9 million (S\$146.5 million)

Pro Forma Financial Effects on Gearing

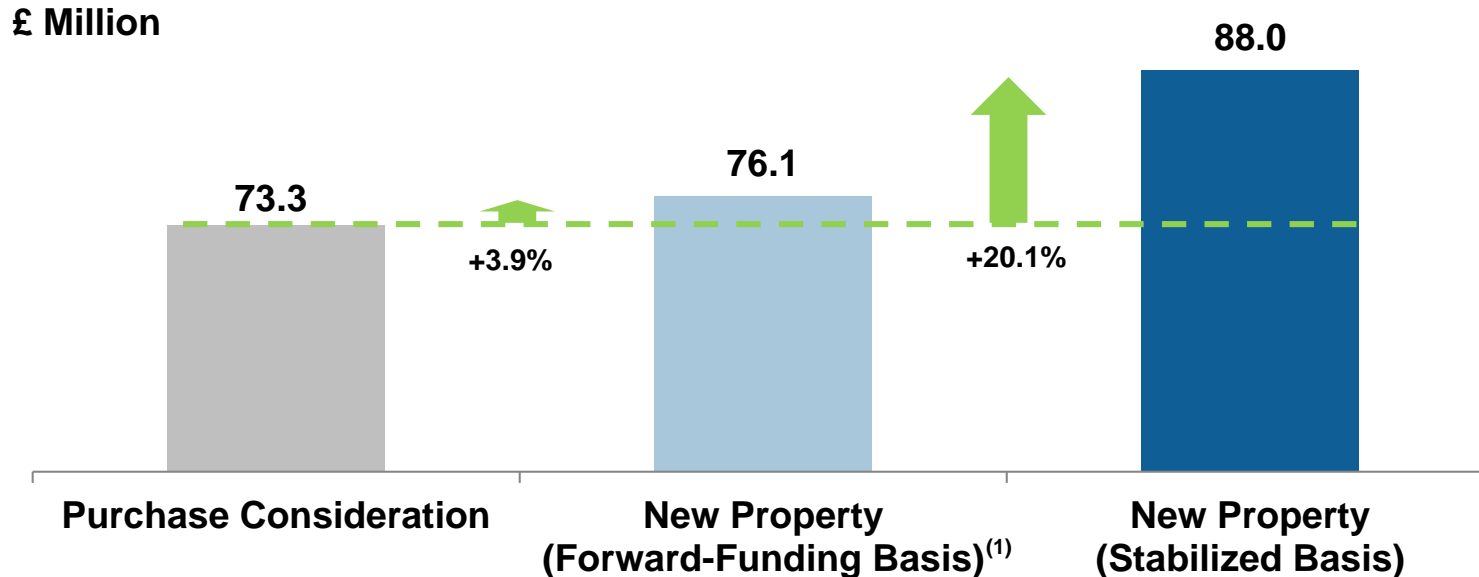


- Construction will be progressively funded on a monthly basis
- Pro forma gearing of 42.3% as at 30 Jun 2021 assumes that the Transaction was completed on **30 Jun 2021** and that the Total Transaction Cost was 100% debt-funded upfront, on a pro forma basis
- As the development progresses, debt will be progressively drawn down to meet payment obligations, hence the initial actual gearing will be lower than 42.3%, and will gradually increase over time

(1) Acquisition Fee of approximately S\$1.4 million will only be paid after the completion of the Transaction.

(2) Assuming gearing limit of 50.0%.

Comparison of Purchase Consideration versus Independent Valuation



- New Property Independent Valuation on a forward-funding basis is £76.1 million, 3.9% higher than Purchase Consideration of £73.3 million
- For reference, the New Property Independent Valuation on a stabilized basis (assuming New Property has stabilized) is £88.0 million

(1) Independent Valuer has valued the New Property at £76.1 million (approximately S\$141.3 million) as at 27 Aug 2021 on a forward-funding basis using the capitalisation method for the residential and car park components and the direct comparison method for the retail component.



Investment Highlights

Investment Highlights



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1 New Property is Expected to Provide Stable and Resilient Income

2 Good Economic Fundamentals

3 Strong Demand and Supply Dynamics

4 Growth Potential for BTR Market

5 Brand New Property With Great Accessibility

6 Potential Income and Capital Upside From Significant Rejuvenation

7 Transaction Expected to be Accretive on a Pro Forma Basis

1

New Property is Expected to Provide Stable and Resilient Income



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After its gestation period, the New Property will strengthen CDLHT's rental income base, supported by longer underlying average length of stay



Provide meaningful diversification which meets one of the objectives of the revised principal investment strategy



Rent collection rates of BTR properties in the UK remained high even during the COVID-19 pandemic and this demonstrates the resilience of rent collectability of the BTR sector ⁽¹⁾



Manchester, UK

(1) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager, rent collection rates of BTR properties in the UK averaged 97% between Apr 2020 to Sep 2020 during the pandemic.

2 Good Economic Fundamentals



Greater Manchester – The Largest Regional Economy in the UK Outside London



- Major employment centre and the largest economic hub in the north of England
- Home to a growing number of global, European and national headquarters



Greater Manchester is the largest regional economy and has the largest financial centre (in terms of venture capital and corporate finance activity) in the UK outside London ⁽¹⁾ ⁽²⁾



Rapid population and employment growth in recent years



Ever-expanding workforce and numerous infrastructure investment projects

Manchester is recognized as one of Europe's largest creative, digital and technology clusters with a growing £5 billion digital ecosystem⁽³⁾ - MediaCityUK is the city's creative hub and is home to a dynamic mix of over 250 businesses⁽⁴⁾



MediaCityUK, Salford, Greater Manchester

(1) Invest in Manchester, accessed 19 Aug 2021 (<https://www.investinmanchester.com/why-manchester/economic-overview>)

(2) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager

(3) Invest in Manchester, accessed 30 Aug 2021 (<https://www.investinmanchester.com/sectors/digital-and-technology>)

(4) MediaCityUK, accessed 30 Aug 2021 (<https://www.mediacityuk.co.uk/whos-here/#:~:text=An%20eclectic%20and%20exciting%20mix,up%2Dand%2Dcoming%20names>)

3 Strong Demand and Supply Dynamics



Positive Demand & Supply Dynamics for BTR Market



Main renter cohort aged between 25-34 years old ⁽¹⁾



Good employment opportunities coupled with a high graduate retention rate ⁽²⁾



Manchester is home to 80 of the FTSE 100 companies ⁽³⁾



Well-known media and digital sector and thriving technology community ⁽³⁾



Rising house price-to-income ratios since 2002 ⁽⁴⁾



Delivery of new housing has been falling short of the housing target requirement ⁽⁵⁾

Manchester and Salford Population in 2019 ⁽⁶⁾

44% Other Age Groups

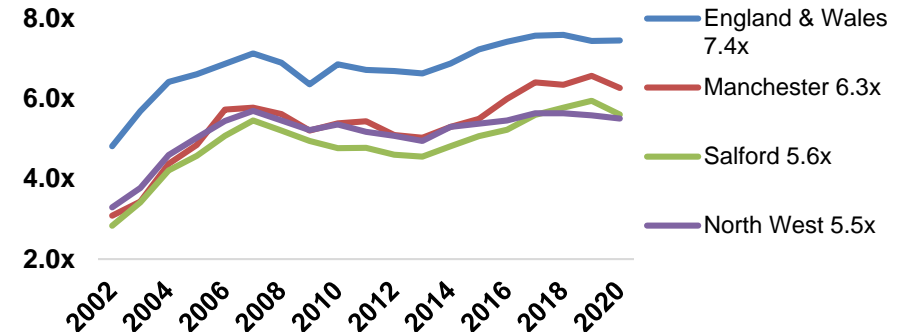


56% Below the age of 35

In 2024, Manchester and Salford region is still expected to have the highest proportion of the population in the 25 to 34 years age group as compared to other key cities in the UK

House Price-to-Income Ratio ⁽⁴⁾

Ratio



(1) Gov.uk, "English Housing Survey, Private rented sector 2017-18", 31 Jul 2019

(2) Centre for Cities, "The Great British Brain Drain: An analysis of migration to and from Manchester", 22 Mar 2019

(3) Select Property, "Why Manchester is such a high-demand location for investors and tenants", 23 Jun 2021

(4) Office for National Statistics, UK

(5) Manchester Evening News, "Manchester council to set out new strategy to tackle 'major wealth and housing inequalities' in the city up to 2030", 23 Jun 2021

(6) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager.

4 Growth Potential for BTR Market



BTR Poised to Gain Some Market Share from the Traditional BTL Sector

- In the UK, existing and pipeline BTR inventory makes up only 2% of the existing residential rental stock, with private or Buy-to-Let (“**BTL**”) landlords dominating most of the supply ⁽¹⁾
- BTL mortgage market facing serious headwinds ⁽²⁾:
 - 3% stamp duty surcharge
 - Reduction of mortgage interest tax relief
 - Increased mortgage regulation
- Growing opportunity for large-scale professional investors to enter the residential market and fill the gap through BTR offerings as private investors exit the market
- BTRs are generally a better proposition for renters:
 - Better amenities
 - Built with tenants in mind
 - Promote a sense of community within the building



(1) Knight Frank Multihousing 2020

(2) Deloitte, “The Buy-to-Let Sector”, 21 Apr 2021

5 Brand New Property With Great Accessibility



Purpose-built Property to be Completed in 2024

- Low capital expenditure and repair & maintenance expenses expected in the initial years
- 9-min walk from Manchester Piccadilly Station, which provides direct access to the airport and other key cities across the UK
- Manchester Piccadilly Station also provides access to the local Manchester Metrolink and bus lines, offering ease of travel to Spinningfields, the biggest commercial district in the city, Manchester Arndale shopping centre and the Old Trafford football stadium



UK's HS2 Network (1)



(1) High Speed Two Ltd

Significant Rejuvenation in a Rapidly Developing Neighbourhood

- Distinct neighbourhoods featuring a wide mix of office, residential, hotel and commercial uses
- Significant rejuvenation of Piccadilly East (where the New Property is located) as part of the Portugal Street East Strategic Regeneration Framework ⁽¹⁾
- Heavy investment from public and private sectors into Piccadilly, which is being transformed into a new transport, leisure and employment hub within Manchester City Centre
- Timely completion of the New Property coinciding with the completion of the other projects in the vicinity
- Growing interest in the BTR market is likely to keep capital values well supported with strong upside potential
- Constant augmentation of the area will also serve to enhance capital value over time



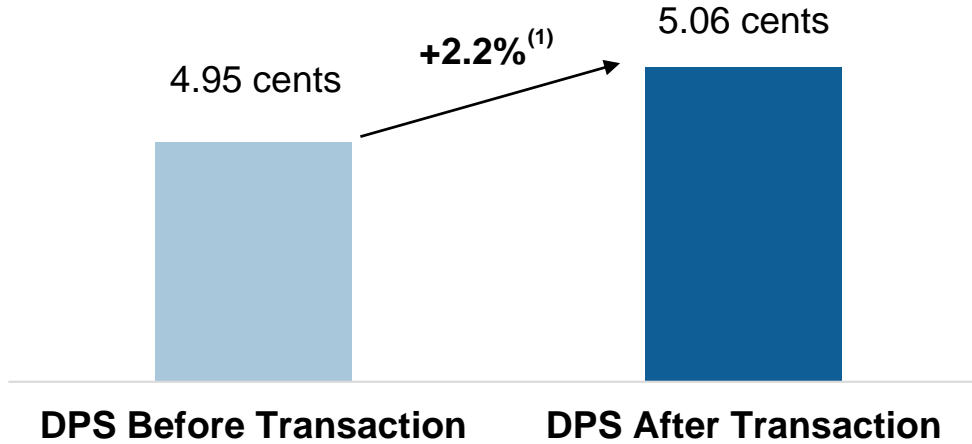
(1) Manchester City Council, Portugal Street East SRF April 2017

7

Transaction Expected to be Accretive on a Pro Forma Basis



FY2020 Pro Forma DPS



- UK BTR market is a relatively young market, hence there are limited completed BTR products available for sale
- Participation in a forward-funding scheme is required to secure exposure to BTR market in Manchester at a good price and in a very promising location
- Transaction is expected to have been accretive to Security Holders based on the pro forma financial effects of the Transaction on the FY2020 DPS of CDLHT when the New Property is stabilized
- Based on the Total Transaction Cost of £78.9 million (S\$146.5 million) and assuming the Transaction and the development of the New Property had been completed and stabilized on 1 Jan 2020, the Transaction is expected to have contributed to a DPS accretion of 2.2%⁽¹⁾ for FY2020 on a pro forma basis
- Assuming annual stabilized NPI of £3.9 million (S\$7.3 million), stabilized pro forma NPI yield would have been ~5.1% (on Total Project Cost)

(1) Based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded.

Summary of Investment Highlights



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Poised to Benefit from a More Diversified, Balanced and Stable Revenue Stream

1

New Property is Expected to Provide Stable and Resilient Income

2

Good Economic Fundamentals

3

Strong Demand and Supply Dynamics

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Growth Potential for BTR Market

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Brand New Property With Great Accessibility

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Potential Income and Capital Upside From Significant Rejuvenation

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Transaction Expected to be Accretive on a Pro Forma Basis



THANK YOU

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