



HOSPITALITY CONSULTING

Bintan

Hotel Market Update

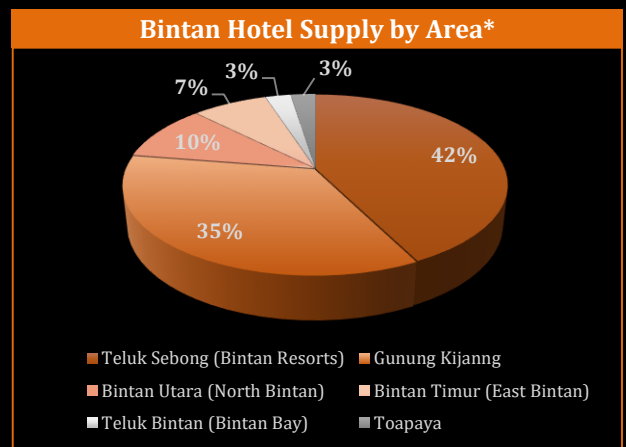
January 2020

Limited accessibility remains glass ceiling for island's tourism demand growth

Hoteliers pin ambition on new upcoming international airport

"Bintan is located in the northwest of Indonesia within close proximity to Singapore. Currently, there are six seaports and one airport (Raja Haji Fisabilillah airport) on the island. Ferries are the primary transportation mode as the airport only serves domestic flights. Bandar Bentan Telani Ferry Terminal draws the highest number of arrivals, which totaled 1.06 million in 2018 (latest available data).

Over 42% of the hotel supply on the island is located inside the integrated tourism development of Bintan Resorts. It has the highest concentration of internationally branded resorts ranging from midscale to luxury tier. Singapore is the largest source market for Bintan, accounting for 36% of the total international visitors in 2018. Due to the heavy reliance on a single market, room night demand peaks during weekends and Singapore public holidays. However, occupancy drops significantly on weekdays and effectively caps trading numbers.



Source: BPS Statistics of Bintan Regency and C9 Hotelworks Market Research
*Latest available data as of 2018

There is a much delayed new airport located inside Bintan Resorts, that when finally operational, will alter the island's tourism ambition. Targeting international flights, the project features a 3,000-meter long runway with capacity of one million passengers annually. The airport could be a positive disruptor, the increased connectivity will draw demand from a wider market."

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Mainland China is the second-largest source market, which accounts for 24% of the total number of international visitors. Tour groups are the dominant demand segment for Chinese.
- Unlike many other island destinations, room rate variances between weekdays and weekends range between 20% to 30% on average.
- Free independent travelers (FIT's) are the largest market segment on the island with over 50% share, followed by wholesale and MICE segments.

Forward Outlook

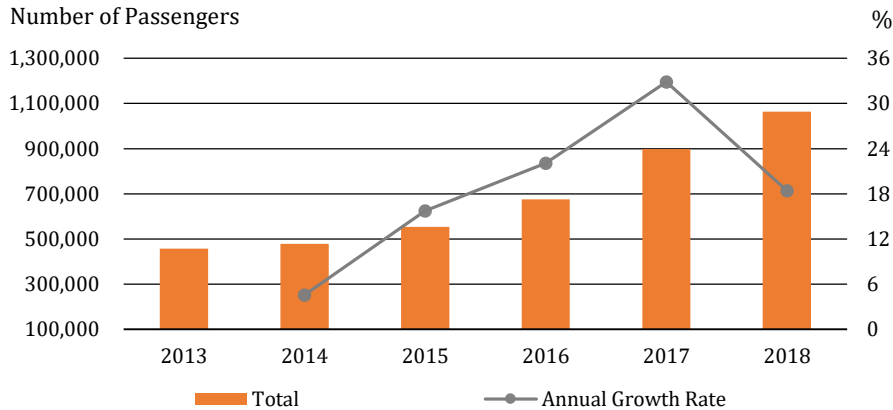
- By 2022, there are 1,003 keys are forecasted to come on stream; while 75% of the incoming hotel pipeline is concentrated on the upscale tier with all having international hotel brands.
- The new Bintan Resorts International Airport is being developed by Gallant Venture with a total investment budget of USD150 million.
- Aiming to improve the accessibility, a new 7-km bridge connecting Bintan and Batam islands is underway and targeting 2023 completion.

TOURISM

Demand Indicators

As of 2018 (latest available data), Bintan Resorts recorded a total of 1,063,458 passenger arrivals via Bandar Bentan Telani Ferry Terminal, representing an 18.4% year-on-year increase over the previous year.

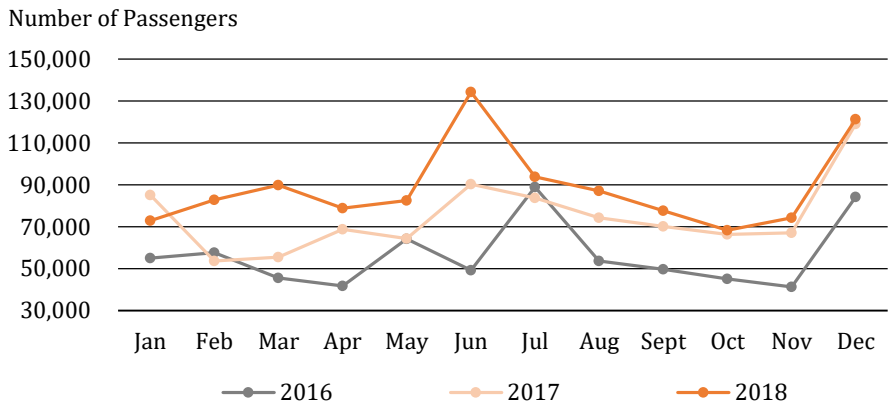
Bintan Resorts Ferry Passenger Arrivals



Source: Bintan Resorts and C9 Hotelworks Market Research

Compound annual growth rate between 2014 and 2018 reflected an uplift of 18%

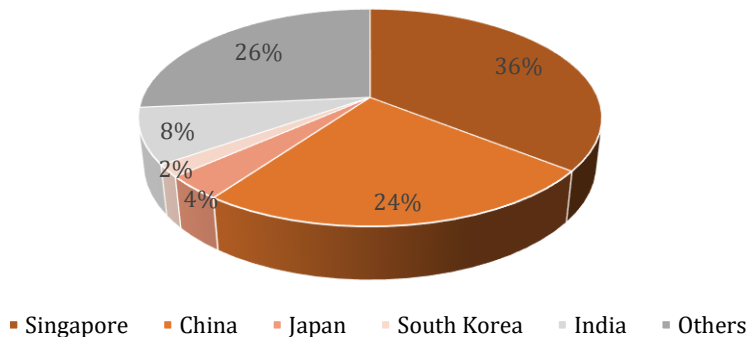
Seasonality



Source: Bintan Resorts and C9 Hotelworks Market Research

Seasonal trading is predictable in Bintan, as peak months are driven by public holidays and sports events

Top 5 Key International Geographic Source Markets



Source: BPS Statistics of Bintan Regency and C9 Hotelworks Market Research

Regional Asian markets dominate tourism demand given the island's limited accessibility

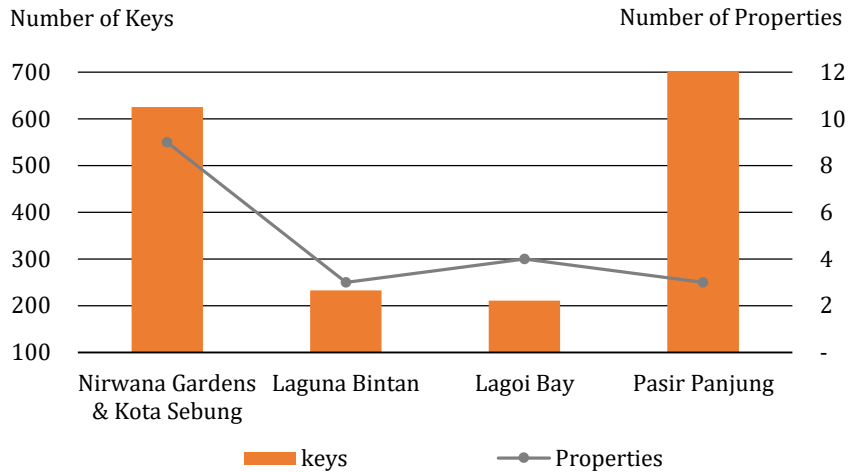
HOTEL MARKET

Hotel Supply

Bintan Resorts area has the highest concentration of international hotel supply on the island with 21% of the existing properties having a brand affiliation. Within Bintan Resorts, 47% of the hotel inventory is in the area of Nirwana Gardens & Kota Sebung. Pasir Panjang area has the highest hotel key counts with large-scale developments which total 706 keys.

Accommodation Establishments at Bintan Resorts

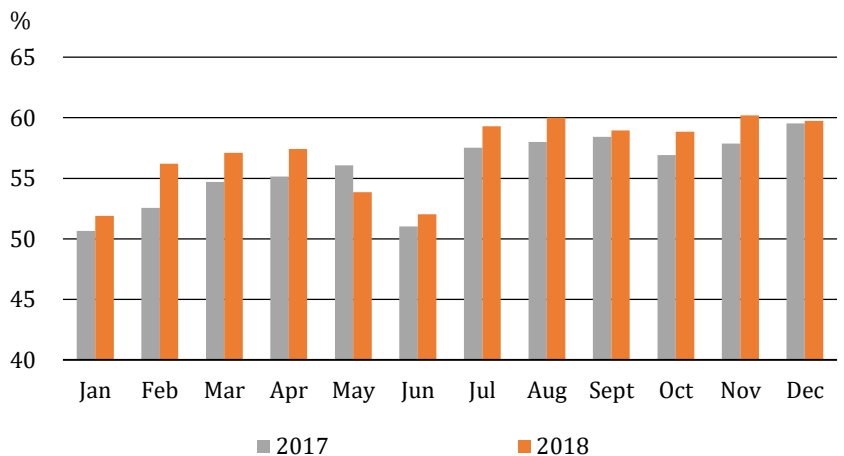
Currently, there are 19 operating hotels inside Bintan Resorts with a total of 1,775 keys



Source: C9 Hotelworks Market Research

As of 2018, market-wide occupancy averaged 57% with a slight increase from the previous year, reflecting challenging hotel room night demand

Market-wide Hotel Occupancy



Source: BPS Statistics of Bintan Regency & C9 Hotelworks Market Research

Hotel Pipeline

Hotel Name	Location	Keys	Opening Date
Holiday Inn Resort Bintan	Lagoi Bay	250	2021
Hotel Indigo Bintan	Lagoi Bay	120	2021
Four Points by Sheraton Bintan	Lagoi Bay	308	2022
Melia Bintan	Sebung Pereh	325	2022

Source: C9 Hotelworks Market Research

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



HOSPITALITY CONSULTING

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