



CDL HOSPITALITY TRUSTS

Annual General Meetings FY 2016

26 April 2017



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Agenda



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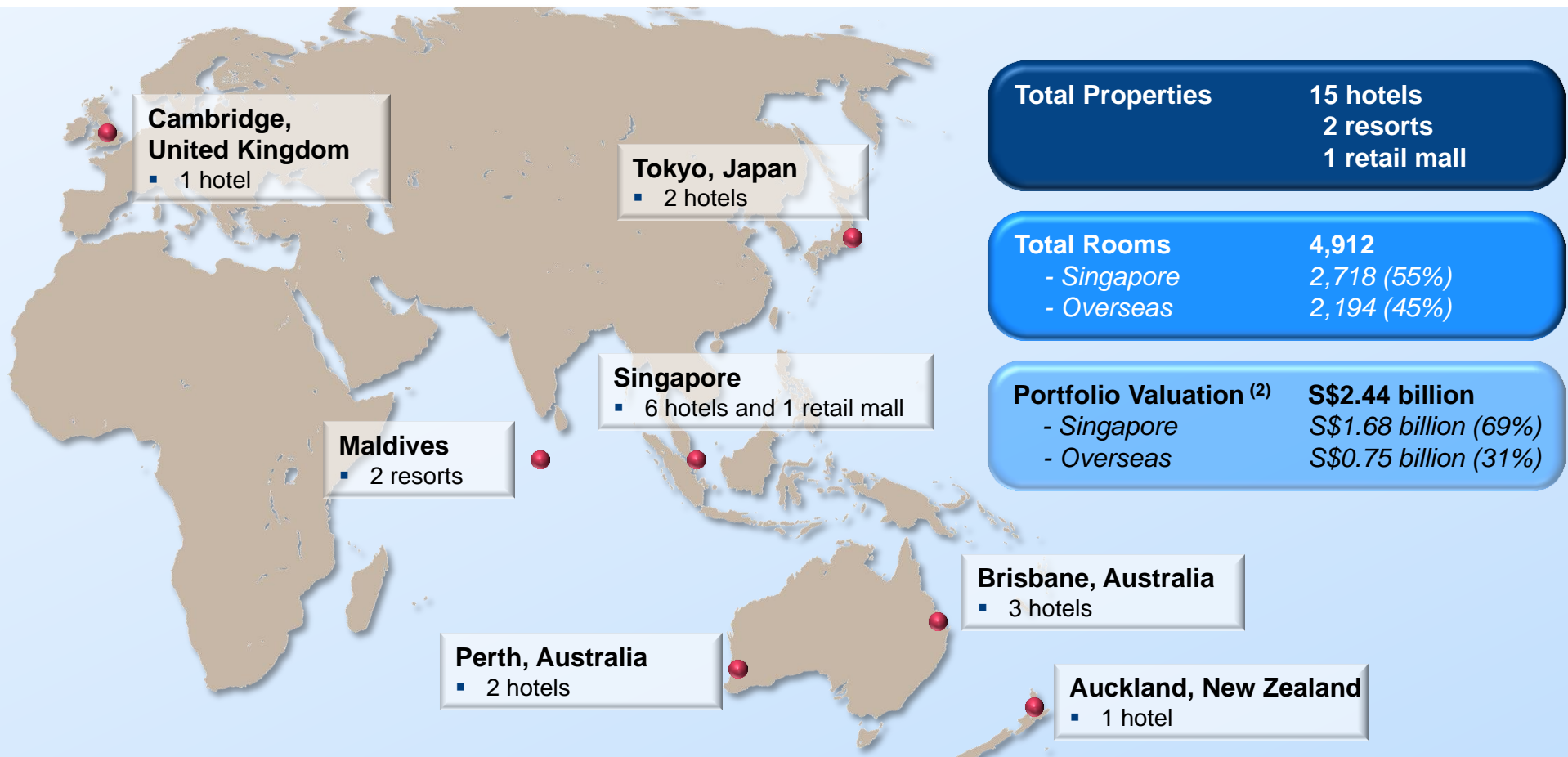


Overview of CDL Hospitality Trusts



Quality Assets Across the World

- One of Asia’s leading hospitality trusts with strategically located quality assets
- Listed in 2006 with 4 hotels ⁽¹⁾ comprising a total of 1,915 rooms
- Expanded portfolio to 15 hotels ⁽¹⁾ and 2 resorts comprising a total of 4,912 rooms

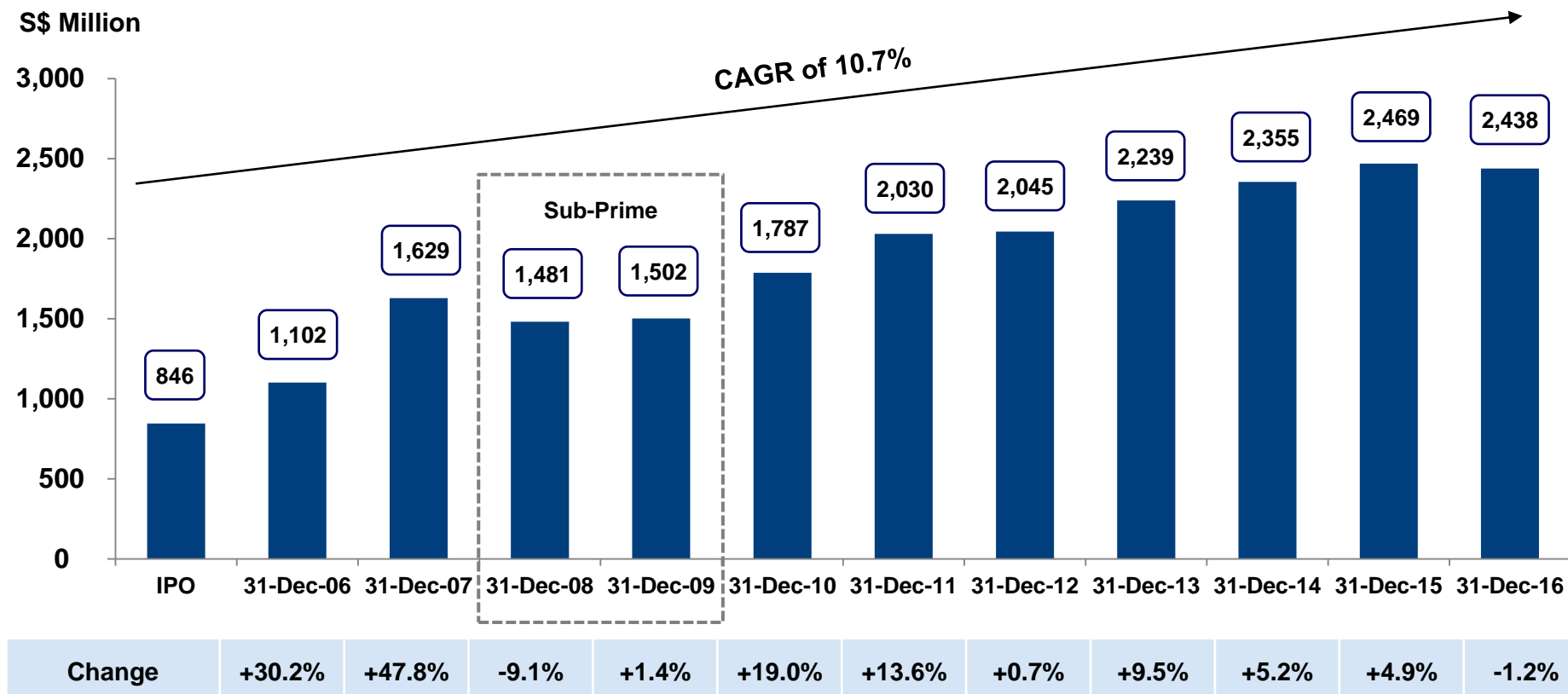


(1) There is a retail mall adjoining Orchard Hotel – Claymore Connect

(2) Numbers may not add up due to rounding

Building A Significant Portfolio Over Ten Years

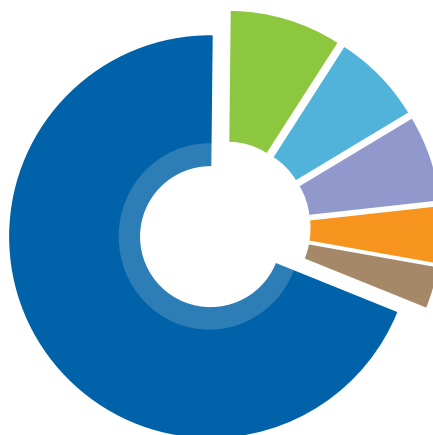
- Since IPO, the portfolio value has increased from S\$0.8 billion to S\$2.4 billion
- In FY 2016, portfolio valuation was slightly lower by 1.2% as Singapore and Maldives experienced softer trading conditions while Sterling pound (“GBP”) depreciated against Singapore dollar (“SGD”)
- This was partially offset by revaluation gains recorded for New Zealand and Australia Hotels



Portfolio Composition

Breakdown of Portfolio Valuation as at 31 December 2016 ⁽¹⁾

Singapore	69.1%
Orchard Hotel	17.4%
Grand Copthorne Waterfront Hotel	14.3%
Novotel Singapore Clarke Quay	13.1%
M Hotel	9.6%
Studio M Hotel	6.3%
Copthorne King's Hotel	4.8%
Claymore Connect	3.7%



Portfolio Valuation
S\$2.4 billion

Australia	8.9%
Novotel Brisbane	2.9%
Mercure & Ibis Brisbane	2.7%
Mercure Perth	2.0%
Ibis Perth	1.4%
New Zealand	7.3%
Grand Millennium Auckland	7.3%
Maldives	6.9%
Angsana Velavaru	3.9%
Jumeirah Dhevanafushi	2.9%
United Kingdom	4.5%
Hilton Cambridge City Centre	4.5%
Japan	3.3%
MyStays Asakusabashi	1.9%
MyStays Kamata	1.4%

(1) Percentages may not add up due to rounding

Portfolio Composition

Breakdown of Net Property Income (“NPI”) for FY 2016 ⁽¹⁾

Singapore	61.5%
Orchard Hotel	14.4%
Novotel Singapore Clarke Quay	14.2%
Grand Copthorne Waterfront Hotel	12.1%
M Hotel	9.1%
Studio M Hotel	4.7%
Copthorne King’s Hotel	4.6%
Claymore Connect	2.4%



NPI
S\$137.6 million

Australia	10.5%
Novotel Brisbane	3.8%
Mercure Brisbane	1.9%
Ibis Brisbane	1.2%
Mercure Perth	2.2%
Ibis Perth	1.4%
New Zealand	9.6%
Grand Millennium Auckland	9.6%
Maldives	8.2%
Angsana Velavaru	5.4%
Jumeirah Dhevanafushi	2.8%
United Kingdom	6.1%
Hilton Cambridge City Centre	6.1%
Japan	3.9%
MyStays Asakusabashi	2.3%
MyStays Kamata	1.7%

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FY 2016 Year in Review



Challenges in 2016



Financial Highlights (Net Property Income)

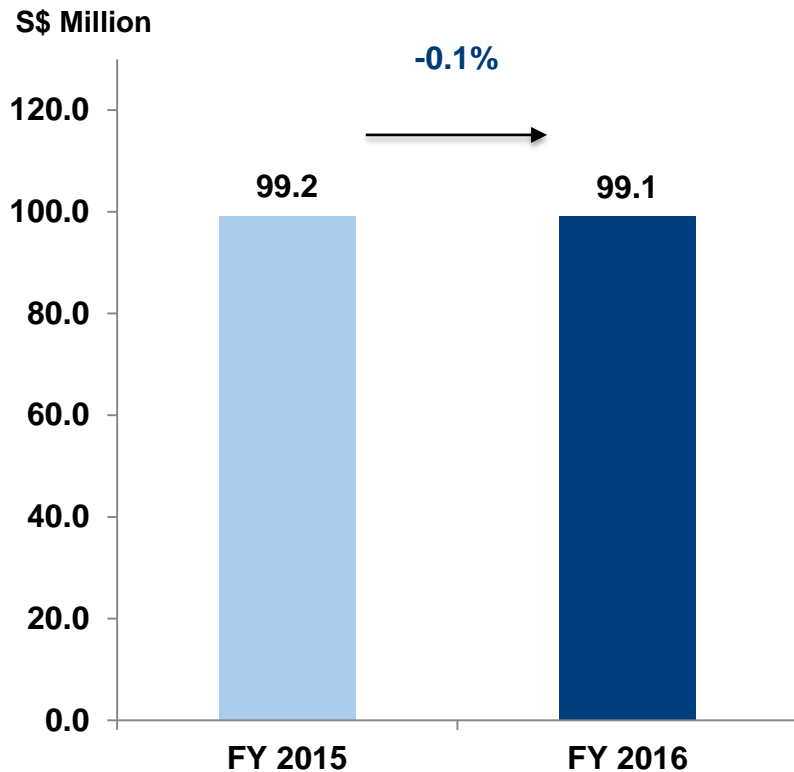
Country	FY 2016 S\$ '000	FY 2015 S\$ '000	Variance S\$ '000
Singapore	84,658	90,983	-6,325
Maldives	11,306	13,632	-2,326
Japan	5,426	5,240	186
Australia	14,438	15,194	-756
New Zealand	13,274	9,677	3,597
United Kingdom	8,458	2,277 ⁽¹⁾	6,181
Total	137,560	137,003	557

(1) Acquisition of the United Kingdom ("UK") Hotel was completed on 1 Oct 2015, hence contribution from the UK Hotel only includes NPI for the last three months of FY 2015

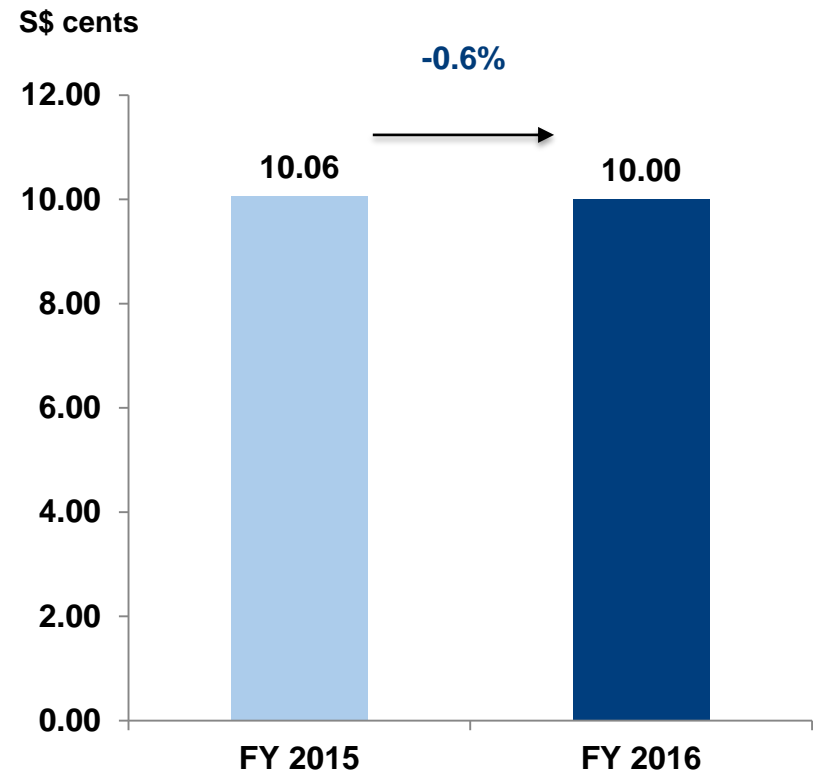
Financial Highlights

- Achieved stable overall performance as inorganic growth and geographically diversified income mitigated the weakness from some markets

Total Distribution ⁽¹⁾



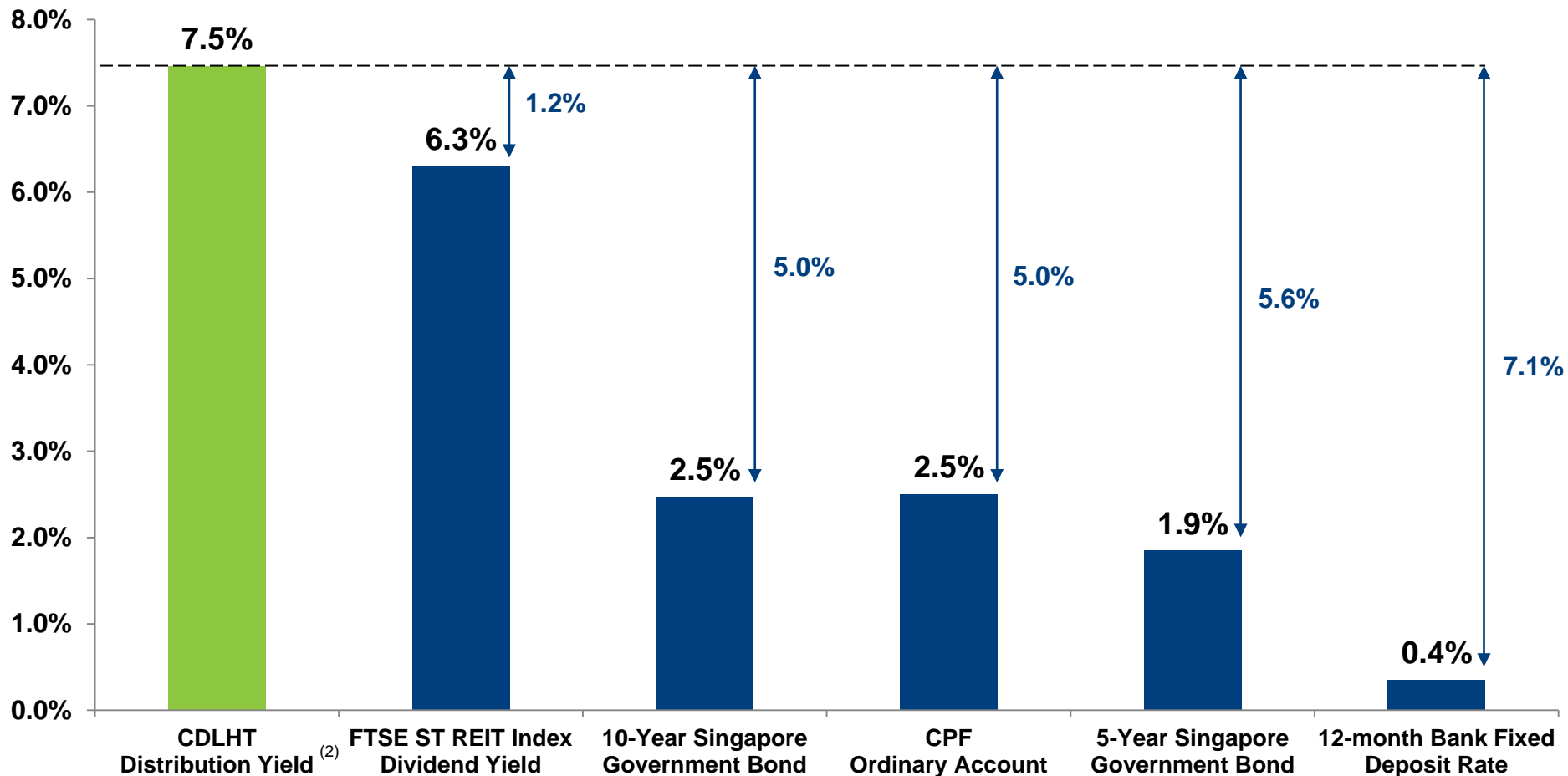
DPU ⁽²⁾



(1) Represents total distribution after retention for working capital and including capital distribution

(2) Represents total distribution per Stapled Security (after retention and including capital distribution). Total distribution per Stapled Security (before retention) for FY 2016 is 11.05 cents

Distribution Yield versus Other Investment Instruments (1)



Source: Bloomberg, MAS, CPF and Singapore Government Securities

(1) All information as at 31 Dec 2016 and percentages may not add up due to rounding

(2) Based on CDLHT's DPU of 10.00 cents for FY 2016 and closing price of \$1.340 as at 31 Dec 2016



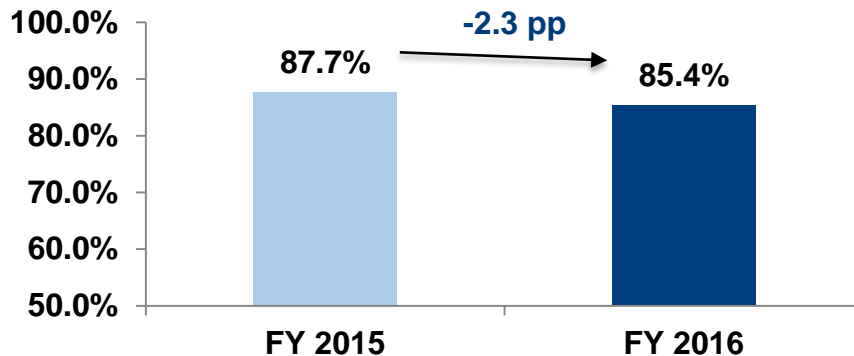
Portfolio Updates



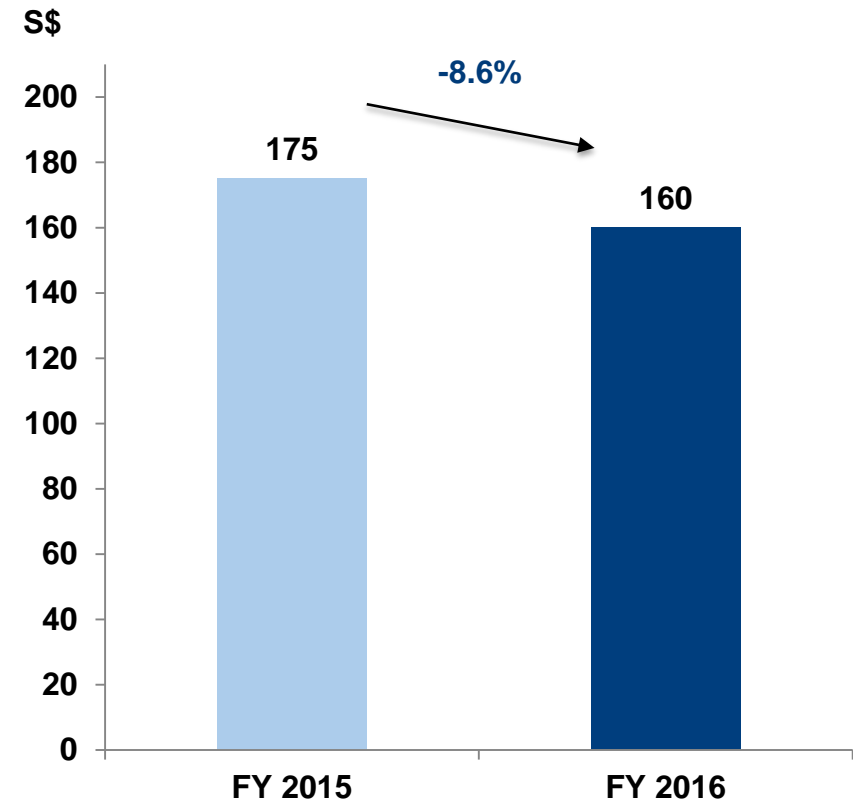
CDLHT's Singapore Properties Performance

- Occupancy of Singapore Hotels remained high. However, room rates were affected by weak global economic conditions, new rooms supply and absence of events such as SEA games and SG50 celebrations
- In particular, the Offshore & Marine and Financial sectors experienced a downturn
- Refurbishment at Grand Copthorne Waterfront Hotel and M Hotel also weighed down on performance
- Claymore Connect had a committed occupancy of 91% as at 31 Dec 2016

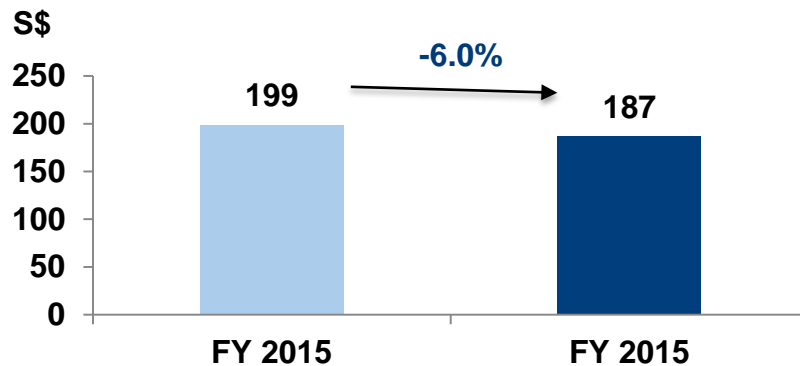
Average Occupancy Rate



Revenue per Available Room ("RevPAR")



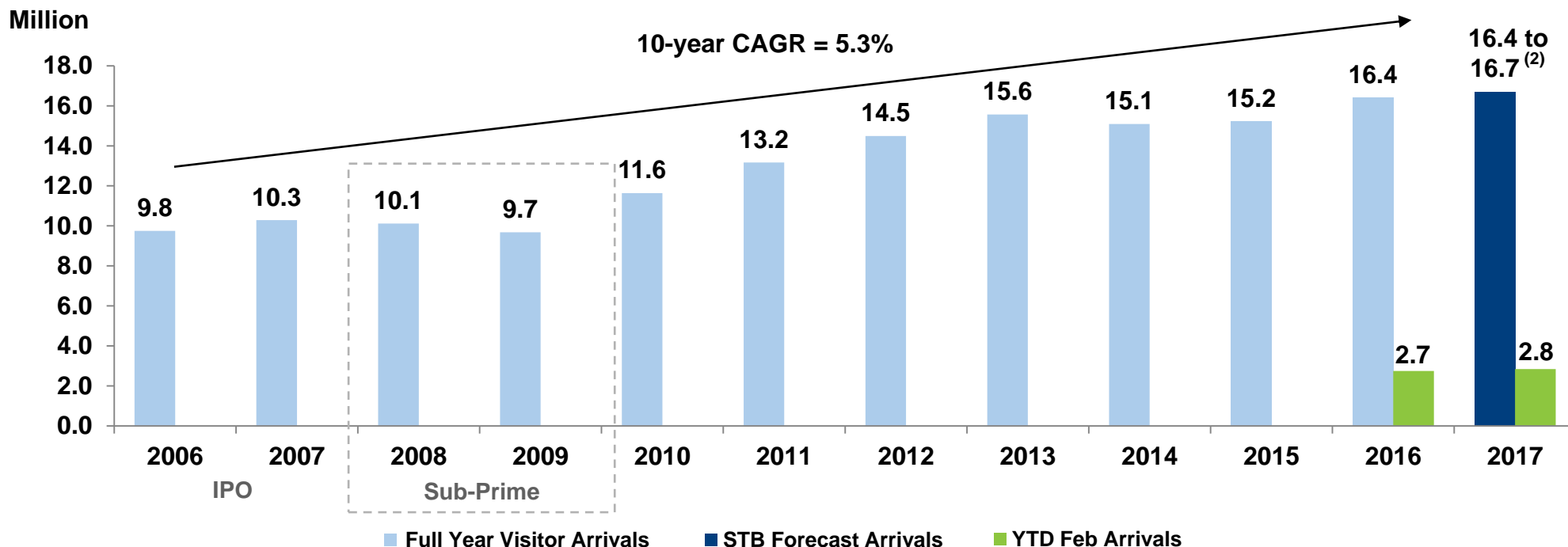
Average Daily Rate



Singapore Tourism Board Forecasts Up to 2% Growth in Visitor Arrivals

- In 2016, visitor arrivals grew 7.7% yoy mainly due to the growth in Chinese and Indonesian arrivals
- For 2017, Singapore Tourism Board (“**STB**”) estimates moderate growth in visitor arrivals of up to 2% to 16.7 million ⁽¹⁾
- A S\$34 million investment was recently announced by STB, SIA and Changi Airport Group to strengthen Singapore’s destination appeal and woo business and MICE visitors ⁽²⁾

Historical and Forecasted Visitor Arrivals to Singapore ⁽³⁾



(1) STB, “Singapore Achieves Record Tourism Sector Performance in 2016”, 14 Feb 2017

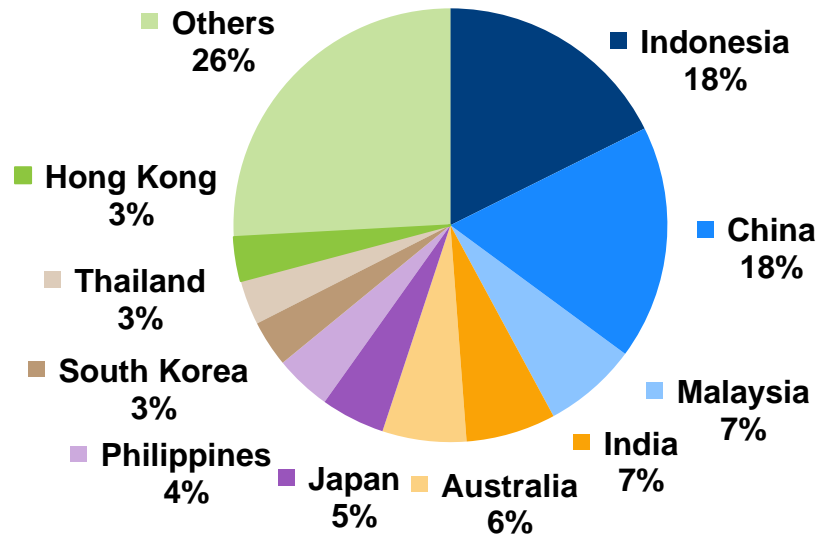
(2) STB, “\$34m three-year tripartite partnership to strengthen Singapore’s destination appeal and drive visitor traffic”, 17 Apr 2017

(3) STB

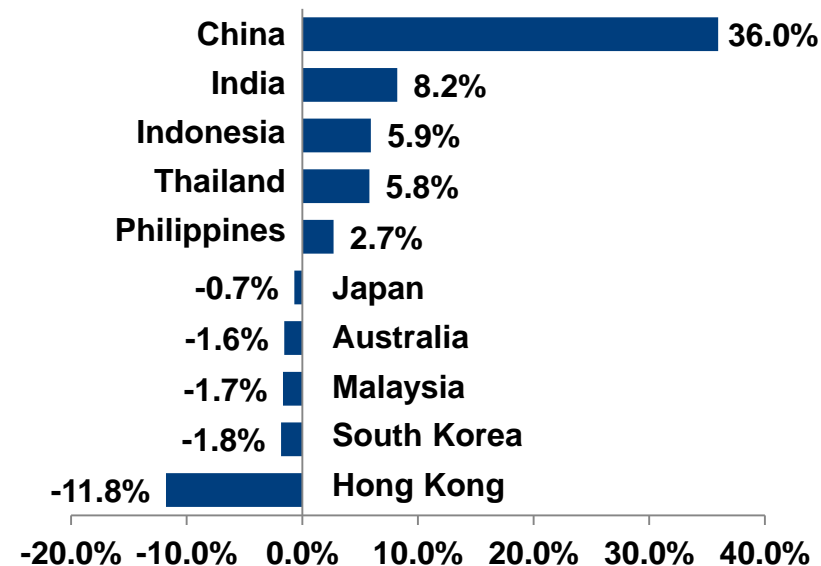
Geographical Mix of Top Markets (Singapore) for 2016

- 5 out of top 10 inbound markets showed growth in 2016 and Chinese arrivals increased by 36.0% yoy, carrying on the growth momentum from 2015 (+22.3%)
- Top 2 inbound markets, China and Indonesia, saw good growth in visitor arrivals from Tier 1 and Tier 2 cities ⁽¹⁾
- For YTD Feb 2017, visitor arrivals increased mainly on the back of growth in Chinese arrivals (+15.5%)

Geographical Mix of Visitor Arrivals For 2016 ⁽²⁾ ⁽³⁾



Top 10 Inbound Markets YoY Change for 2016 ⁽²⁾ ⁽⁴⁾



(1) Singapore Tourism Board, "Year-in-Review 2016", 14 Feb 2017
 (2) Based on STB's statistics published on 14 Feb 2017
 (3) Percentages may not add up due to rounding
 (4) The top 10 inbound markets are ranked according to growth rates in descending order

Singapore – A Leading MICE Destination

- Singapore has retained its spot as the top international meeting city for the ninth year running ⁽¹⁾
- Its attractiveness is due to the country's excellent infrastructure, security, as well as its leading hub status in Asia
- As a high yield segment, MICE remains STB's key pillar of growth
- It is growing its status as a leading MICE destination with prominent events being added to its calendar

Marquee Events



Biennial Events



New Events / Exhibitions / Conferences



Source: CDLHT Research

(1) Travel Biz, "Singapore crowned Top International Meeting City by UIA", 30 Sep 2016

(2) Channel NewsAsia, "ASEAN can work together to increase tourism numbers, says PM Lee", 18 Jan 2017



A Paradise of World-Class Infrastructure and Attractions



Changi Airport Terminal 4 and Project Jewel



National Gallery



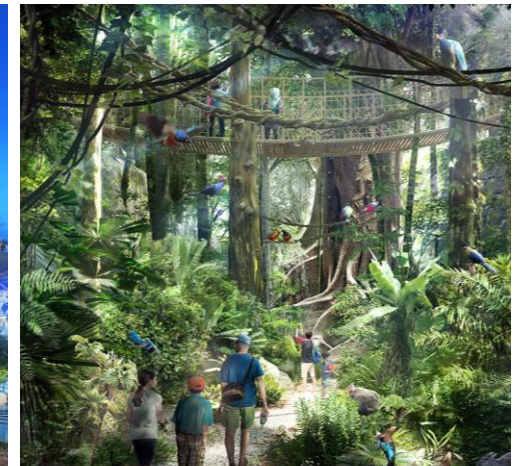
Singapore Sports Hub



Singapore Botanic Gardens - UNESCO World Heritage Site



Transformation of Orchard Road precinct

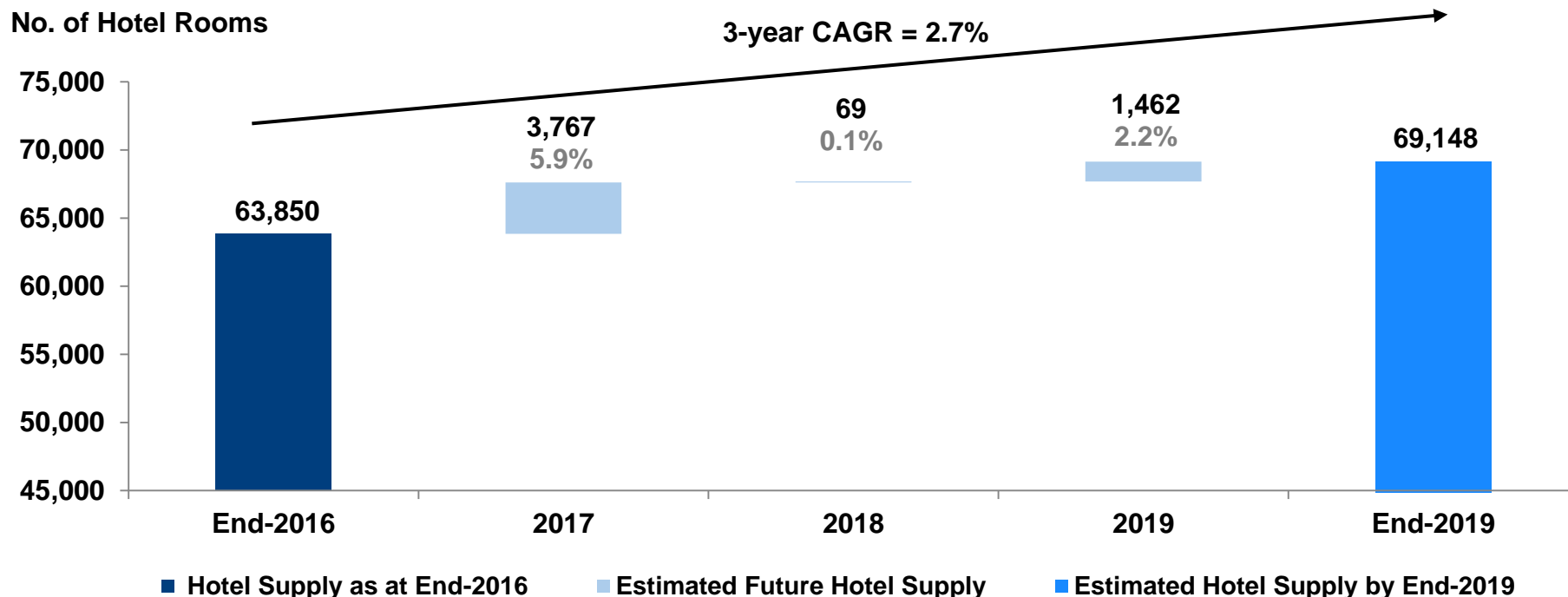


Makeover of Mandai nature precinct – Artist's impression of the Rainforest Walk

Singapore Hotel Room Supply

- According to STB, an estimated 2,942 rooms were added in 2016, representing a 4.8% increase over 2015
- Operating environment is expected to be competitive with close to 3,800 rooms ⁽¹⁾ opening in 2017
- New rooms supply is expected to gradually taper off from 2018
- New rooms supply is forecast to grow at a CAGR of 2.7% between 2016 and 2019

Current and Expected Hotel Room Supply in Singapore ⁽¹⁾



Sources: STB, Horwath HTL (as at Jan 2017) and CDLHT research

(1) New supply of rooms is a summation of new rooms deducted by existing rooms taken out of inventory for redevelopment

CDLHT's Overseas Properties Performance (Australia)

- For Australia, the hotels experienced softer performance due to continued weakness in the natural resource sector and increase in new hotel rooms supply
- Despite this, the Australia Hotels registered healthy occupancy rate of 80.9%
- The defensive lease structure provides CDLHT with a high proportion of fixed rent
- The rent contribution in SGD terms was 5.0% lower yoy mainly due to the weaker Australian dollar ("AUD") and recognition of smaller variable income



CDLHT's Overseas Properties Performance (Maldives)

- The Maldives Resorts reported yoy RevPAR decline of 25.1%
- Looking ahead, Maldives hospitality sector continues to be challenging. This is mainly due to:
 - Relative strength of US dollar (“USD”) against currencies of some of the top source markets, which has made Maldives a more expensive travel destination as the rates are priced in USD
 - Slowdown in luxury spending and travel from its top source market, China
- Working with operators of both resorts to improve the market mix as well as taking cost containment measures



CDLHT's Overseas Properties Performance (Japan)

- Japan received a record 24.0 million foreign visitors in 2016, representing a 21.8% yoy growth ⁽¹⁾
- Consequently, the Japan Hotels enjoyed high occupancy of 92.2%
- RevPAR of the Japan Hotels increased by 0.6% as:
 - Room rates faced pressure from appreciation of Japanese yen (“JPY”) against many currencies for most of 2016
 - Increase in new hotel rooms supply
- Long-term outlook for the hospitality sector is positive, which is supported by:
 - Government’s aim to welcome 40 million ⁽²⁾ foreign visitors by 2020, in conjunction with Tokyo Olympics
 - Approval of integrated resorts
 - Recent announcement to further relax visa requirements for Chinese tourists from May 2017 ⁽³⁾



Image Credit: [Dave Powell \(http://bit.ly/1ynUN9P\)](http://bit.ly/1ynUN9P)

(1) Japan National Tourism Organization

(2) Nikkei Asian Review, “Japan prepares for mass influx of tourists,” 11 Jan 2017

(3) Ministry of Foreign Affairs of Japan, “Relaxation of Visa Requirements for Chinese Citizens”, 21 Apr 2017

CDLHT's Overseas Properties Performance (UK)

- The UK Hotel was acquired in Oct 2015
- Healthy RevPAR growth of 11.9% was recorded for FY 2016
- Improvement in performance mainly due to rebranding exercise and product uplift after hotel refurbishment
- Weaker pound likely to improve tourist arrivals in 2017 ⁽¹⁾
- Economic uncertainty of formal Brexit negotiations may affect corporate demand



(1) TTG, "2017 could be 'record year' for inbound tourism", 30 Dec 2016



CDLHT's Overseas Properties Performance (New Zealand)

- New Zealand's total visitor arrivals recorded 11.8% yoy growth in 2016 to a record high of 3.5 million ⁽¹⁾
- Growth in visitor arrivals supported by increase in the number of international airlines servicing Auckland
- Grand Millennium Auckland recorded strong underlying performance with RevPAR growth of 10.8% yoy as a result of the robust market
- Coupled with revised lease structure which commenced in September 2016, NPI grew 37.2% yoy



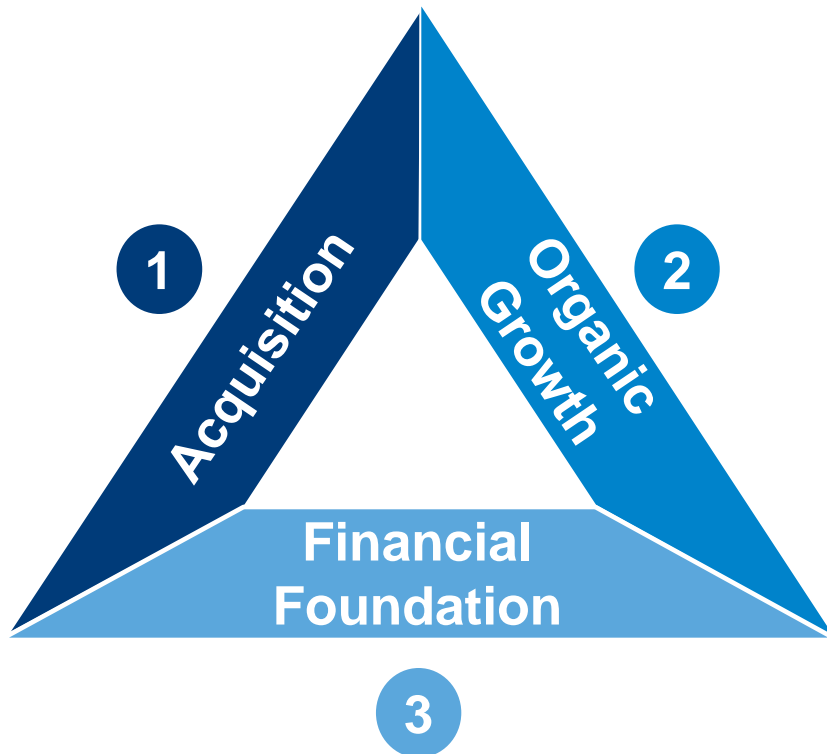
(1) Statistics – Tourism New Zealand



Management Strategy



Management Strategy to Enhance Unitholders' Value



Growing unitholders' value via acquisition and organic growth while keeping a firm financial foundation

1 Acquisition Growth Strategy

- Pursue quality assets with growth potential
- Adopt a medium to long term perspective to ride through market cycles
- Tap on potential pipeline from M&C / CDL
- Capitalise on historically low interest rates in certain markets to enjoy spread over funding costs

2 Asset Management Strategy

- Work closely with master lessees and/or hotel managers to implement active revenue and cost management
- Implement asset enhancement initiatives to optimise asset potential

3 Capital and Risk Management Strategy

- Maintain a healthy balance sheet
- Enhance financial flexibility by maintaining diversified sources of funding
- Hedge against rising interest rates by refinancing with longer term fixed rate borrowings



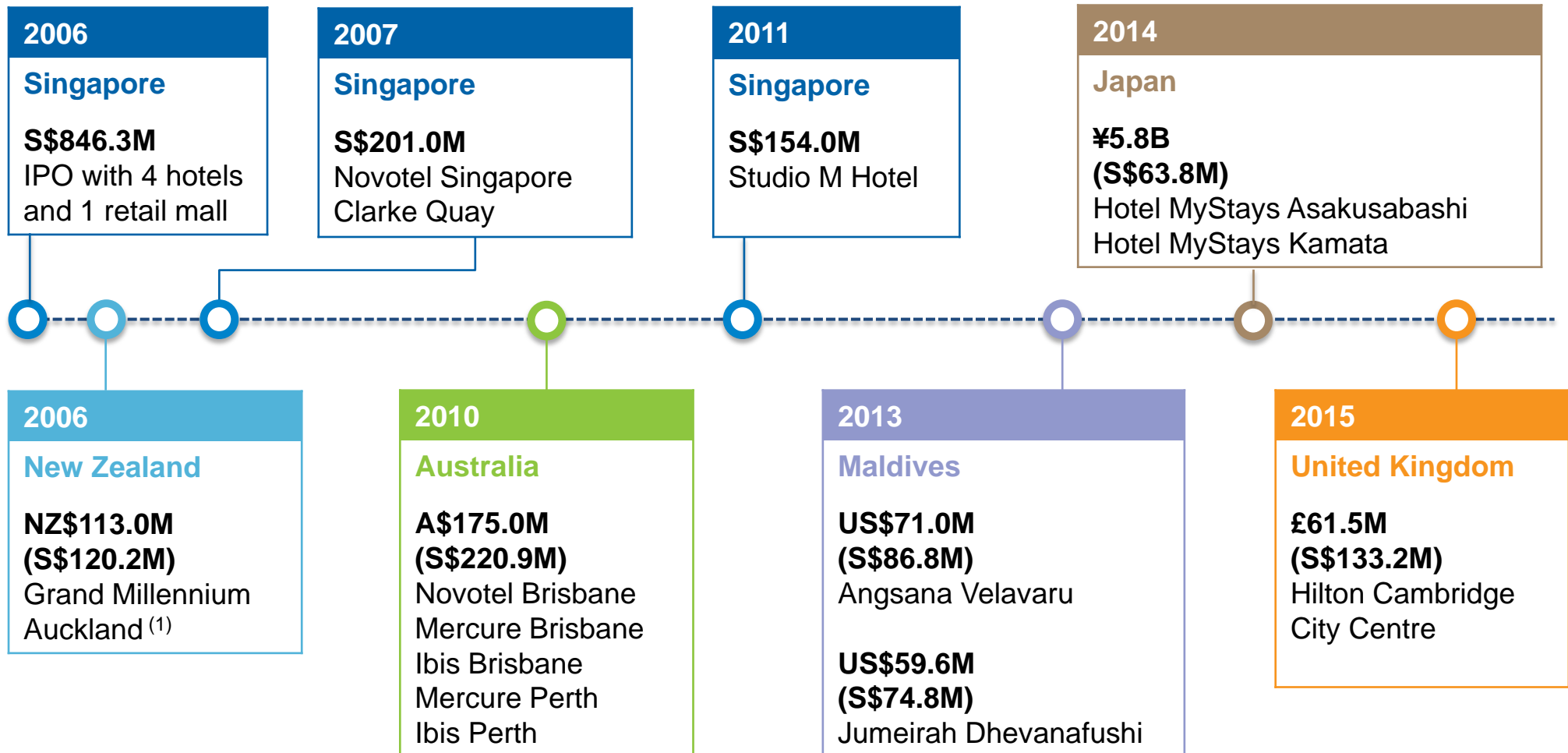
Management Strategy

Acquisition Growth Strategy



Portfolio Growth Through Acquisitions

- Geographical footprint grew from 1 country to 6 countries over 10 years, providing portfolio and income diversification

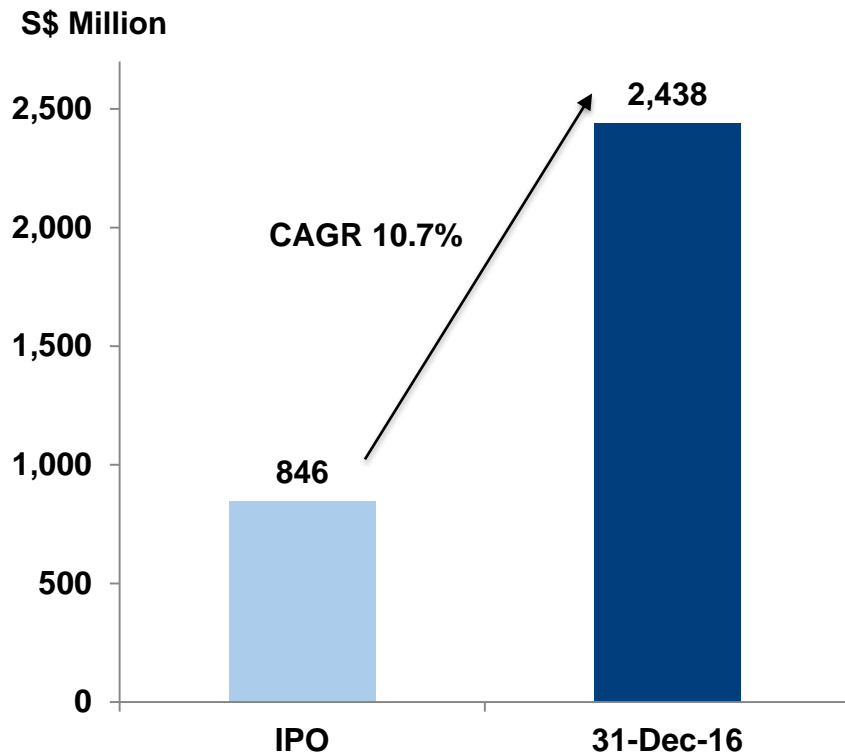


(1) Formerly known as Rendezvous Hotel Auckland

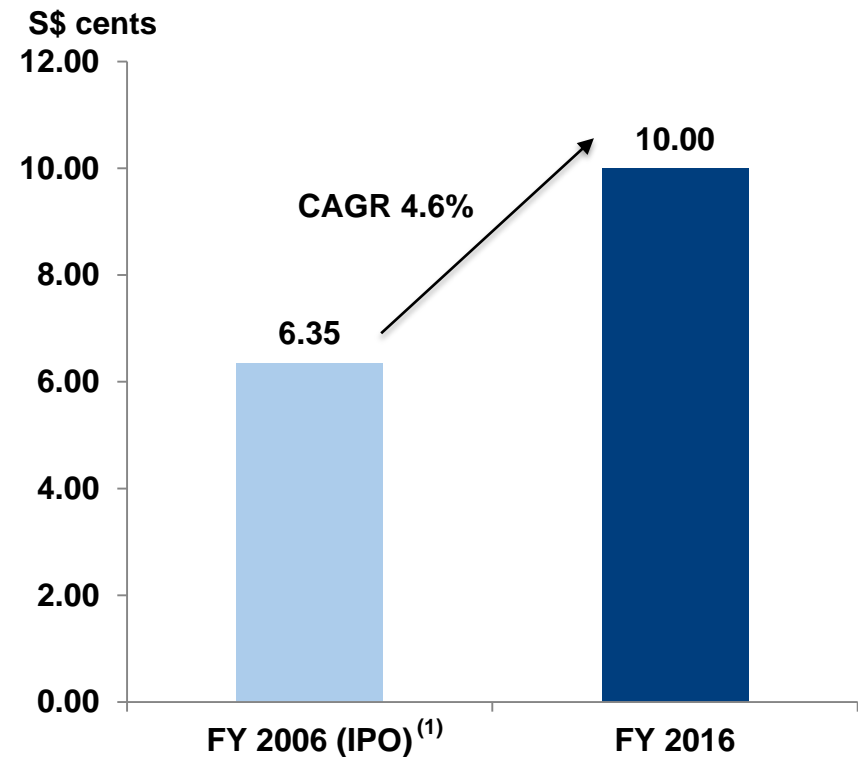
Portfolio Value and DPU Growth Since IPO

- Portfolio value has grown by 188% or at a CAGR of 10.7%, from S\$0.8 billion to S\$2.4 billion
- DPU grew at a CAGR of 4.6%

Portfolio Valuation



DPU

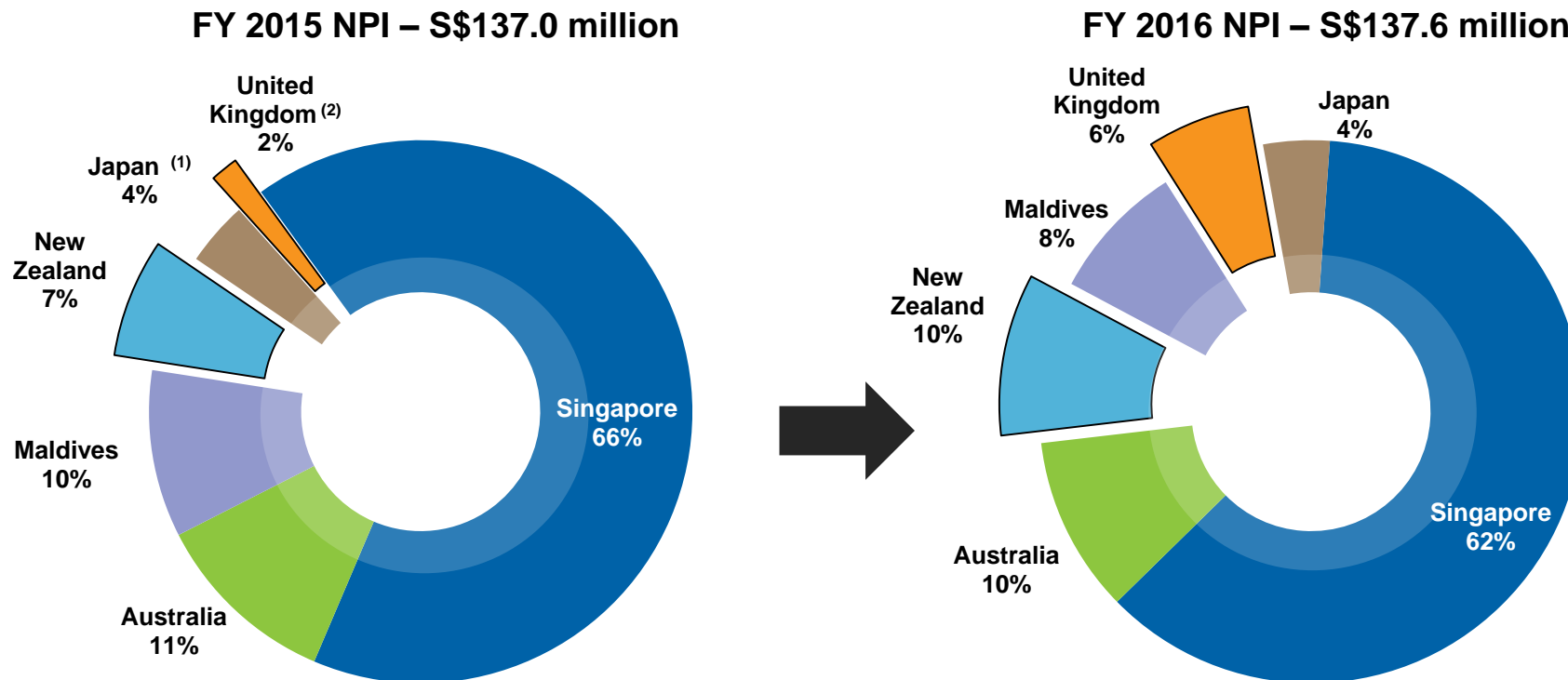


(1) DPU in FY 2006 (IPO) was 2.89 cents and 6.35 cents on an annualised basis

Geographical and Income Diversification

- CDLHT's broad asset base provides the benefits of income diversification, as each geographic market is subject to different market cycles due to demand and supply conditions
- Portfolio stability observed in FY 2016 as incremental contributions from the New Zealand Hotel and UK Hotel more than offset the soft trading conditions in our other markets

Breakdown of Portfolio NPI by Country for FY 2016 & FY 2015



(1) Acquisition of the Japan Hotels was completed on 19 Dec 2014. Contribution from the Japan Hotels for FY 2015 includes the last 13 days of FY 2014

(2) Acquisition of the UK Hotel was completed on 1 Oct 2015



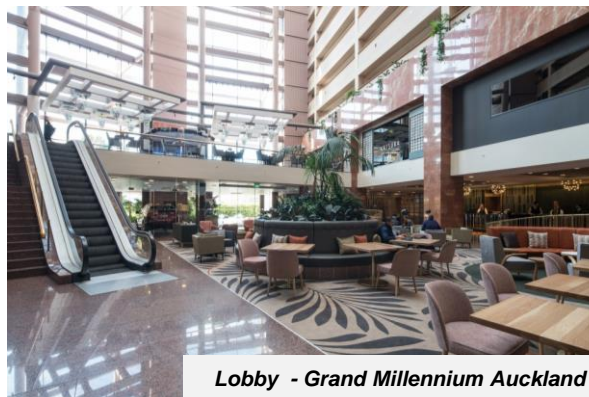
Management Strategy

Asset Management Strategy



Assessment - New Zealand Hotel: Revised Lease Structure

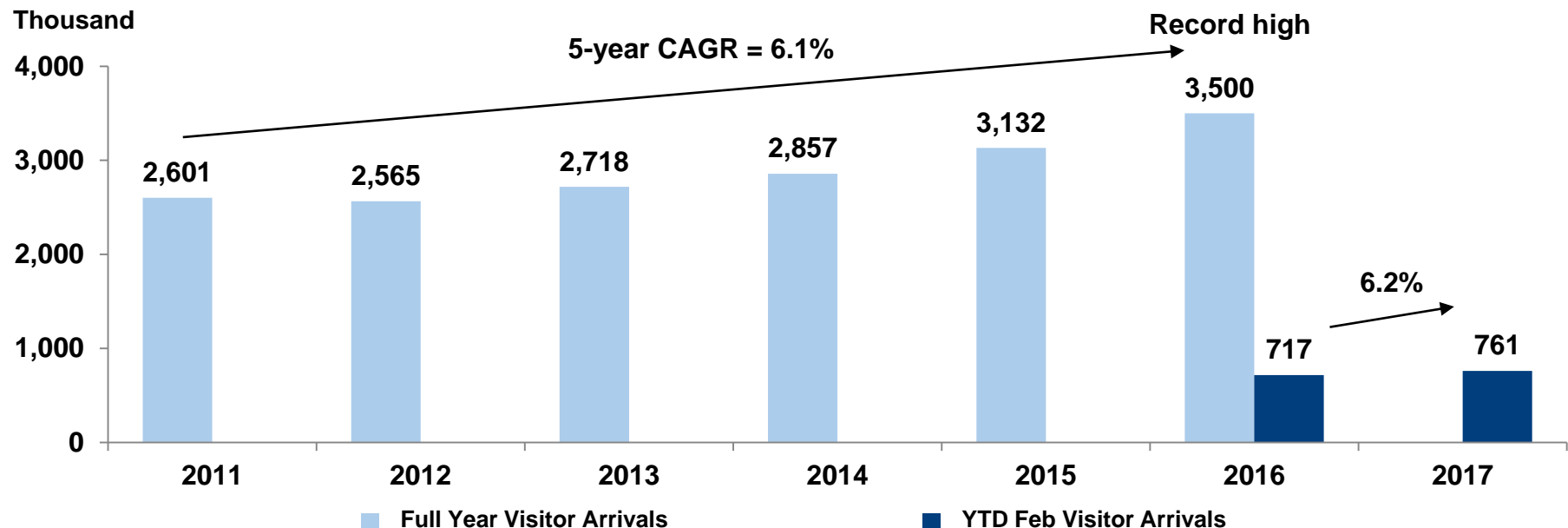
- The New Zealand Hotel was acquired on 19 Dec 2006 with the following lease structure:
 - 10-year lease term commencing from 7 Sep 2006
 - High base rent which escalated at 2.75% per annum (approximately NZ\$10.0 million in FY 2015) and minimal variable rent
- Prior to the expiry of the lease on 6 Sep 2016, management:
 - Actively conducted a lessee selection process and negotiated a new lease with a new lessee
 - Effected reinstatement works with the outgoing lessee
 - Rebranded the hotel as Grand Millennium Auckland at the expiry of the lease
- The current lease structure is as follows:
 - 3-year lease term commencing from 7 Sep 2016 with options to renew for two further 3-year terms, subject to mutual agreement
 - Rent consists of net operating profit of the hotel with an annual base rent of NZ\$6.0 million



Assessment - New Zealand Hotel: Merits of Lease

- Buoyant hospitality market supported by increase in international air services, strong events calendar and safe haven appeal of New Zealand
- Limited increases in supply of hotel rooms in Auckland for the next couple of years
- Downside income protection through annual base rent while variable rent component allows CDLHT to benefit from strong upturn in New Zealand market

International Visitor Arrivals to New Zealand ⁽¹⁾

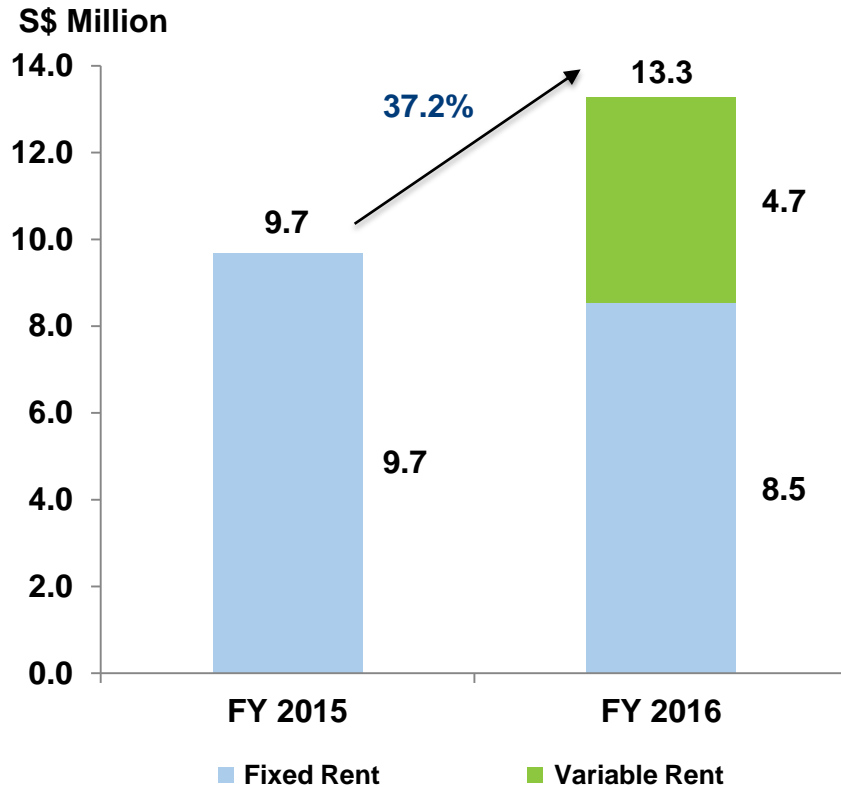


(1) Statistics – Tourism New Zealand

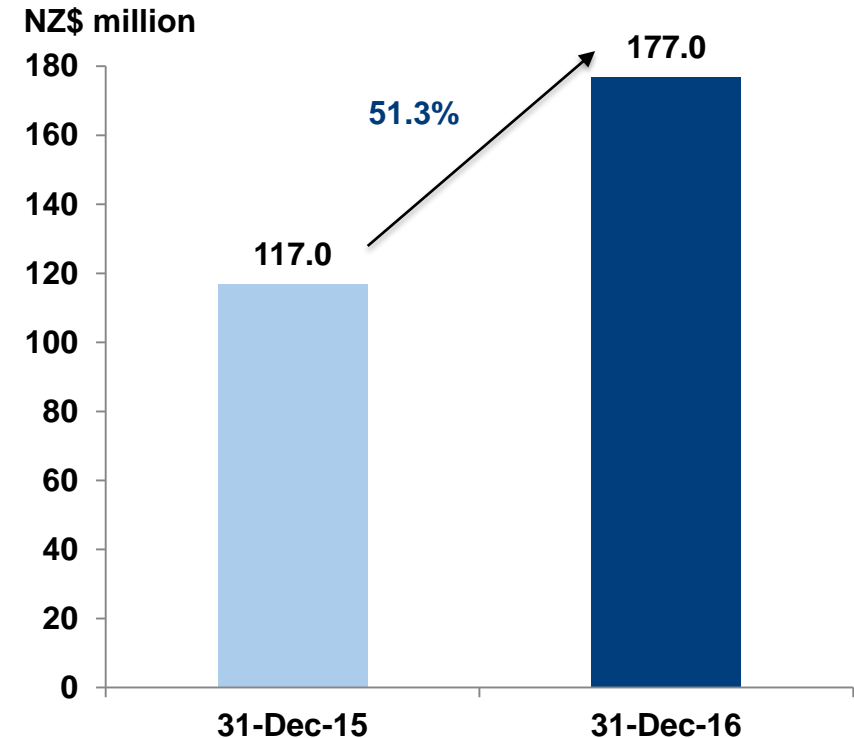
Assessment - New Zealand Hotel: Impact of Lease

- NPI increased by 37.2% yoy
- Valuation of New Zealand Hotel increased by 51.3% yoy in constant currency terms
- Full positive impact of new lease will be felt in FY 2017

Net Property Income ("NPI") ⁽¹⁾



Valuation



(1) Numbers may not add up due to rounding



Asset Enhancement Initiatives

Singapore

- **We continue to invest in our assets to stay competitive and capitalise on the medium to long term potential of the hospitality market.**
 - **M Hotel:** Room refurbishment has been completed with two new suites added.
 - **Grand Copthorne Waterfront Hotel:** The hotel completed an extensive renovation.
 - The lobby has been refreshed and meeting room capacity has been increased.
 - The F&B offerings have also been augmented with a new buffet restaurant, Food Capital, and an Italian restaurant, Grissini.
- **All M&C Hotels:** In 2017, the wireless infrastructure will be upgraded which will allow for a more comprehensive experience for corporate guests.

Australia

- **Novotel Brisbane:** The bar refurbishment was completed.
- **Mercure Perth:** Renovation of bar into an Italian café, Cucina on Hay, has been completed in 2017.

Japan

- **Hotel MyStays Asakusabashi and Kamata:** A working space was converted at Hotel MyStays Asakusabashi into an additional room. In 2017, all 118 smoking rooms across the hotels have been converted to non-smoking rooms.

United Kingdom

- **Hilton Cambridge City Centre:** The entrance canopy of the hotel was replaced and a new gym, LivingWell Fitness, was introduced. Construction of the new Executive Lounge commenced in late 2016 and was opened in early 2017. In 2017, the restaurant and lobby will continue to be enhanced, including the launch of a new restaurant concept.

Asset Enhancement Initiatives

M Hotel



**Room
refurbishment
completed in
2016**

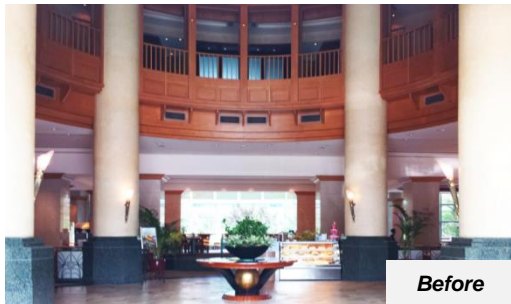


Asset Enhancement Initiatives

**Grand
Cophthorne
Waterfront
Hotel**



After



Before

**A full revamp
of the lobby
and reception
areas**



Asset Enhancement Initiatives

**Grand
Cophthorne
Waterfront
Hotel**



Food Capital

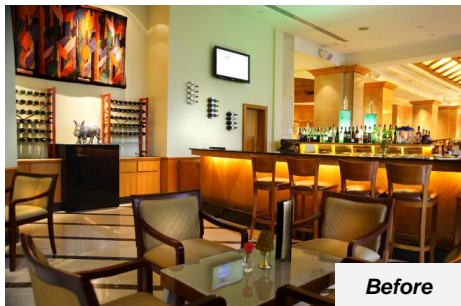


Asset Enhancement Initiatives

**Grand
Cophthorne
Waterfront
Hotel**



After



Before

Tempo Bar



Asset Enhancement Initiatives

**Grand
Cophorne
Waterfront
Hotel**



**Grissini -
Italian
Restaurant**



Asset Enhancement Initiatives

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Asset Enhancement Initiatives

**Novotel
Brisbane**



After



Before

GourmetBar

Asset Enhancement Initiatives

**Mercure
Perth**



**Renovation of
bar into Italian
café, Cucina
on Hay**



Asset Enhancement Initiatives

Singapore

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Asset Enhancement Initiatives

Singapore

- **We continue to invest in our assets to stay competitive and capitalise on the medium to long term potential of the hospitality market.**
 - **M Hotel:** Room refurbishment has been completed with two new suites added.
 - **Grand Copthorne Waterfront Hotel:** The hotel completed an extensive renovation.
 - The lobby has been refreshed and meeting room capacity has been increased.
 - The F&B offerings have also been augmented with a new buffet restaurant, Food Capital, and an Italian restaurant, Grissini.
- **All M&C Hotels:** In 2017, the wireless infrastructure will be upgraded which will allow for a more comprehensive experience for corporate guests.

Australia

- **Novotel Brisbane:** The bar refurbishment was completed.
- **Mercure Perth:** Renovation of bar into an Italian café, Cucina on Hay, has been completed in 2017.

Japan

- **Hotel MyStays Asakusabashi and Kamata:** A working space was converted at Hotel MyStays Asakusabashi into an additional room. In 2017, all 118 smoking rooms across the hotels have been converted to non-smoking rooms.

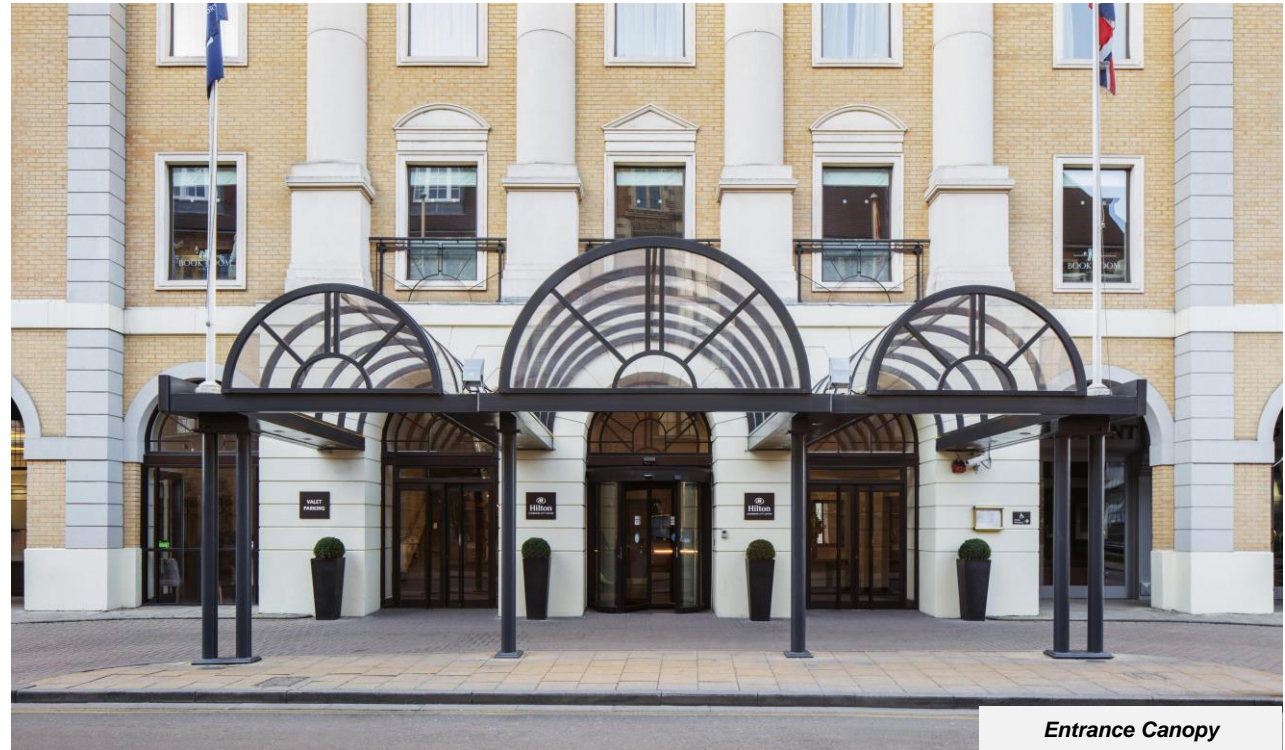
United Kingdom

- **Hilton Cambridge City Centre:** The entrance canopy of the hotel was replaced and a new gym, LivingWell Fitness, was introduced. Construction of the new Executive Lounge commenced in late 2016 and was opened in early 2017. In 2017, the restaurant and lobby will continue to be enhanced, including the launch of a new restaurant concept.



Asset Enhancement Initiatives

**Hilton
Cambridge
City Centre**



Entrance Canopy

**Replacement
of entrance
canopy to
refresh hotel
façade**



Asset Enhancement Initiatives

**Hilton
Cambridge
City Centre**



Executive Lounge

**Construction of new
Executive Lounge
commenced in late
2016 and opened in
Jan 2017**

Asset Enhancement Initiatives

**Hilton
Cambridge
City Centre**



After



Before

**Introduction of
new gym,
LivingWell Fitness,
at the end of 2016**



Management Strategy

Capital Management Strategy



Healthy Balance Sheet

	As at 31 Dec 2016	As at 31 Dec 2015
Debt Value ⁽¹⁾	S\$933 million	S\$926 million
Total Assets	S\$2.54 billion	S\$2.55 billion
Gearing	36.8%	36.4%
Interest Coverage Ratio ⁽²⁾	6.2x	6.6x
Regulatory Debt Headroom at 45%	S\$379 million	S\$401 million
Weighted Average Cost of Debt	2.5%	2.5%
Net Asset Value per Unit	S\$1.55	S\$1.58 ⁽³⁾
Fitch Issuer Default Rating	BBB-	BBB-

(1) Debt value is defined as medium term notes, bank borrowings and the TMK Bond which are presented before the deduction of unamortised transaction costs

(2) Interest cover is computed using the FY 2016 and FY 2015 net property income divided by the total interest paid/ payable in FY 2016 and FY 2015 respectively

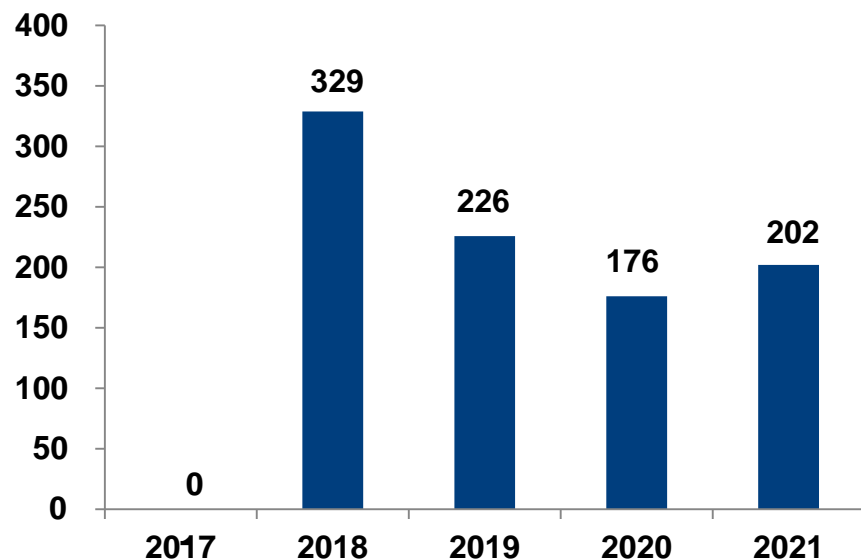
(3) At the time of acquisition on the UK hotel by HBT Group on 1 Oct 2015, the fair value of the assets acquired and liabilities assumed were determined on a provisional basis. Following the completion of the review in 2016 of the provisional amounts recognised previously, the fair value was restated (to reflect finalised amounts) in accordance with FRS 103 Business Combination. The restatement does not have any impact on the distribution of CDLHT

Debt Profile as at 31 December 2016

- Continue to maintain diversified sources of funding, in a variety of currencies and tenures
- Weighted Average Debt to Maturity is approximately 3.0 years ⁽¹⁾

Debt Maturity Profile ⁽²⁾

S\$ Million



	Currency	Amount	Type	Expiry
(a)	SGD	S\$120.0M	Fixed MTN	Jun 2018
(b)	USD	S\$108.8M	Fixed Term Loan	Oct 2018
(c)	SGD	S\$100.0M	Floating RCF	Dec 2018
(d)	SGD	S\$61.5M ⁽³⁾	Floating RCF	Mar 2019
(e)	SGD	S\$70.0M	Fixed Term Loan	Aug 2019
(f)	USD	S\$94.3M	Fixed Term Loan	Dec 2019
(g)	JPY	S\$78.6M	Fixed Term Loan and TMK Bond	Sep 2020
(h)	AUD	S\$97.4M	Fixed Term Loan	Dec 2020
(i)	SGD	S\$83.6M	Floating Term Loan	Aug 2021
(j)	GBP	S\$118.4M	Floating Term Loan	Aug 2021

(1) As at 31 Dec 2016

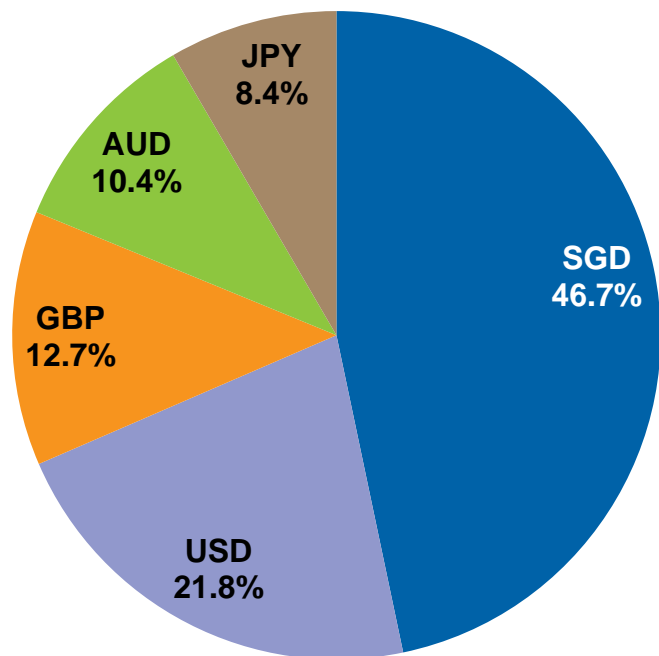
(2) Based on exchange rates of A\$1 = S\$1.0454, US\$1 = S\$1.4505, £1 = S\$1.7808 and S\$1 = ¥81.0373

(3) The multi-currency RCF includes a small amount of USD borrowings

Debt Profile as at 31 December 2016

- Prudent capital management with fixed rate borrowings comprising 61.0% of total borrowings as at 31 December 2016

Debt Currency Profile ⁽¹⁾ ⁽²⁾



Interest Rate Profile ⁽¹⁾

	Fixed Rate Borrowings	Floating Rate Borrowings
SGD	43.7%	56.3%
USD	100.0%	-
GBP	-	100.0%
AUD	100.0%	-
JPY	100.0%	-
Blended Total	61.0%	39.0%

(1) Numbers may not add up due to rounding

(2) Based on exchange rates of A\$1 = S\$1.0454, US\$1 = S\$1.4505, £1 = S\$1.7808 and S\$1 = ¥81.0373



Conclusion





Conclusion

Stable Distribution

- CDLHT has maintained its stable distribution despite the challenging operating environment
- Income distributed for FY 2016 was S\$99.1M, largely unchanged yoy

Strategically Located Assets

- Exposure to properties in key gateway cities or high RevPAR markets

Diversified Portfolio

- Geographically diversified income provides overall portfolio stability when other markets are going through unfavourable cycles

Strong Financial Position

- Robust balance sheet allows CDLHT to pursue acquisition opportunities

Growth Focused

- Adopt a medium to long-term perspective towards investment
- Focus on long-term potential of assets by undertaking asset enhancement initiatives even during down cycles
- Drive growth in our portfolio through acquisitions and asset management



THANK YOU