



CDL HOSPITALITY TRUSTS

# Annual General Meetings 2022

22 April 2022



SINGAPORE | PERTH | AUCKLAND | MALDIVES | TOKYO | CAMBRIDGE | MANCHESTER | MUNICH | FLORENCE

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# About CDL Hospitality Trusts



CDL HOSPITALITY TRUSTS

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$2.9 billion as at 31 December 2021. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT’s principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality related and other accommodation and/or lodging purposes globally. As at 31 December 2021, CDLHT’s portfolio comprises 18 operational properties (including a total of 4,631 rooms and a retail mall) and one Build-to-Rent (“**BTR**”) project in the pipeline with 352 apartment units. The properties under the portfolio include:

- i. six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel and W Singapore – Sentosa Cove (the “**W Hotel**”) and collectively, the “**Singapore Hotels**”) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- ii. two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the “**Perth Hotels**”);
- iii. two hotels in Japan’s gateway city of Tokyo, comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- iv. one hotel in New Zealand’s gateway city of Auckland, Grand Millennium Auckland (the “**New Zealand Hotel**”);
- v. two hotels in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester (collectively, the “**UK Hotels**”) and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (the “**UK BTR**” or “**Residential BTR**”);
- vi. one hotel in Germany’s gateway city of Munich, Pullman Hotel Munich (the “**Germany Hotel**”);
- vii. one hotel in the historic city centre of Florence, Italy, Hotel Cerretani Firenze - MGallery (the “**Italy Hotel**” or “**Hotel Cerretani Firenze**”); and
- viii. two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the “**Maldives Resorts**”).

Following the 2021 financial year end, CDLHT completed the acquisition of the 189-room, Hotel Brooklyn, in Manchester, United Kingdom, on 22 February 2022. Including Hotel Brooklyn, CDLHT’s hotel portfolio comprises a total of 4,820 rooms.

# References Used in this Presentation

**1Q, 2Q, 3Q, 4Q** refers to the period 1 Jan to 31 Mar, 1 Apr to 30 Jun, 1 Jul to 30 Sep and 1 Oct to 31 Dec respectively

**1H** and **2H** refers to the period 1 Jan to 30 Jun and 1 Jul to 31 Dec respectively

**ARR** refers to average room rate

**AUD** refers to Australian dollar

**CCS** refers to cross currency swap

**DPS** refers to distribution per Stapled Security

**EUR** refers to Euro

**FY** refers to financial year for the period from 1 Jan to 31 Dec

**GBP** refers to British pound

**JPY** refers to Japanese yen

**NPI** refers to net property income

**NZD** refers to New Zealand dollar

**pp** refers to percentage points

**QoQ** refers to quarter-on-quarter

**RCF** refers to revolving credit facility

**RevPAR** refers to revenue per available room

**SGD** refers to Singapore dollar

**TMK** refers to Tokutei Mokuteki Kaisha

**USD** refers to US dollar

**YoY** refers to year-on-year

**YTD** refers to year-to-date

All values are expressed in Singapore dollar unless otherwise stated

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# Overview



# Leading Hospitality Trusts with Strong Sponsor

## City Developments Limited



- Leading global real estate company with a network spanning 104 locations in 29 countries and regions
- Proven track record of over 55 years in real estate development, investment and management
- Portfolio consists of residences, offices, hotels, serviced apartments, shopping malls and integrated developments

## Millennium & Copthorne Hotels Limited



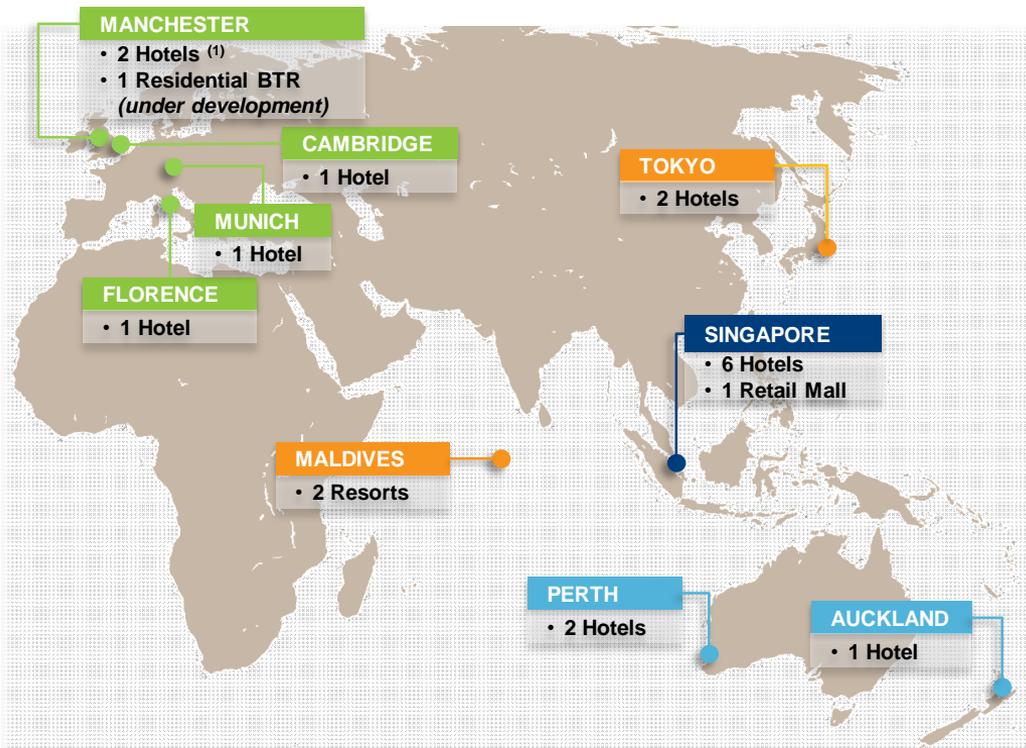
- Wholly-owned subsidiary of the CDL Group
- ~38.7% ownership in CDLHT as at 31 Mar 2022 <sup>(1)</sup>
- One of the largest hotel owners and operators in the world and Singapore's largest international hotel group
- Owns as well as operates, manages or franchises a portfolio of over 130 hotels worldwide, many in key gateway cities

(1) On 25 Feb 2022, City Developments Limited ("CDL" and together with its subsidiaries, the "Group") announced the proposed distribution in specie to distribute 144,300,000 stapled securities in CDL Hospitality Trusts ("CDLHT" and such stapled securities, the "CDLHT Units"), representing approximately 11.72% of the CDLHT Units in issue as at 25 Feb 2022, to the shareholders of CDL on a pro rata basis. Following the proposed distribution, the Group will continue to be the largest unitholder of CDLHT with an interest of approximately 27%.

# High Quality Portfolio with Assets Across the World



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IPO  
19 Jul 2006

31 Dec 2021

22 Feb 2022 <sup>(1)</sup>

  
Operational  
Properties



  
Rooms



  
Portfolio  
Valuation



  
Cities



▪ In terms of pipeline, the forward purchase of a turnkey lifestyle hotel, Moxy Singapore Clarke Quay (under a development and sale agreement entered into in Nov 2019 with completion expected in 2025), will add around 475 keys to the portfolio

(1) Including Hotel Brooklyn which was acquired on 22 Feb 2022.

# Key Highlights of FY 2021



## Revision in Principal Investment Strategy

- Strategic pivot in principal investment strategy to invest in adjacent lodging asset classes will increase the pool of investment opportunities and enhance growth prospects
- Asset class diversification is expected to lower overall portfolio risk and provide more income stability

## Maiden Entry into the Build-to-Rent Sector in Manchester, UK

- Invested into the forward-funding scheme on 31 Aug 2021 for a purchase consideration of £73.3 million (S\$136.0 <sup>(1)</sup> million)
- 352-unit Residential BTR property in Piccadilly East, Manchester, under development

## Optimising Portfolio for the Future

- Optimising portfolio for the future:
  - The Lowry Hotel – Full refurbishment of two floors and upgrading of the remaining four floors
  - Studio M Hotel – Recommencement of the room refurbishment project for all 360 rooms

## Recovery Picking Up Pace in 2021

- In 2H 2021, recovery was evident in most of the properties at varying degrees of strength, supported by relaxation of travel restrictions and broader distribution of vaccines

(1) Based on an assumed exchange rate of £1.00 = S\$1.857.

# Portfolio Update



# Recovery Evident Across Most Key Markets



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	FY 2021 (S\$ '000)	FY 2020 (S\$ '000)	YoY Change
<b>Net Property Income</b>	86,110	69,325	24.2%
<b>Capital Distribution <sup>(1)</sup></b>	15,398	20,000	-23.0%
<b>Total Distribution (After Retention)</b>	52,563	60,408	-13.0%
<b>DPS <sup>(2)</sup></b>	4.27	4.95	-13.7%

- Positive momentum in room demand and rate growth was observed in some portfolio markets, leading to a NPI increase of 24.2%
- The increase in net property income for FY 2021 did not translate to a higher distribution mainly due to the following reasons:
  - Capital distribution was 23.0% or S\$4.6 million lower YoY
  - Distribution not moving in tandem with NPI increase due to the low base effect attributed to losses in NPI recorded for some hotels in FY 2020
  - Post-rent restructuring for the Germany and Italy Hotels, accounting rent recorded (on straight-line basis) was higher than actual rent received and there was no distribution available after deduction of interest costs
- Well-vaccinated countries continue to trend towards opening of borders and easing of entry requirements

(1) Includes capital distribution from UK Hotels of S\$2.9 million and partial distribution of proceeds from the sale of Novotel Singapore Clarke Quay (“**NCQ**”) (S\$2.9 million) and Novotel Brisbane (S\$9.6 million) amounting to S\$12.5 million (partial distribution of proceeds from the sale of NCQ amounting to S\$20.0 million for FY 2020).

(2) Represents total distribution per Stapled Security (after retention of working capital). Total distribution per Stapled Security (before retention) for FY 2021 is 4.61 cents.

# Update on Singapore Portfolio



**6 Hotels & 1 Retail Mall**

**64.9% of Portfolio Valuation**

**45.4% of FY 2021 NPI**

	FY 2021	FY 2020	YoY Change
<b>5 SG Hotels <sup>(1)</sup></b>			
RevPAR (S\$)	66	70	-6.0%
<b>6 SG Hotels (5 SG Hotels + W Hotel) <sup>(2)</sup></b>			
RevPAR (S\$)	82	81	1.0%
<b>Singapore Portfolio (Novotel Singapore Clarke Quay divested and W Hotel acquired in mid-Jul 2020)</b>			
NPI (S\$ '000)	39,105	42,864	-8.8%

## Market Update & Outlook

- NPI decreased by S\$3.8 million YoY due to the divestment of NCQ which contributed S\$5.4 million in FY 2020
- Performance continued to be impacted by the absence of major MICE events, large wedding banquets and social functions
- Demand comprised mainly government business for isolation purposes, staycations and long-stay corporate groups
- NPI for Claymore Connect fell S\$1.0 million YoY primarily due to rental rebates/reductions given to tenants during the year. Committed occupancy of Claymore Connect as at 31 Dec 2021 was 85.8%.

(1) Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Studio M Hotel (collectively, the "5 Singapore Hotels"). Excludes NCQ which was divested on 15 Jul 2020.

(2) Assumes CDLHT owns W Hotel from 1 Jan for each period for comparison on same store basis. W Hotel was acquired on 16 Jul 2020.

# Arrivals Remain Subdued in 2021



- Total visitor arrivals declined further in 2021 by 88.0% YoY to 0.3 million as there were a few months of pre-pandemic arrivals in 2020
- Visitor arrivals in 2021 are at a historic low, recording only 1.7% of visitor arrivals in 2019
- YTD Feb 2022 visitor arrivals have not taken into the account the latest round of border easing where all vaccinated travellers are able to enter Singapore without quarantine with effect from 1 Apr 2022 <sup>(1)</sup>

## International Visitor Arrivals to Singapore <sup>(2)</sup>



(1) Immigration & Checkpoints Authority  
(2) Singapore Tourism Analytics Network

# Plans to Support Singapore's Tourism Industry Recovery

## Resumption of International Travel <sup>(1)</sup>

- All vaccinated travellers can enter Singapore without quarantine from 1 Apr 2022
- No quotas on the number of daily arrivals

## Easing of Restrictions for Events <sup>(2)</sup>

- Capacity limit for larger events (>1,000 people) raised to 75%
- Smaller events (≤1,000 people) may proceed without capacity limit
- Live performances allowed to resume at all venues, including F&B establishments; Larger-scale social gatherings and events are allowed

## Large-scale Events to Recommence <sup>(3)</sup>

- Events such as the Formula 1 Singapore Grand Prix, FIND – Design Fair Asia 2022 and the Standard Chartered Singapore Marathon, will be held later in the year

## STB's Plans to Support the Tourism Sector <sup>(3)</sup>

- Strengthen Singapore's position as a global hub for business tourism
- S\$500 million set aside to support the sector in the coming years, with initiatives to generate demand for Singapore's tourism products and offset business costs, as well as aid businesses with capability development

## Tourism Infrastructure Investments

- Continued commitment to big ticket investment plans for new tourism attractions
- Maintaining long term competitiveness and preparing for progressive recovery of global tourism

(1) Immigration & Checkpoints Authority

(2) Ministry of Health, Singapore

(3) The Straits Times, "Singapore to resume large-scale business, leisure events in tourism sector", 4 Mar 2022



# Singapore – Investment in Tourism Infrastructure for Decades Ahead



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## New Large-Scale Tourism Projects Being Planned Across The Entire Island



### Changi Airport <sup>(1)</sup>

- New Terminal 5 and upgrading of Terminal 2 to increase the current capacity by ~65% to ~140 million passengers per annum
- Update on the progress to be announced in due course (previously announced date of completion around 2030)



### Jurong Lake District <sup>(2)</sup>

- Minimum of 35,000 sq m of attraction space, a minimum of 21,000 sq m of hotel space, and a maximum of 19,000 sq m of commercial space
- The development should attract at least one million domestic and foreign visitors a year



### Mandai Wildlife Reserve <sup>(3)</sup>

- Jurong Bird Park's successor to open by 2022
- The rest of the Mandai eco-tourism hub will open in stages by 2024



### Orchard Road

- Experiential food culture and history attraction at the junction of Grange Road and Somerset Road <sup>(4)</sup>
- Action sports facility beside Somerset Skate Park expected to open in 2023 <sup>(5)</sup>

Image Credits: STB, Mandai Park Holdings

(1) The Straits Times, "Plans for Changi Airport Terminal 5 still being reviewed: MOT", 19 Jan 2022

(2) The Straits Times, "STB seeks proposals for integrated tourism development in Jurong Lake District", 15 Mar 2022

(3) Business Times, "Sentosa-Brani Master Plan to be refreshed amid pandemic as project's first milestone hits delay", 11 Apr 2022

(4) The Straits Times, "New attraction to be developed in Somerset; part of broader plan to rejuvenate Orchard Road", 18 Oct 2021

(5) The Straits Times, "Chocolate factory and electric go-karts among new attractions coming to S'pore", 6 Apr 2022

# Singapore – Investment in Tourism Infrastructure for Decades Ahead (Con't)



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## New Large-Scale Tourism Projects Being Planned Across The Entire Island



### Greater Southern Waterfront

- Southern coastline to be developed into waterfront lifestyle attractions, recreational options (such as drones race course and giant slides), homes and offices <sup>(1)</sup>
- Development will take place in phases over the next 5 to 10 years <sup>(2)</sup>



### Sentosa-Brani Masterplan <sup>(3)</sup>

- Reshaping Sentosa and Pulau Brani into a premier leisure and tourism destination
- First milestone project, Sentosa Sensoryscape, set to be completed by 2023



### Marina Bay Sands <sup>(4), (5)</sup>

- Fourth new tower which will have 30%-40% more MICE space and a 15,000-seat arena to be completed in 2026
- Option to increase gaming space by 2,500 sq m



### Resorts World Sentosa <sup>(6)</sup>

- Expanding with multiple new attractions
- New Minion Park and Super Nintendo World in Universal Studios Singapore
- SEA Aquarium expanding to 3x its current size

Image Credits: STB

(1) The Straits Times, "Drones race course, giant slides and homes proposed for Pasir Panjang Power District re-development", 13 Jan 2020

(2) URA, "Greater Southern Waterfront"

(3) The Straits Times, "Sentosa-Brani plans to be relooked in view of Covid-19", 11 Apr 2022

(4) CNA, "Marina Bay Sands expansion to be completed in 2026; S\$1.35b hotel renovation in progress", 3 Feb 2022

(5) Business Times, "Singapore IRs bet on S\$9b expansion; exclusive licences extended to 2030", 4 Apr 2019

(6) The Straits Times, "Genting Singapore's RWS to embark on \$400m expansion in second quarter", 17 Feb 2022

# Update on Oceania Portfolio



*Grand Millennium Auckland*

**Perth: 2 Hotels  
Auckland: 1 Hotel**

**10.8% of Portfolio Valuation**

**27.3% of FY 2021 NPI**

New Zealand Hotel	FY 2021	FY 2020	YoY Change
RevPAR (NZ\$)	175	144	20.9%
NPI (S\$ '000)	21,640	16,507	31.1%

Australia Hotels	FY 2021	FY 2020	YoY Change
RevPAR (A\$) <sup>(1)</sup>	49	48	3.7%
NPI (S\$ '000)	1,869	8,358	-77.6%

## Market Update & Outlook

- In 2021, Grand Millennium Auckland continued to be contracted as a managed isolation facility and showed NPI growth due to higher utilisation
- From 1 May 2022, travellers from visa-waiver countries including the United States, Britain and Singapore will be allowed to enter New Zealand <sup>(2)</sup>
- Excluding Novotel Brisbane which was divested, the Perth Hotels' NPI declined by S\$2.6 million or 58.0% YoY on a same store basis, as demand was affected by strict border restrictions for Western Australia; and NPI was based on lower actual trading income following expiry of the fixed-rent leases on 30 Apr 2021
- Western Australia's borders reopened to vaccinated travellers from 3 Mar 2022 <sup>(3)</sup>

<sup>(1)</sup> RevPAR only accounts for the Perth Hotels and excludes Novotel Brisbane which was divested on 30 Oct 2020. With effect from 1 May 2021, CDLHT entered into hotel management agreements with AccorHotels to manage the Perth Hotels and there are no longer third party leases for these hotels.

<sup>(2)</sup> New Zealand Immigration

<sup>(3)</sup> Government of Western Australia

# Update on Maldives Portfolio



Kuredhi Pool, Angsana Velavaru

**2 Resorts**

**4.8% of Portfolio Valuation**

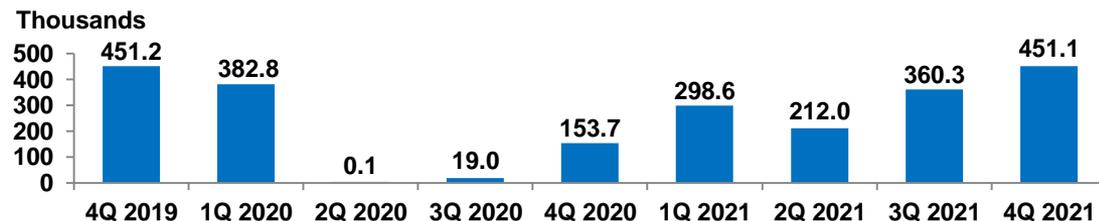
**9.4% of FY 2021 NPI**

Maldives Resorts	FY 2021	FY 2020	YoY Change
RevPAR (US\$)	256	86	N.M
NPI (S\$ '000)	8,084	(2,621)	N.M

## Market Update & Outlook

- Maldives remained open to travellers throughout 2021 and a strong recovery was seen with 2H 2021 arrivals reaching 96.6% of pre-pandemic levels in 2H 2019
- The Maldives Resorts were largely operational for FY 2021, as compared to FY 2020 when Raffles Maldives Meradhoo was closed for six months to minimise operating losses
- Asset enhancement initiative at Angsana Velavaru (fully completed in Jul 2020), has delivered strong results with a significant growth in RevPAR for FY 2021, surpassing pre-pandemic RevPAR recorded in FY 2019

## Quarterly International Visitor Arrivals to the Maldives <sup>(1)</sup>



(1) Ministry of Tourism, Maldives

# Update on Japan Portfolio



*Twin Room, MyStays Kamata*

**Tokyo: 2 Hotels**

**2.7% of Portfolio Valuation**

**0.4% of FY 2021 NPI**

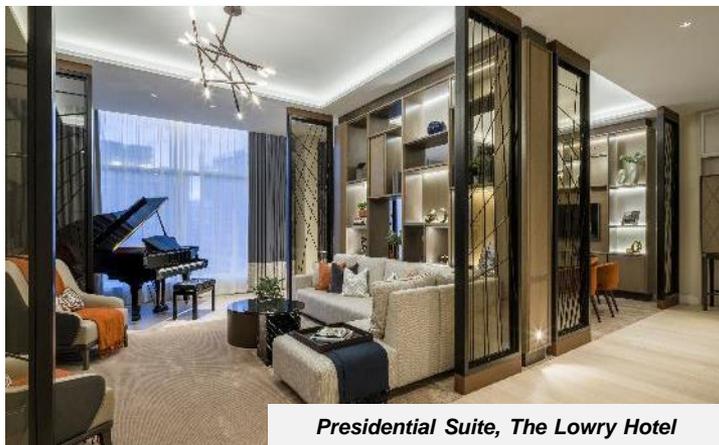
Japan Hotels	FY 2021	FY 2020	YoY Change
RevPAR (¥)	2,729	2,906	-6.1%
NPI (\$\$ '000)	386	381	1.3%

## Market Update & Outlook

- Foreign visitor arrivals for 2021 were virtually absent as strict border restrictions remained in place for most of the year
- In Tokyo, following the lifting of the state of emergency from early Oct 2021, trading volume steadily improved, bringing occupancy levels to 68.9% in 4Q 2021 against 59.5% in 3Q 2021
- RevPAR decline of 6.1% yoy for FY 2021 was mainly due to the higher base in 1Q 2020 when there were a few months of normal pre-pandemic trading
- Japan is gradually easing border restrictions and foreign nationals are allowed to enter for business, employment and long-term stay purposes. Daily limit on arrivals from overseas raised to 10,000 as of 10 Apr 2022 <sup>(1)</sup>
- Accommodation demand will continue to be supported by domestic business ahead of the full reopening of Japan's international borders

(1) Ministry of Foreign Affairs of Japan

# Update on United Kingdom Portfolio



**Cambridge: 1 Hotel**  
**Manchester: 1 Hotel <sup>(1)</sup> &**  
**1 Build-to-Rent property (*under development*)**

**8.4% of Portfolio Valuation**

**9.0% of FY 2021 NPI**

(1) Excludes Hotel Brooklyn which was only acquired on 22 Feb 2022.

(2) Gov.uk

UK Hotels	FY 2021	FY 2020	YoY Change
RevPAR (£)	72	40	78.4%
NPI (\$\$ '000)	7,733	(312)	N.M

## Market Update & Outlook

- The UK Hotels achieved a strong RevPAR and NPI recovery in FY 2021
  - Pent-up demand from the domestic leisure segment was a key demand driver since the easing of all travel restrictions from mid-Jul 2021 <sup>(2)</sup>
  - Business performance at Hilton Cambridge City Centre was also supported by its base crew business, one-off corporate groups and long-staying defence business
  - At The Lowry Hotel, the return of football and other events created overall compression in the market, allowing the hotel to yield rates
- International borders are fully open and all restrictions in the UK have been lifted <sup>(2)</sup>
- For the Residential BTR under development in Manchester, the construction is progressing in accordance with the planned schedule. Piling works have completed and groundworks have commenced

# Update on EU Portfolio



Germany Hotel	FY 2021	FY 2020	YoY Change
RevPAR (€)	28	27	4.9%
NPI (S\$ '000)	5,786	2,676	N.M
Italy Hotel	FY 2021	FY 2020	YoY Change
RevPAR (€)	35	23	50.9%
NPI (S\$ '000)	1,507	1,472	2.4%

## Market Update & Outlook

- In Germany, non-essential travel was permitted from May 2021
- For FY 2021, NPI contribution (recognised based on straight-line rent) from Pullman Hotel Munich was higher due to a lower impairment of S\$1.2 million (€0.7 million) recorded against rental receivables from the lessee as compared to S\$4.7 million (€3.0 million) recorded in FY 2020
- In Italy, the ban on inter-region travel was lifted from end-Apr 2021 <sup>(2)</sup> and the Italy Hotel reopened on 26 May 2021 after an extended closure period. The Italy Hotel was open for seven months in 2021 as compared to five months in 2020
- The improvement in the RevPAR for the Italy Hotel was largely due to the longer operational period recorded in FY 2021
- Germany's and Italy's international borders are largely open to international travellers, subject to vaccination requirements <sup>(2)</sup> <sup>(3)</sup>

**Munich: 1 Hotel**  
**Florence: 1 Hotel**

**8.3% of Portfolio Valuation <sup>(1)</sup>**

**8.5% of FY 2021 NPI**

(1) On the basis of a 100% interest before adjustment of non-controlling interests.

(2) Ministry of Health, Italy

(3) Federal Ministry of the Interior, Building and Community, Germany

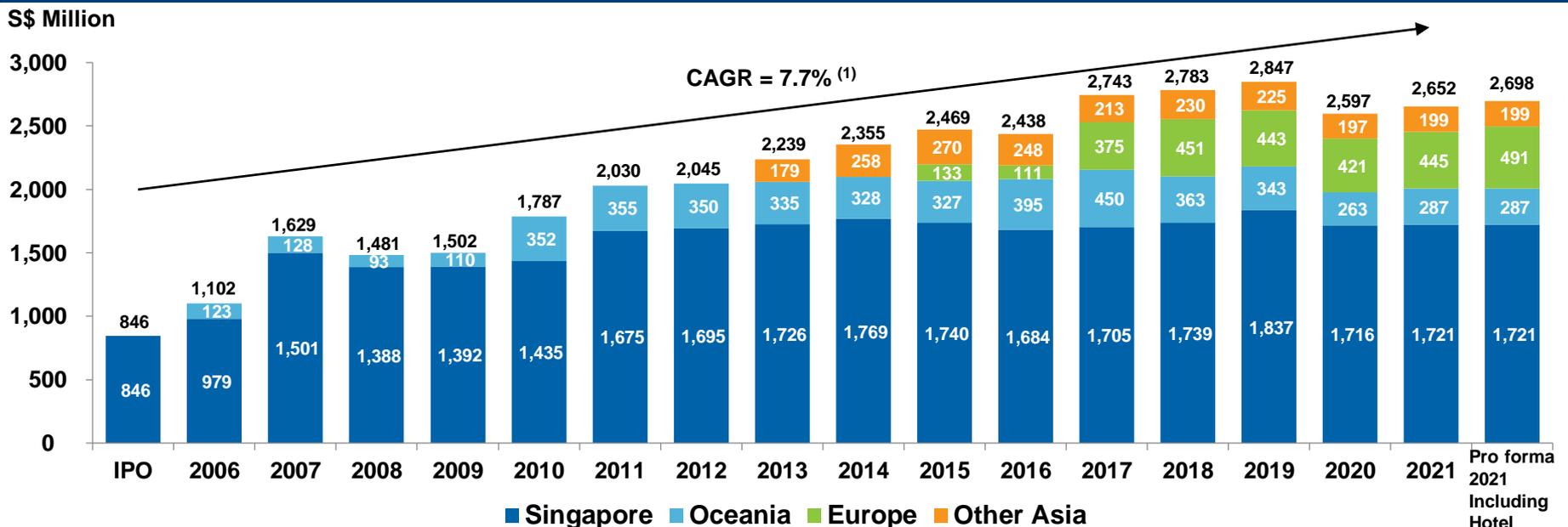
# Portfolio Valuation



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- The portfolio valuation (excluding Hotel Brooklyn) registered a 2.1% increase to S\$2.7 billion, partly due to the inclusion of the UK BTR (under development) during the year
- On a same store basis (stripping out the UK BTR), CDLHT's portfolio valuation would have increased by S\$26.8 million or 1.0% YoY

## 7.7% CAGR Growth in Portfolio Valuation Since IPO



(1) CAGR from IPO to 31 Dec 2021.

(2) Hotel Brooklyn was acquired on 22 Feb 2022.

# Geographically Diversified Portfolio

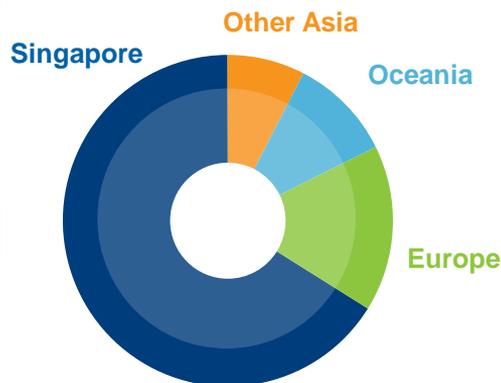
## Breakdown of Portfolio Valuation as at 31 Dec 2021

**Singapore** 64.9%

<b>Europe</b>	<b>16.8%</b>
<i>United Kingdom</i> <sup>(1)</sup>	<b>8.4%</b>
<i>Germany</i> <sup>(2)</sup>	<b>6.0%</b>
<i>Italy</i> <sup>(2)</sup>	<b>2.3%</b>

<b>Oceania</b>	<b>10.8%</b>
<i>New Zealand</i>	<b>8.0%</b>
<i>Australia</i>	<b>2.8%</b>

<b>Other Asia</b>	<b>7.5%</b>
<i>Maldives</i>	<b>4.8%</b>
<i>Japan</i>	<b>2.7%</b>



**Portfolio Valuation**  
**S\$2.7 billion**

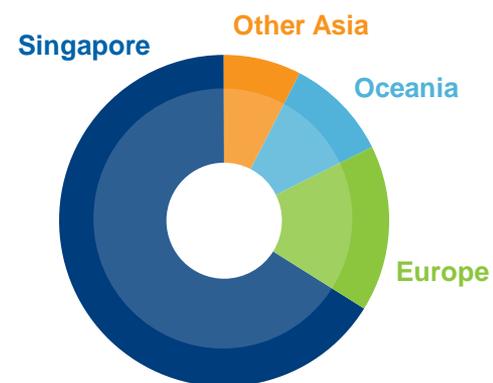
## Post Hotel Brooklyn Acquisition (22 Feb 2022)

**Singapore** 63.8%

<b>Europe</b>	<b>18.2%</b>
<i>United Kingdom</i> <sup>(1)</sup>	<b>10.0%</b>
<i>Germany</i> <sup>(2)</sup>	<b>5.9%</b>
<i>Italy</i> <sup>(2)</sup>	<b>2.3%</b>

<b>Oceania</b>	<b>10.6%</b>
<i>New Zealand</i>	<b>7.9%</b>
<i>Australia</i>	<b>2.8%</b>

<b>Other Asia</b>	<b>7.4%</b>
<i>Maldives</i>	<b>4.7%</b>
<i>Japan</i>	<b>2.7%</b>



**Portfolio Valuation**  
**S\$2.7 billion**

- (1) For the Residential BTR under development in the UK, the independent valuation was based on the value of the construction-to-date, which considered the expenditure incurred from 31 Aug 2021 to 31 Dec 2021. The carrying amount of investment property under development was based on independent valuation as at 31 Dec 2021.
- (2) On the basis of a 100% interest before adjustment of non-controlling interests.

# Management Strategy



# Long Term Management Strategy to Enhance Unitholders' Value



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1

## Acquisition Growth Strategy

- Pursue quality assets with growth potential
- Pursue asset class diversification within the lodging space and promote income stability
- Adopt a medium to long term perspective to ride through market cycles
- Partner with or tap on potential pipeline from M&C / CDL

3

## Capital Recycling Strategy

- Evaluate divestment opportunities periodically to recycle capital for better returns, rebalance portfolio and/or unlock underlying asset values
- Continually improve quality of portfolio

2

## Asset Management Strategy

- Work closely with master lessees, hotel/property managers and/or operators to implement active revenue and cost management
- Implement asset enhancement initiatives to optimise asset potential
- Operate and invest in alignment with relevant ESG standards

4

## Capital and Risk Management Strategy

- Maintain a healthy balance sheet
- Enhance financial flexibility by maintaining diversified sources of funding
- Manage exposure arising from interest rates and foreign exchange through appropriate hedging strategies



**Growing unitholders' value via acquisition, organic growth and capital recycling while maintaining a firm financial foundation**

# Management Strategy

## – Acquisition Growth Strategy



# Strategic Pivot to Position for Growth



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**Strategic pivot in CDLHT's principal investment strategy** aimed at promoting growth will bring about asset class diversification and enhanced income stability, thereby lowering portfolio risk

2

**Adjacent accommodation and/or lodging assets** such as properties used for rental housing, co-living, student accommodation and senior housing, **rely on different demand drivers from hotels**

3

**Increasing the pool of investment opportunities** will provide CDLHT with better growth prospects

4

**Increase underlying length of stay & CDLHT's fixed rental base:** Adjacent accommodation and/or lodging assets have tenants with longer lengths of stay as compared to traditional transient hotel guests

5

**Complement the expected recovery in performance of CDLHT's hospitality assets,** which constitute the majority of CDLHT's portfolio

# Maiden Investment into Residential Build-to-Rent Sector



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Concept drawing – subject to change

## Residential BTR property Forward-Funding Scheme

<b>Date of Investment</b>	<ul style="list-style-type: none"> <li>31 Aug 2021</li> </ul>										
<b>Purchase Consideration</b>	<ul style="list-style-type: none"> <li>£73.3 million (\$\$136.0 <sup>(1)</sup> million)</li> </ul>										
<b>Location</b>	<ul style="list-style-type: none"> <li>Piccadilly East, Manchester, UK</li> </ul>										
<b>Target Completion</b>	<ul style="list-style-type: none"> <li>Around May 2024 (~140-week build period)</li> </ul>										
<b>Land Title</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>										
<b>Gross Internal Area</b>	<ul style="list-style-type: none"> <li>Approximately 28,455 sq m</li> </ul>										
<b>Residential Apartments</b>	<ul style="list-style-type: none"> <li>352 apartments comprising:                     <table border="1" data-bbox="1093 674 1649 849"> <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> </li> </ul>	Unit Type	Number of Units	Studio	39	One Bedroom	77	Two Bedroom	227	Three Bedroom	9
Unit Type	Number of Units										
Studio	39										
One Bedroom	77										
Two Bedroom	227										
Three Bedroom	9										
<b>Amenities Spaces and Other Common Areas</b>	<ul style="list-style-type: none"> <li>Internal and external common amenity spaces which may include a gym, a screening room, resident lounge areas, a roof terrace and ground floor retail spaces</li> <li>Approximately 350 bicycle storage</li> <li>20 parking spaces</li> </ul>										

(1) Based on an assumed exchange rate of £1.00 = \$\$1.857.

# Residential Build-to-Rent: Investment Highlights



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New property expected to provide **stable and resilient income**

**Brand new property with great accessibility**

Manchester, UK has **good economic fundamentals**

**Income growth potential of BTR sector** with strong demand-supply dynamics

**Potential capital upside** from significant rejuvenation of neighbourhood and increased institutional investment interest

# Acquisition of Hotel Brooklyn, Manchester, UK

(Post-FY 2021)



Hotel Brooklyn	
<b>Date of Completion</b>	<ul style="list-style-type: none"> <li>22 Feb 2022</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>4-star, upscale lifestyle hotel</li> <li>Opened in Feb 2020<sup>(1)</sup></li> <li>BREEAM Certified with 'Very Good' rating</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>57 &amp; 59 Portland Street, Manchester, UK</li> </ul>
<b>Title</b>	<ul style="list-style-type: none"> <li>Leasehold (~196 years remaining) as at 22 Feb 2022</li> </ul>
<b>Rooms and Amenities</b>	<ul style="list-style-type: none"> <li>189 rooms (weighted average room size ~26 sq m)</li> <li>2 food and beverage outlets</li> <li>3 meeting rooms for up to 140 people</li> <li>Casino with restaurant and bar</li> </ul>
<b>Property Consideration</b>	<ul style="list-style-type: none"> <li>£22.8 million (~S\$41.5 million<sup>(2)</sup>)</li> </ul>
<b>Total Acquisition Cost<sup>(3)</sup></b>	<ul style="list-style-type: none"> <li>£24.1 million (~S\$43.8 million)</li> </ul>
<b>Valuation<sup>(4)</sup></b>	<ul style="list-style-type: none"> <li>£25.3 million (~S\$46.1 million)</li> </ul>
<b>Post-transaction Gearing / Debt Headroom<sup>(5)</sup></b>	<ul style="list-style-type: none"> <li>40.0% / S\$570.0 million</li> </ul>

(1) Due to the COVID-19 situation, the property opened and closed for business intermittently between Feb 2020 and Apr 2021. The property has been operational since May 2021.

(2) All conversions between £ and S\$ on this slide are based on an assumed exchange rate of £1.00 = S\$1.8202.

(3) Before deduction for estimated negative net working capital of the target as at the time of completion of £0.4 million (approximately S\$0.8 million) which will be subject to post-completion adjustments.

(4) Valued as at 31 Dec 2021 by Cushman & Wakefield Debenham Tie Leung Limited using the capitalisation method.

(5) CDLHT's post-transaction gearing on a pro forma basis as at 31 Dec 2021 assuming Total Acquisition Cost is 100% debt-funded. For the purposes of gearing computation, the total assets exclude the effect of FRS 116/SFRS(I) Leases (adopted wef 1 Jan 2019). Debt headroom based on 50.0% gearing limit.

# Attractive Property Yield and Accretive Acquisition



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1

**Enhance income stability with inflation-adjusted fixed lease:** In line with CDLHT's strategy to acquire assets with more stable income to increase resilience and fixed rental base

2

**Accretive acquisition** at attractive price and NPI yield of 7.4%

3

**Newly opened upscale lifestyle hotel** allows CDLHT to further penetrate the lifestyle hotel market

4

**Excellent location** being within walking distance to Manchester Piccadilly (the main train station in Manchester), popular tourist attractions and the central business district

5

**Established tourism and corporate demand** to support post-pandemic recovery

# Management Strategy

## – Asset Management Strategy



# Asset Enhancement Plans – The Lowry Hotel



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## Manchester, UK

### The Lowry Hotel:

- Full refurbishment of two floors largely completed in Aug 2021
- Upgrading of the remaining four floors mostly completed in early 2022



*Executive King Room, The Lowry Hotel*

# Asset Enhancement Plans – Studio M Hotel



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## Singapore

### Studio M Hotel:

- Refurbishment for all 360 rooms to take place across phases
- 146 rooms: Completed in Jan 2022
- Remaining 214 rooms: Expected to complete in May 2022



*Premier Loft, Studio M Hotel*

## Singapore

### Copthorne King's Hotel :

- Enables the efficient management of power, lighting and air-conditioning by monitoring occupancy status to reduce wastage
- Guests can use voice-commands to control in-room entertainment and make service requests
- Digital transformation initiative aims to reduce staff calls by 20% and increase in-room dining by at least 30%



*Copthorne King's Hotel – Guest Solution Management System*

**Upgraded with an intelligent Guest Solution Management System**

# Management Strategy

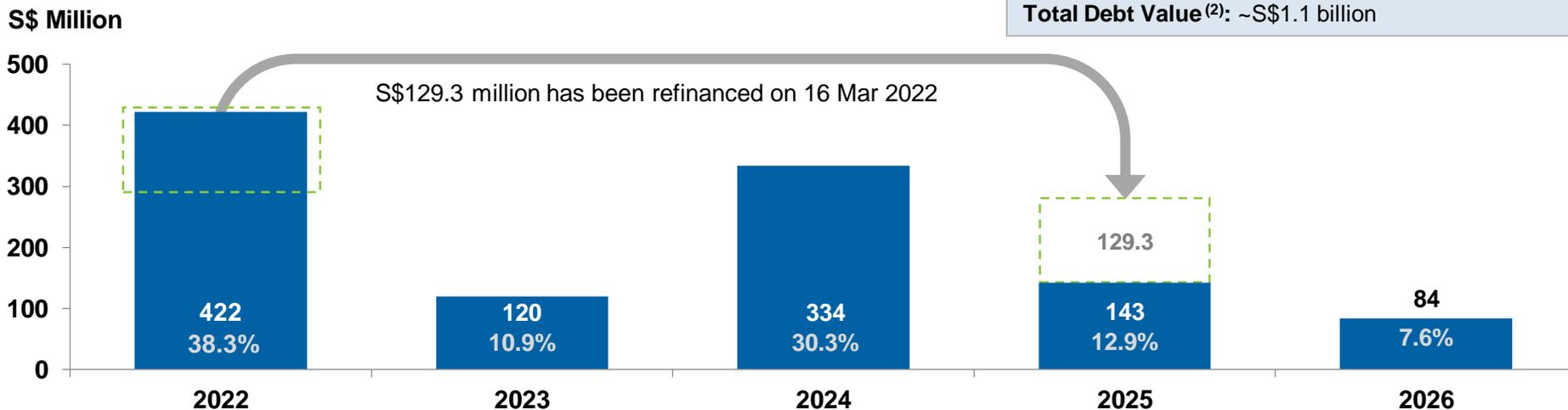
– Capital and Risk Management Strategy



# Debt Maturity Profile as at 31 Dec 2021

- Commenced refinancing of debt due in 2022
- Of the S\$422 million expiring in 2022, S\$129.3 million has been refinanced on 16 Mar 2022

## Debt Maturity Profile as at 31 Dec 2021 <sup>(1)</sup>



(1) Based on exchange rates of US\$1 = S\$1.3544, €1 = S\$1.5331, £1 = S\$1.8198 and S\$1 = ¥84.8176

(2) Debt value is defined as bank borrowings and the TMK Bond, which are presented before the deduction of unamortised transaction costs.

# Healthy Financial Metrics

As at 31 December 2021

**39.1%**  
Gearing <sup>(1)</sup>  
(S\$614M Debt Headroom  
@ 50% Gearing)

**2.0%**  
Low Cost of Debt

**3.3x**  
Interest Coverage Ratio <sup>(2)</sup>



**~S\$139.5M**  
Cash

**~S\$632.6M**  
Available Credit Facilities <sup>(3)</sup>

**94.0%**  
Property Value Unencumbered

(1) For purposes of gearing computation, the total assets exclude the effect of FRS 116/SFRS(I) Leases (adopted wef 1 Jan 2019).

(2) Computed by using trailing 12 months EBITDA divided by trailing 12 months interest expense and borrowing-related fees.

(3) Includes committed revolving credit facilities amounting to approximately S\$232.6 million.

## Interest Rate Profile as at 31 Dec 2021 <sup>(1)</sup>

	Fixed Rate Borrowings	Floating Rate Borrowings
SGD	47.1%	52.9%
USD	66.9%	33.1%
GBP	37.4%	62.6%
JPY	100.0%	0.0%
EUR <sup>(2)</sup>	98.0%	2.0%
<b>Blended Total</b>	<b>61.3%</b>	<b>38.7%</b>

## Updates Post 31 Dec 2021

- In 1Q 2022, an existing S\$200.0 million committed multi-currency unsecured revolving credit facility (“RCF”) was refinanced for another 3 years
- Post refinancing of the RCF, the proportion of fixed rate debt rose from 61.3% to 63.5% as at 31 Mar 2022
- To manage interest rate risks, CDLHT entered into three fixed-rate interest rate swaps to hedge against the interest rate volatility arising from:
  - i. the progressive draw down of the UK Residential BTR development term loan facility (£60.2 million); and
  - ii. the funding of the acquisition of Hotel Brooklyn (£24.1 million)
- Proceeds from previous divestments, amounting to £18.8 million, were utilised to partially pay down GBP borrowings

(1) Based on exchange rates of US\$1 = S\$1.3544, €1 = S\$1.5331, £1 = S\$1.8198 and S\$1 = ¥84.8176

(2) Includes term loans fixed via EUR/USD cross currency swaps, effective exposure is in EUR.

# Concluding Remarks



# Concluding Remarks



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## Outlook

- Economies moving towards a new normal with most restrictions eased or easing across key geographical markets
- Trading conditions likely to be erratic during the transition period as markets progressively gravitate towards normalisation

## Growth and Value Creation Focused

- Pursue asset class diversification into adjacent lodging assets, which will increase the pool of investment opportunities, enhance income stability and improve growth prospects
- Evaluate avenues to recycle capital for better returns
- Adopt ESG responsible operating and asset enhancement approach across our portfolio

## High Quality Assets

- High quality assets located in key gateway cities or premium tourist destinations
- Growing stable of lifestyle hotels aligns portfolio to prevailing trends of strong consumer appetite for such hotels
- Continue to invest in CDLHT's portfolio of properties to optimise the potential of assets to take advantage of the returning demand

## Strong Financial Position

- Healthy balance sheet and strong liquidity position



**Thank You**