



# CDL HOSPITALITY TRUSTS

## Acquisition of Novotel Clarke Quay

May 2007



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  - CDL Hospitality Trusts Current Portfolio



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# ***Summary***

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# Summary



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- CDL H-REIT has acquired the Novotel Clarke Quay for S\$201 million
- CDL H-REIT's second yield accretive acquisition from third party owners since IPO in July 2006
- DPU expected to increase by 8.9% <sup>(1)</sup>
- Annualised property yield for the Novotel Clarke Quay for 2007 is expected to be 5.5% versus current implied property yield for CDL Hospitality Trusts of 3.9%
- Favourable lease structure with Accor

Note:

(1) Assuming the acquisition is funded 100% by debt. Based on CDL-Hospitality Trust's Q1 2007 results annualized for 2007 and management's proforma projections for the performance of the Novotel Clarke Quay



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# ***Details of the Novotel Clarke Quay***

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# Novotel Clarke Quay



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177A River Valley Road  
Singapore 179031

***Newly refurbished, superior hotel,  
located in the heart of Singapore's  
entertainment/social scene***

<b>Valuation:</b>	Date of Valuation: 30 March 2007 Valued at S\$224 million by CB Richard Ellis
<b>Year Built:</b>	1984
<b>Land Tenure:</b>	97 Years and 30 days commencing 2 <sup>nd</sup> of April 1980
<b>Strata Title Area:</b>	Approximately 38,000 sqm
<b>Gross Floor Area:</b>	Approximately 27,000 sqm
<b>Property Description:</b>	<ul style="list-style-type: none"> <li>• 398 room hotel including 21 suites</li> <li>• Six food and beverage outlets</li> <li>• 1,217 sqm of function/meeting space</li> <li>• 25-metre swimming pool and sundeck</li> <li>• 755 car park spaces<sup>(1)</sup></li> <li>• Refurbished recently for \$18.8 million</li> </ul>
<b>Lease Terms:</b>	13 year lease to Accor expiring 31 December 2020. Variable lease payment of more than 90% of GOP depending on the hotel's performance

Note:

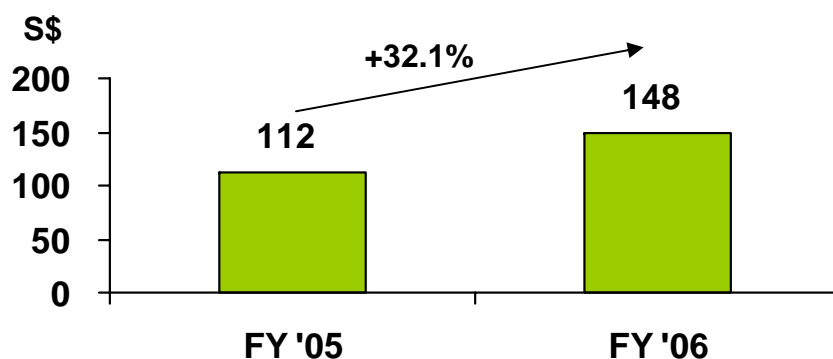
(1) CDL-HT will have 23% ownership of the car park spaces based on Novotel Clarke Quay's 23% share value of the strata title plan for Liang Court

# Strong Year-On-Year Growth At The Novotel Clarke Quay

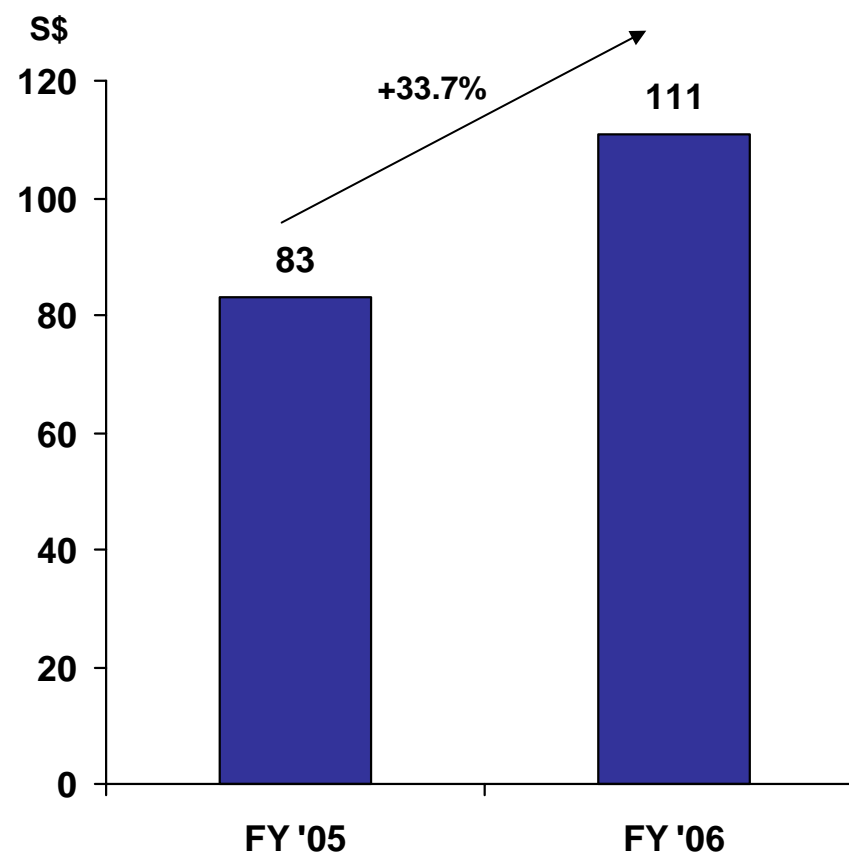


CDL HOSPITALITY TRUSTS

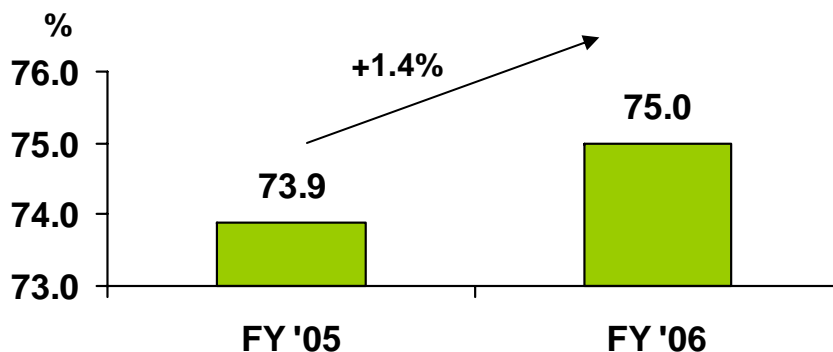
**ARR: FY '05 v FY '06**



**RevPAR: FY '05 v FY '06**



**Occupancy: FY '05 v FY '06**



Note: Between 2005 and 2006 all of the guestrooms at the Novotel Clarke Quay were renovated – 185 Guestrooms were upgraded in 2005 and the remaining 213 guestrooms were upgraded in 2006





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# ***Investment Rationale***

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# Investment Rationale



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**1**

**Exposure To One Of Asia's Most Attractive Hotel Markets**

**2**

**Strategic Location**

**3**

**Repositioned For Growth**

**4**

**Favourable Lease Structure**

**5**

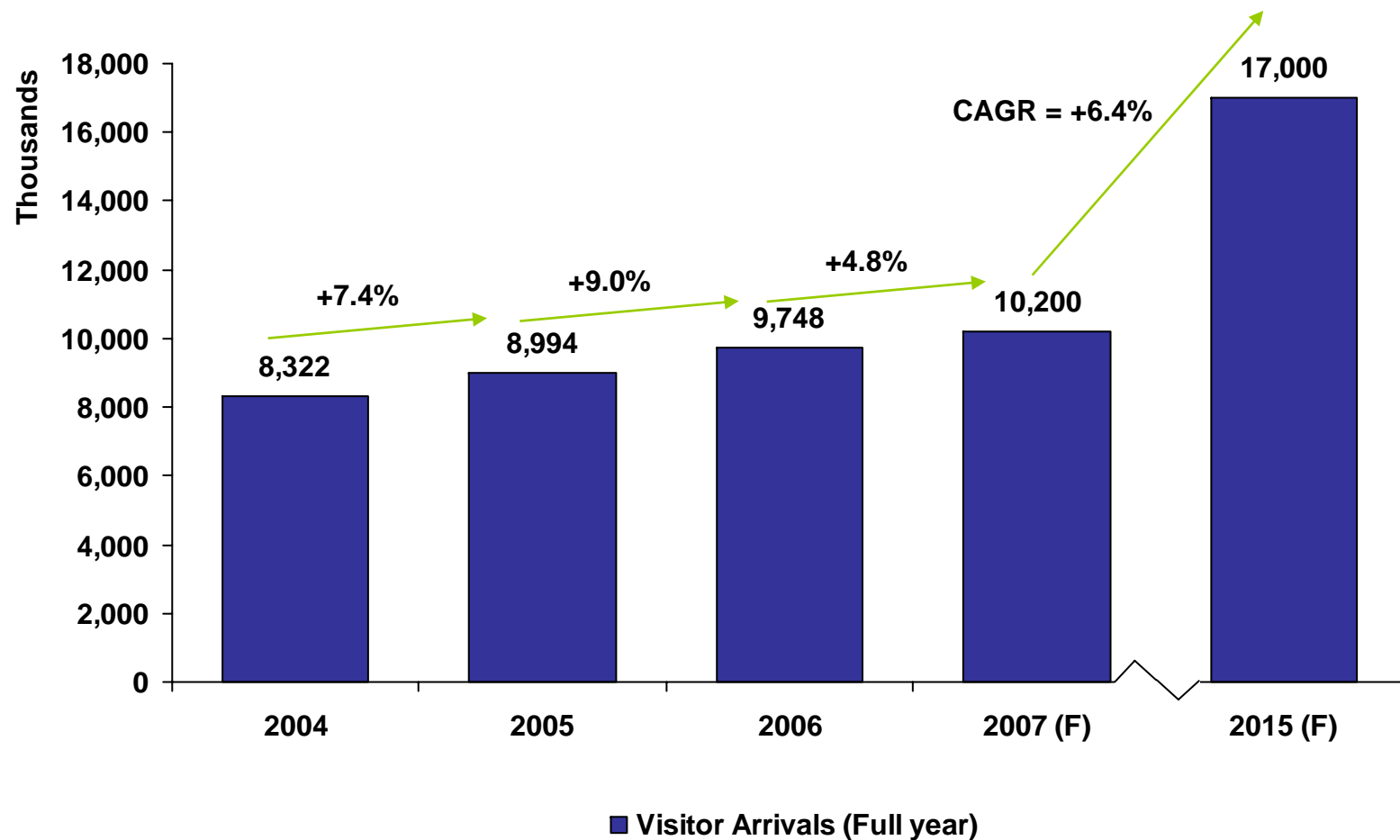
**Increased Portfolio And Tenant Diversification**

# Strong Growth Expected In Visitor Arrivals



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## Visitor Arrivals In Singapore



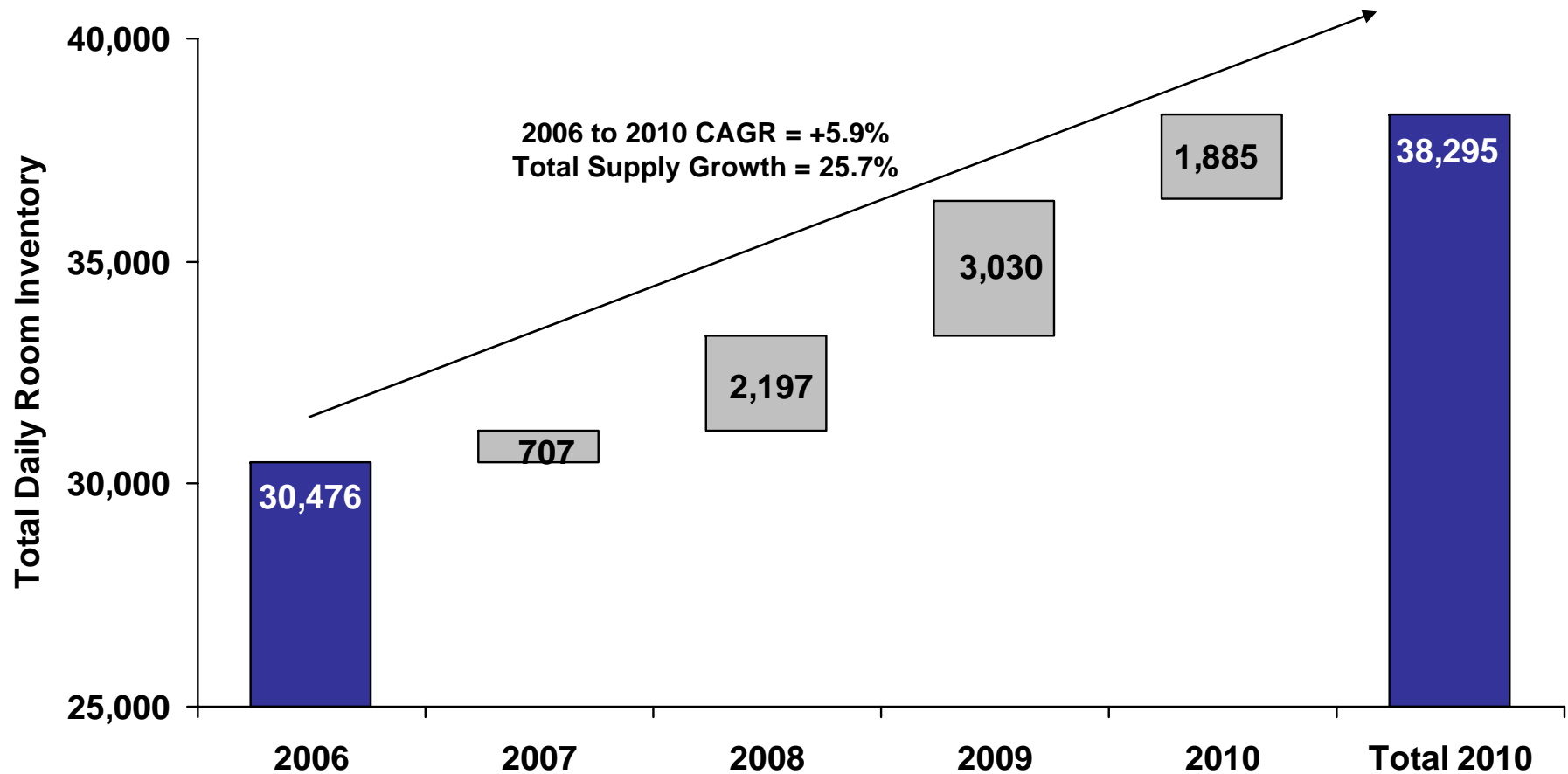
Source: Singapore Tourism Board

# Limited Hotel Supply In 2007 & 2008



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## Current and Expected Hotel Room Supply in Singapore

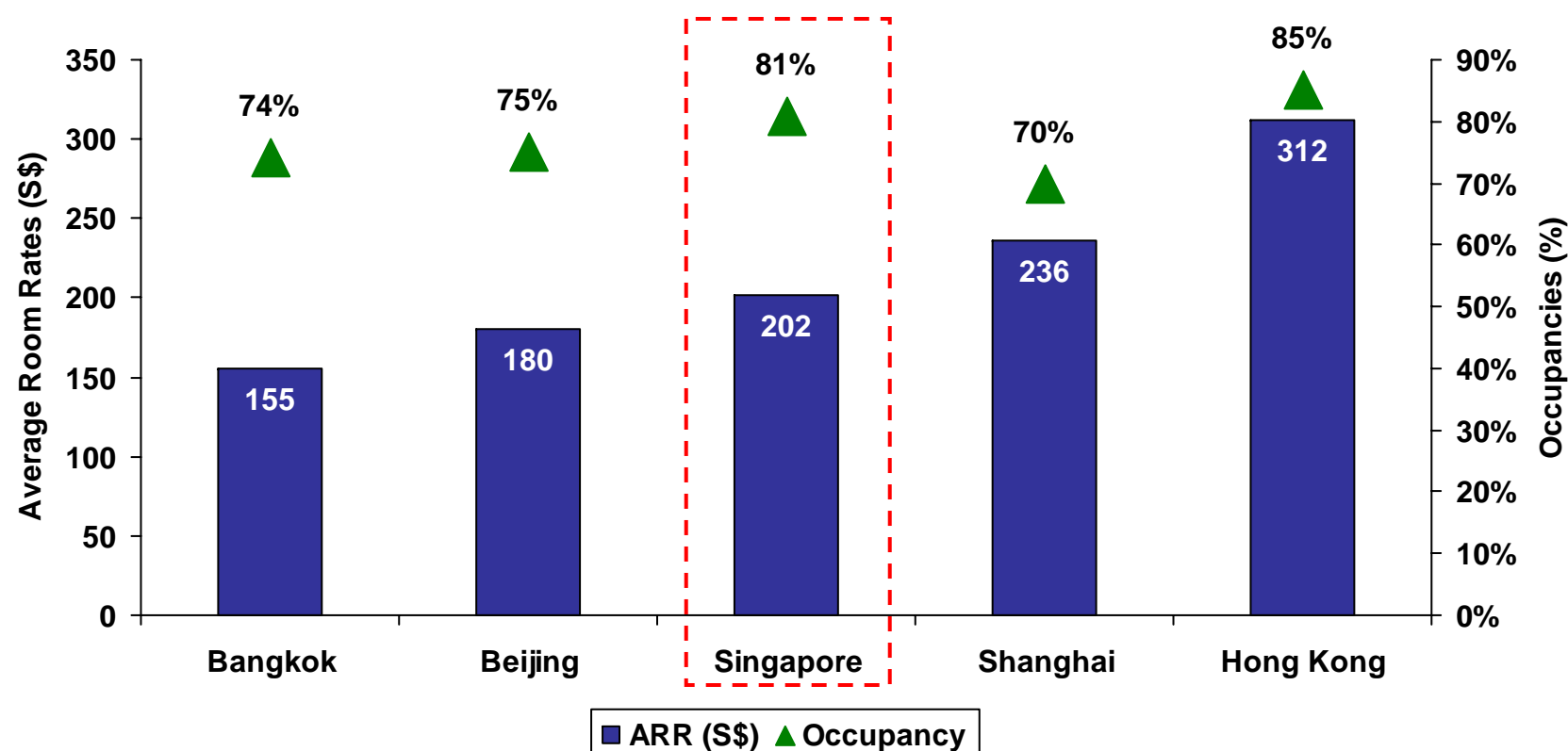


Source: CBRE Report dated 30<sup>th</sup> March 2007

# Potential To Further Grow Average Room Rates In Singapore

## Low Relative Room Rates

Regional Upper Tier<sup>(1)</sup> Hotel Market Comparison<sup>(2)</sup>



Note: <sup>(1)</sup> Comprises 4- and 5-star hotels

<sup>(2)</sup> YTD Dec 2006

Source: Jones Lang LaSalle Hotels, Industry Sources

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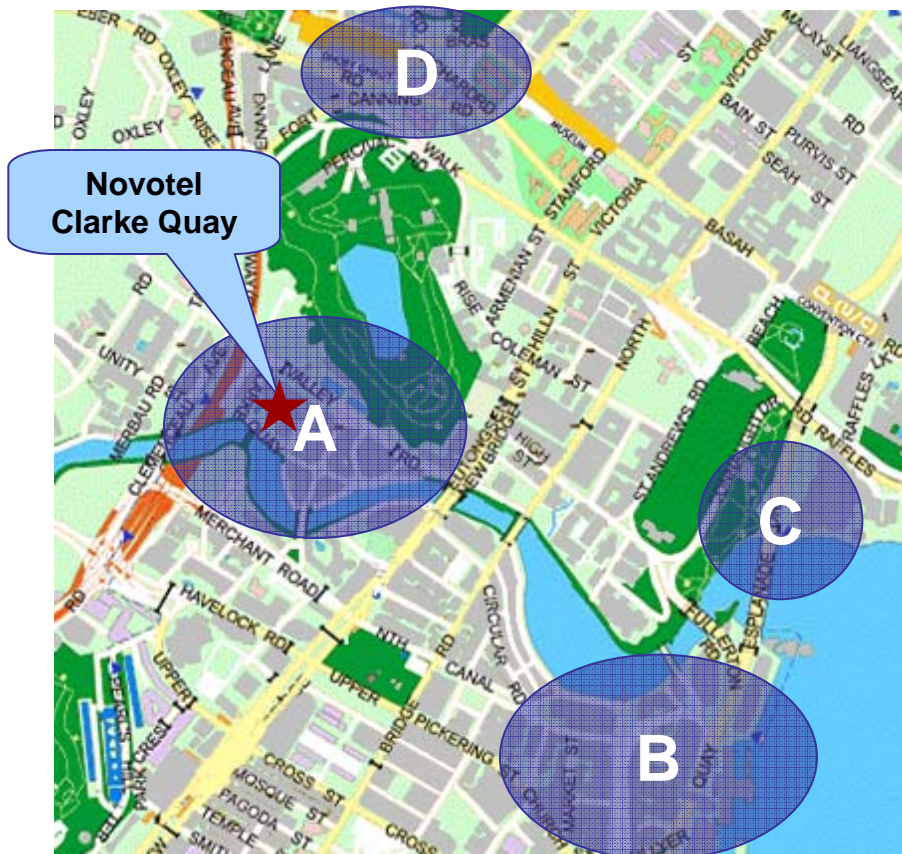
**5**

Increased Portfolio And Tenant Diversification

# Strategic Location In Singapore



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- A** Prime superior hotel located in immediate proximity to Clarke Quay, Robertson Quay and Boat Quay: Singapore's premier entertainment hub
- B** Short distance from Singapore's business and financial districts
- C** Near to major cultural and tourist attractions – Esplanade
- D** Closely located to Singapore's prime shopping belt - Orchard Road

*Strong growth potential through its proximity to Singapore's must-visit nightlife venue and ability to tap into Singapore's developing meetings, incentives, conventions and exhibitions segments*



# Part Of Vibrant Clarke Quay



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*The S\$85 million redevelopment of Clarke Quay has transformed the historical riverside quay into one of Singapore's main food, entertainment, lifestyle destination...*



Courtesy of Lifebrandz



***With...Over 25 Established Bars & Night Clubs- Ministry of Sound (MoS)***

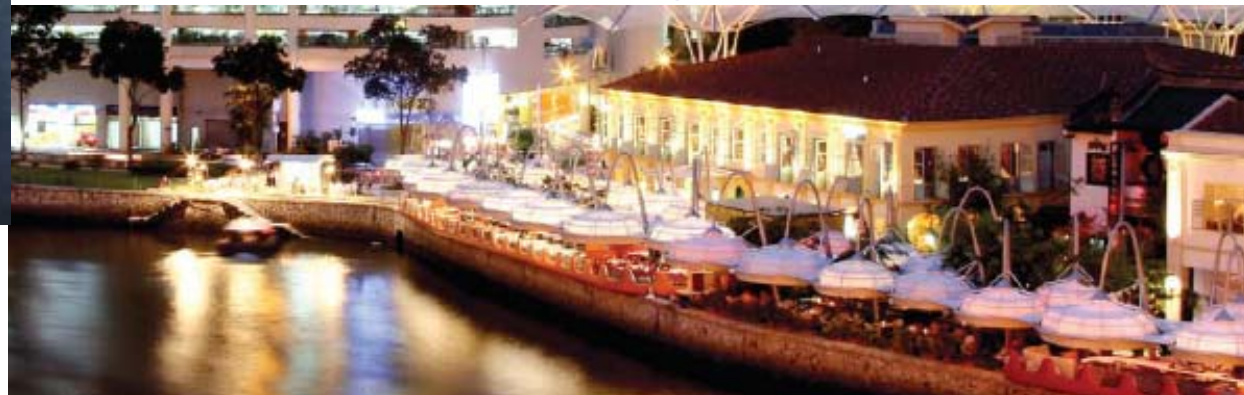
***Over 20 Authentic Restaurants***

***Over 50 Unique Shops***

***Sunday Flea Market***

***Exciting Recreational Activities***

***... and a world class waterfront destination with excellent communication links***



# Investment Rationale



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# Excellent Potential For Growth From Repositioned Asset



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1

## Recently refurbished

- Recently concluded a S\$18.8 million comprehensive refurbishment program to guestrooms, public areas, restaurants and function rooms

2

## Potential for market / revenue mix enhancement

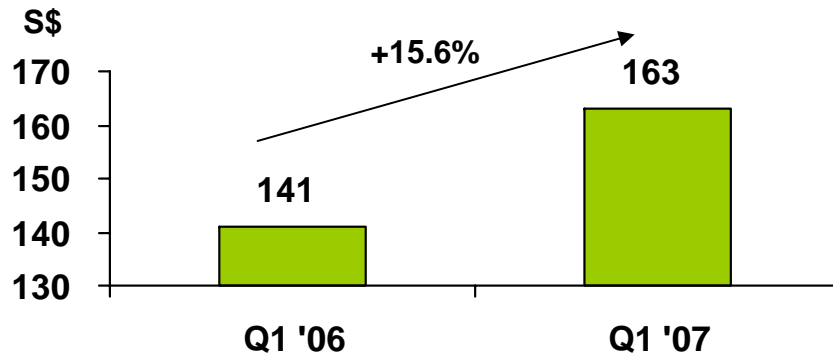
- Increased number of higher paying corporate guests and banquets / functions

# Acquiring Growth – The Novotel Clarke Quay

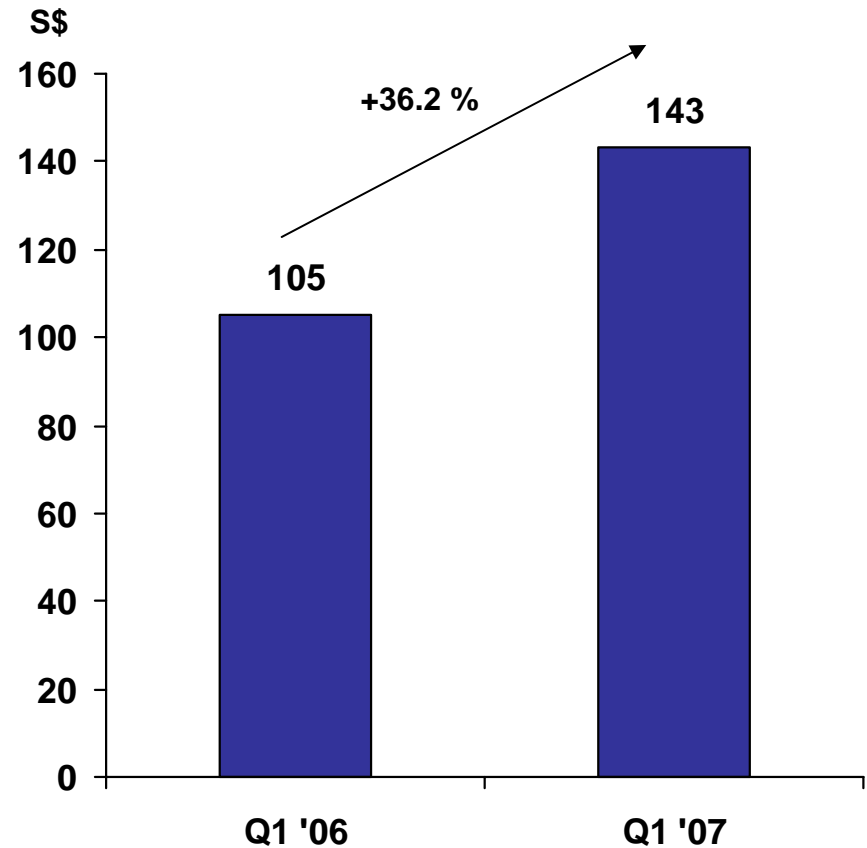


CDL HOSPITALITY TRUSTS

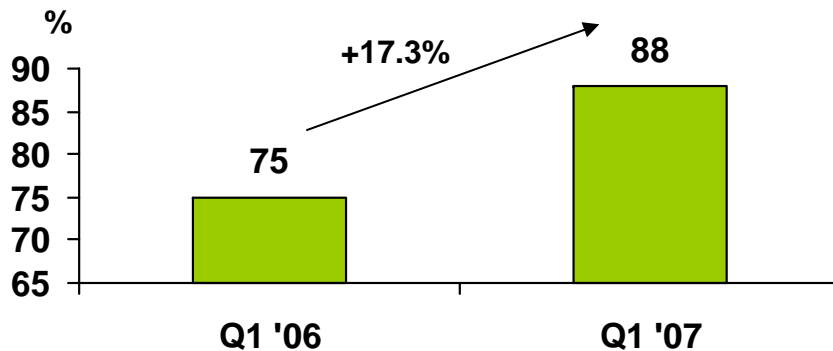
**ARR: Q1 '06 v Q1 '07**



**RevPAR: Q1 '06 v Q1 '07**



**Occupancy: Q1 '06 v Q1 '07**



Note: 213 guestrooms were upgraded in 2006

# Investment Rationale



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# Favourable Lease Structure



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<b>Lessee/Tenant</b>	<ul style="list-style-type: none"><li>• Accor, an international hotel operator, operating 4,100 hotels across 90 countries.</li><li>• The Property is the group's flagship hotel property in Singapore</li></ul>
<b>Term of lease</b>	<ul style="list-style-type: none"><li>• Over 13 years until 31 December 2020</li></ul>
<b>Rent Payment</b>	<ul style="list-style-type: none"><li>• Variable rental payment of more than 90% of GOP depending on the hotel's performance</li></ul>
<b>Rent Reserve</b>	<ul style="list-style-type: none"><li>• S\$6.5 million to cover any shortfalls in rent below S\$6.5 million</li></ul>

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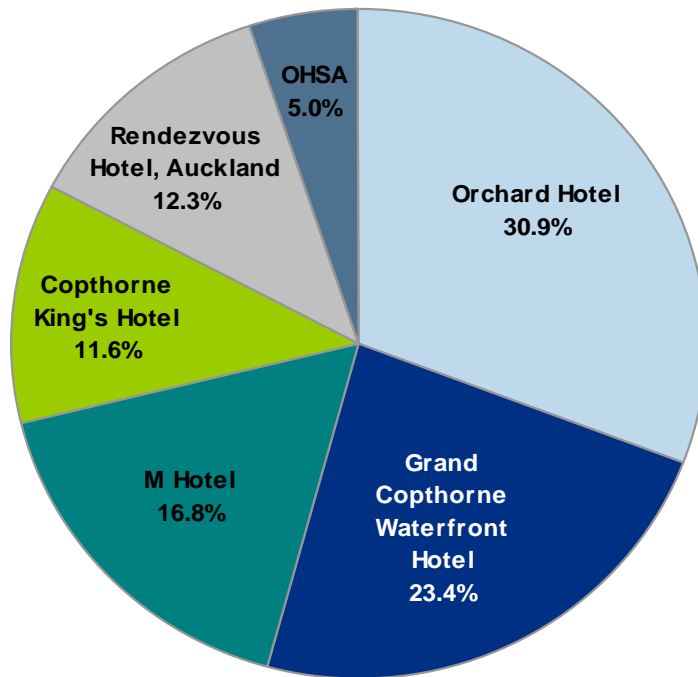


# Increased Income Diversification

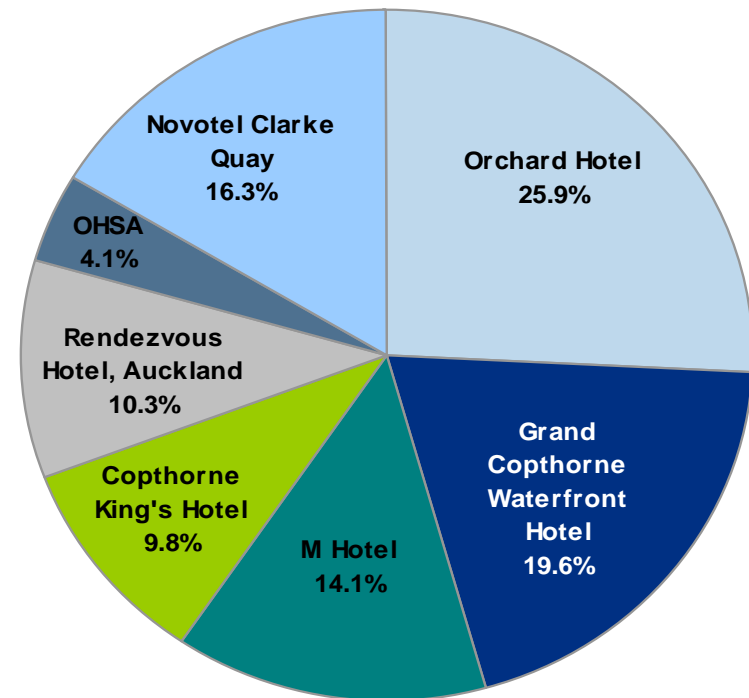


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**2007F Gross Rental Income Before Acquisition<sup>(1)</sup>**



**2007F Gross Rental Income After Acquisition<sup>(2)</sup>**



***Reduces rental dependence on any single property to approximately 26%***

Note: (1) Based on CDL-HT's Q1 2007 results announced 2<sup>nd</sup> May 2007

(2) Based on Management's pro-forma projections



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## ***Impact On CDL-HT***

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# Impact On CDL-HT



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**1**

**Higher Distributable Income and Higher DPU**

**2**

**Largest Hotel Owner in Singapore**

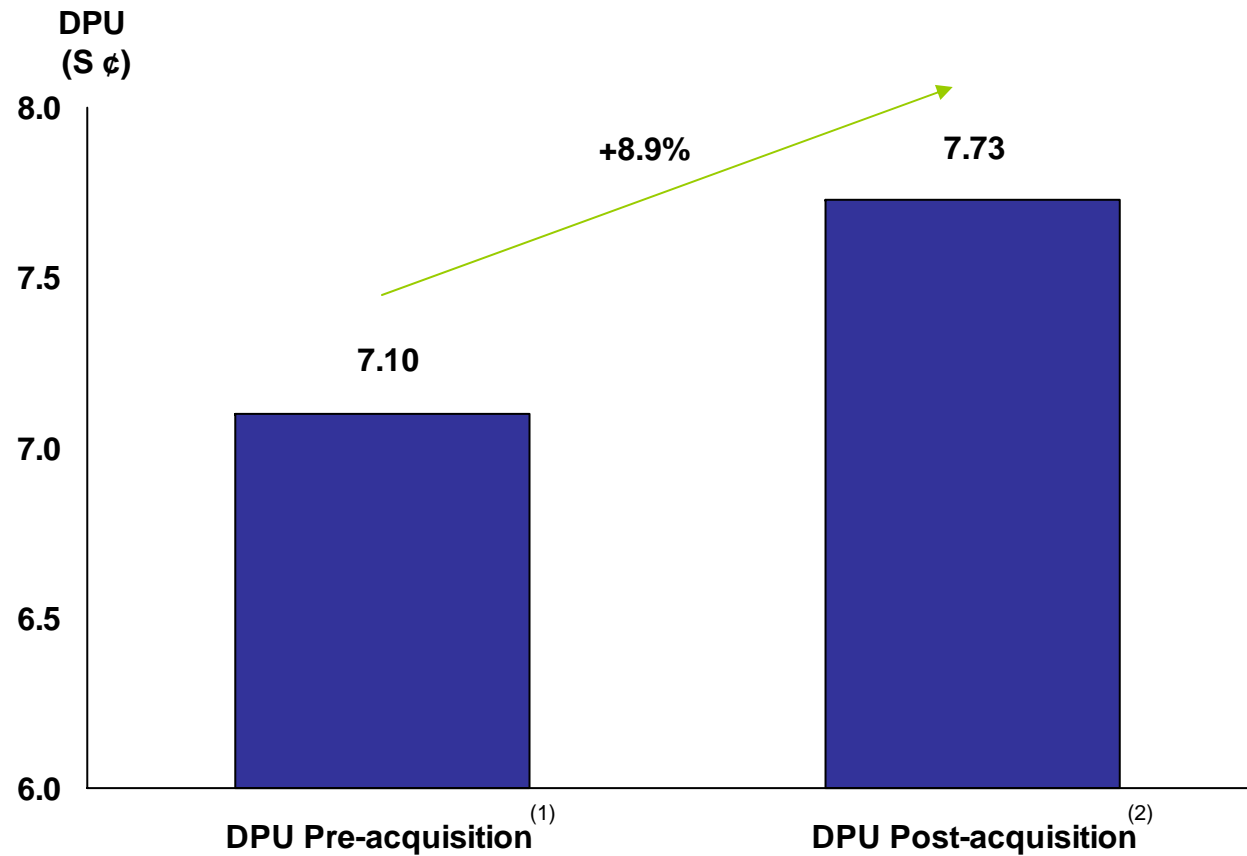
**3**

**Increase in Value of Investment Properties**

# Yield Accretive Acquisition



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Note:

(1) Based on Q1 2007 results announced on 2<sup>nd</sup> May 2007 and annualised for 2007

(2) Based on management's proforma projection and assumption that acquisition will be 100% funded by debt

# Impact On CDL-HT



CDL HOSPITALITY TRUSTS

**1**

Higher Distributable Income and Higher DPU

**2**

**Largest Hotel Owner in Singapore**

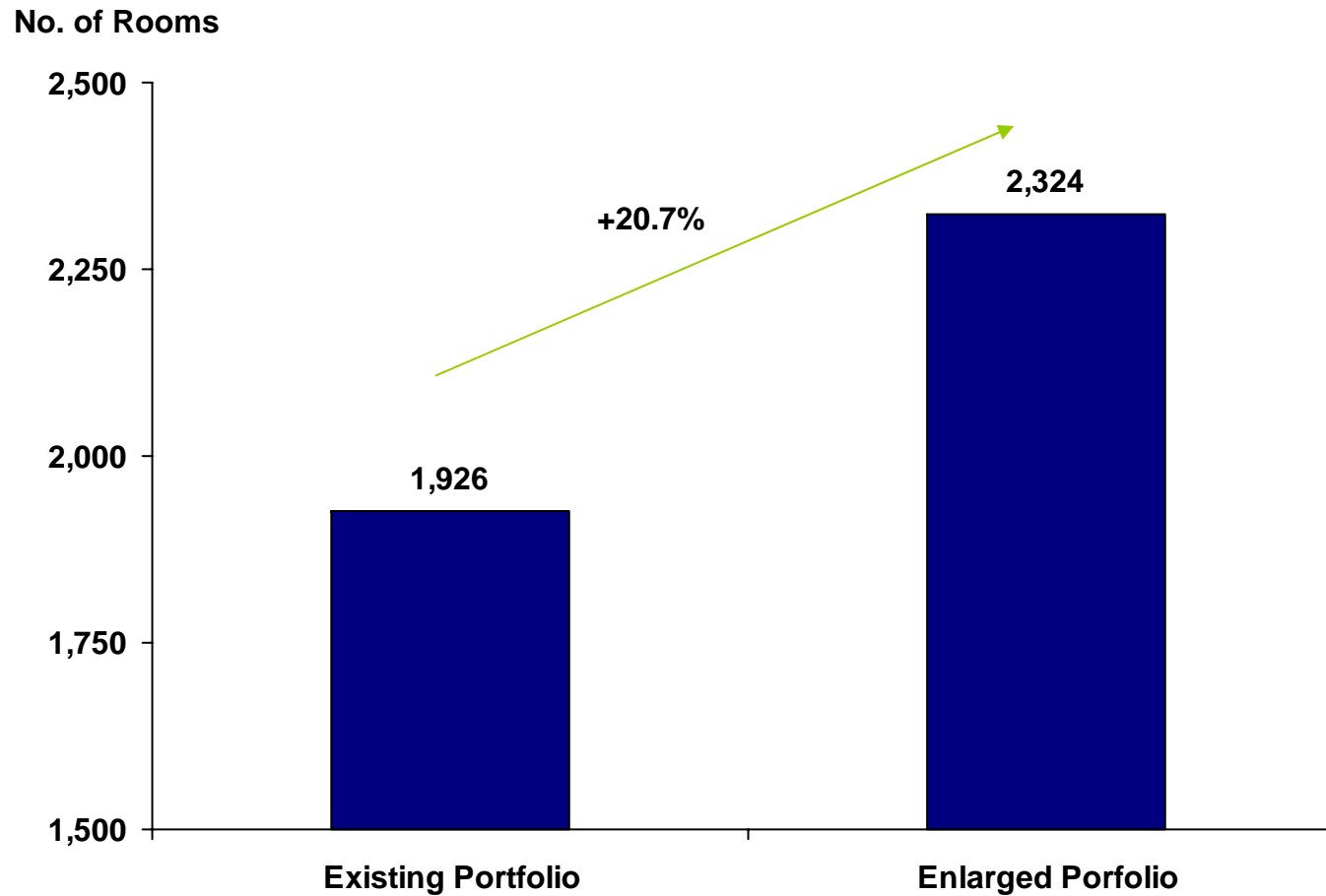
**3**

Increase in Value of Investment Properties

# CDL-HT is the Largest Hotel Owner in Singapore



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# Impact On CDL-HT



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1

Higher Distributable Income and Higher DPU

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Largest Hotel Owner in Singapore

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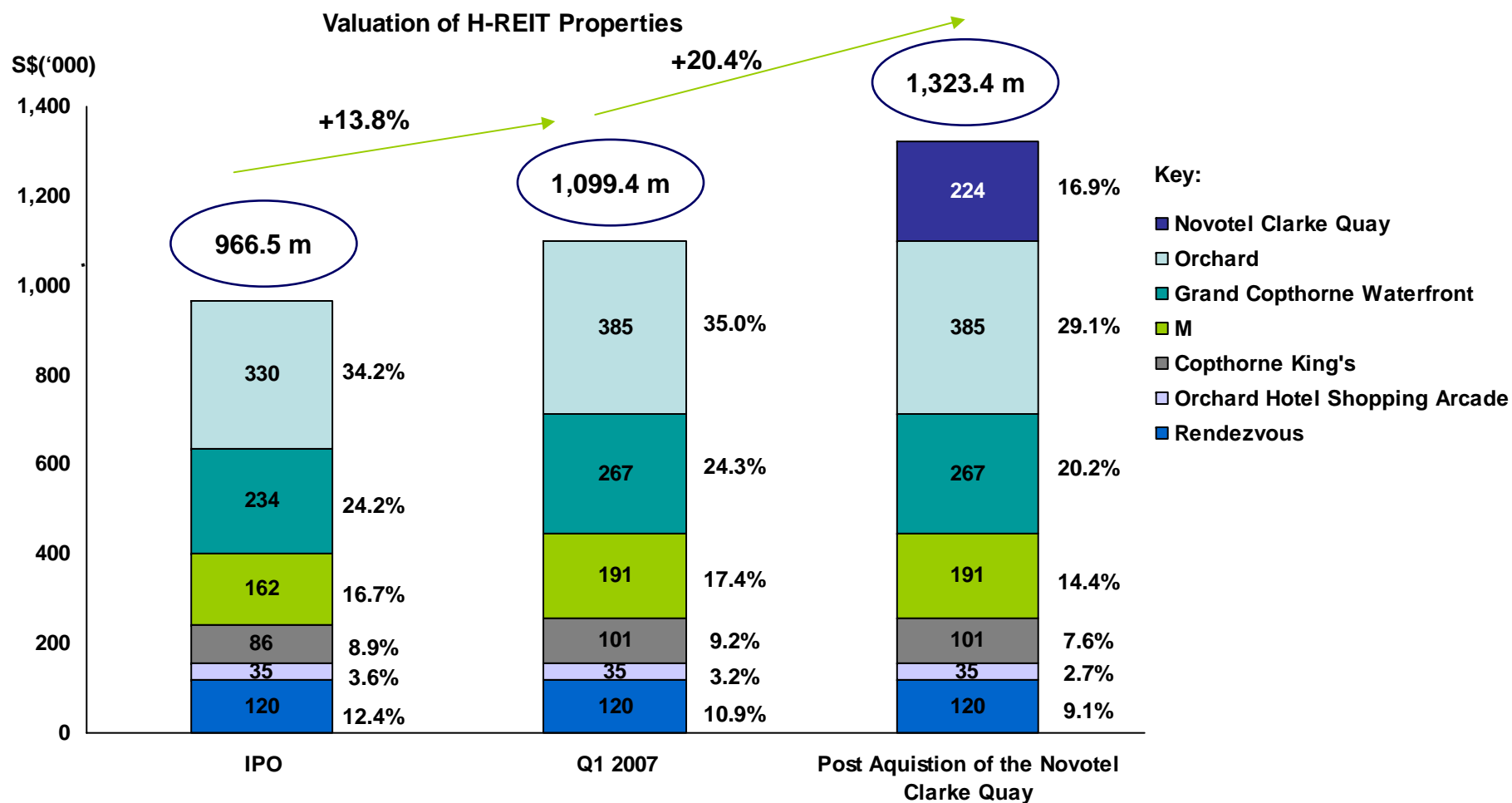
**Increase in Value of Investment Properties**



# Increase in CDL-HT Total Asset Value



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Source: CBRE valuation reports. Rendezvous Hotel converted to S\$ at the rate of S\$1.062 to NZ\$1

Note: % represent % of total valuation of properties



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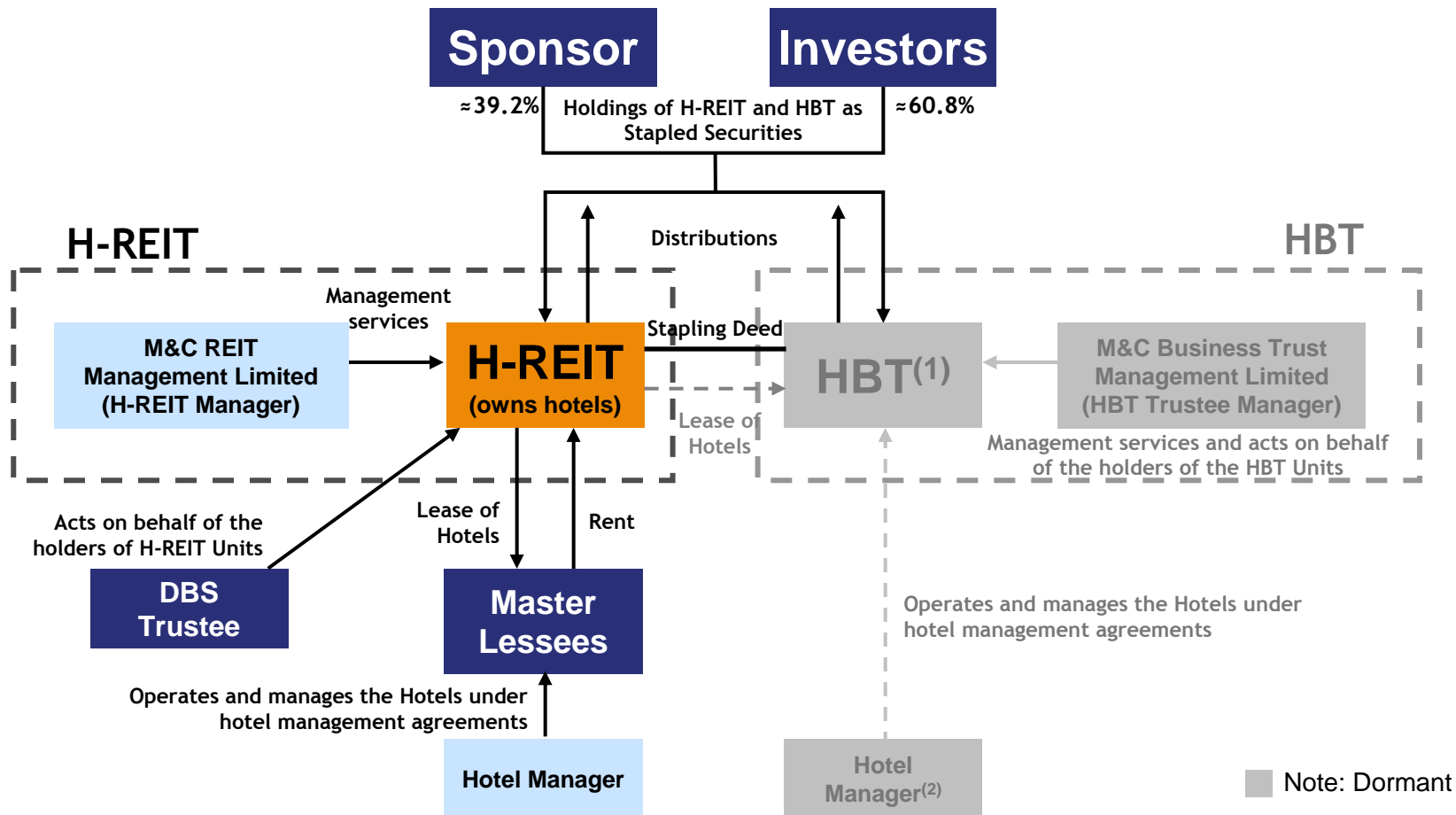
# ***Annex***

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# CDL Hospitality Trusts Structure



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(1) Dormant as at 28 February 2007

(2) To be appointed by HBT when HBT steps in as master lessee in the event no other master lessee can be found

For simplicity, the diagram does not include Orchard Hotel Shopping Arcade. Orchard Hotel Shopping Arcade tenants will pay rent to H-REIT directly and H-REIT Manager will manage Orchard Hotel Shopping Arcade directly

# Overview Of Current Portfolio: Singapore



	Orchard Hotel	Grand Copthorne Waterfront Hotel	M Hotel	Copthorne King's Hotel	Orchard Hotel Shopping Arcade	Total
<b>Number of Rooms</b>	653	550	413	310	N/A	1,926
<b>Car Park Lots</b>	454	287	237	77	N/A	1,055
<b># of F&amp;B Outlets</b>	5	4	4	4	N/A	17
<b>Meeting space</b>	13 rooms (20,000 sq ft)	34 rooms (65,000 sq ft)	9 rooms (11,380 sq ft)	5 rooms (4,007 sq ft)	N/A	74,587 sq ft
<b>Valuation</b>	S\$384.9 m	S\$267.2 m	S\$191.0 m	S\$101.0 m	S\$35.1 m	S\$979.2 m
<b>Valuation per room</b>	S\$589,433	S\$485,818	S\$462,470	S\$325,806	S\$7,184 psm (S\$667 psf)	S\$490,187 <sup>(1)</sup>
<b>Title</b>	75-year leasehold interest commencing on the Listing Date with the exception of Copthorne King's Hotel which will be an approximately 61-year leasehold interest expiring on 31 January 2067					

(1) Excluding Orchard Hotel Shopping Arcade

(2) CBRE valuation as at 31 December 2006

# Overview Of Current Portfolio: Singapore And New Zealand



	Singapore Assets	New Zealand Asset	Total
<b>Number of Rooms</b>	<b>1,926</b>	<b>455</b>	<b>2,381</b>
<b>Valuation</b>	<b>S\$944.1 m<sup>(1)</sup></b>	<b>NZ\$113 m (S\$120.0 m)<sup>(2)</sup></b>	<b>S\$1,064.1 m<sup>(1)</sup></b>
<b>Valuation per room</b>	<b>S\$490,187<sup>(1)</sup></b>	<b>NZ\$248,352 (S\$263,749)<sup>(2)</sup></b>	<b>S\$446,916<sup>(2)</sup></b>
<b>Title</b>	<b>Leasehold</b>	<b>Freehold</b>	<b>N/A</b>

(1) Excluding Orchard Hotel Shopping Arcade

(2) At exchange rate of NS\$1 to S\$1.062



# Hotels Strategically Located



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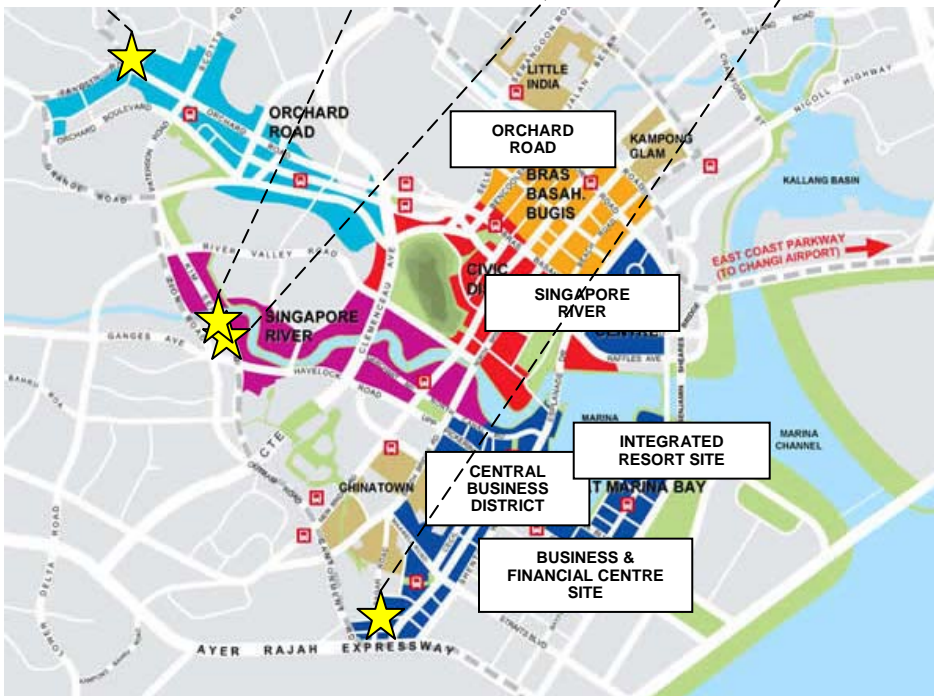
## Singapore Hotels

Orchard Hotel & Shopping Arcade

Grand Copthorne Waterfront Hotel

Copthorne King's Hotel

M Hotel



## New Zealand Hotel

Rendezvous Hotel Auckland



# Orchard Hotel, Singapore



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## Significant Highlights

- ◆ 653 rooms
- ◆ Located in Orchard Road
- ◆ Newly renovated rooms
- ◆ Significant meeting facilities - large column-less ballroom for large events
- ◆ Appeals to both corporate and leisure segment

## Accolades

- ◆ Best Accommodation Experience 2005
- ◆ Executive Chef of the Year 2006
- ◆ Asian Ethnic Chef of the Year 2005 & 2006
- ◆ Asian Ethnic Restaurant of the Year 2005





# Grand Copthorne Waterfront, Singapore



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## Significant Highlights

- ◆ 550 rooms – 11 new rooms added on 1 January 2007 to room inventory from conversion of certain areas into hotel rooms
- ◆ Located between CBD and Orchard Road
- ◆ Close to proposed BFC and IR
- ◆ One of the largest conference facilities in Singapore
- ◆ Well positioned for the MICE market

## Accolades

- ◆ Best Meetings & Conventions Hotel 2006
- ◆ Winner of Chef RAS 2006 competition



# M Hotel, Singapore



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## Significant Highlights

- ◆ 413 rooms
- ◆ Located in the heart of the financial district
- ◆ Close to proposed BFC and IR
- ◆ Completed refurbishment in 2003
- ◆ Strong following of business travellers





# Copthorne King's Hotel, Singapore



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## Significant Highlights

- ◆ 310 rooms
- ◆ Located between CBD and Orchard Road
- ◆ Completed refurbishment in 2004
- ◆ Strong corporate segment focus



# Orchard Hotel Shopping Arcade, Singapore



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<b>Net Lettable Area</b>	<b>4,886.2 sq m</b>
<b>Occupancy<sup>(1)</sup></b>	<b>92%</b>
<b>Average rental psf<sup>(1)</sup></b>	<b>S\$6.10</b>
<b>Valuation</b>	<b>S\$35.1 m</b>
<b>Valuation psm (psf)</b>	<b>S\$7,184 psm (S\$667 psf)</b>
<b>Lease Term</b>	<b>75 years from Listing Date</b>



(1) Occupancies and average rental psf on a committed basis



# Rendezvous Hotel Auckland, New Zealand



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## Significant Highlights

- ◆ 455 rooms – largest hotel in Auckland by rooms
- ◆ Freehold
- ◆ Located in the central business district and next to a major conference centre





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Thank You