

**General Announcement::Announcement by CDL Hospitality Trusts, an associate of Millennium & Copthorne Hotels plc****Issuer & Securities**

<b>Issuer/ Manager</b>	CITY DEVELOPMENTS LIMITED
<b>Securities</b>	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
<b>Stapled Security</b>	No

**Announcement Details**

<b>Announcement Title</b>	General Announcement
<b>Date &amp; Time of Broadcast</b>	27-Jun-2017 18:58:04
<b>Status</b>	New
<b>Announcement Sub Title</b>	Announcement by CDL Hospitality Trusts, an associate of Millennium & Copthorne Hotels plc
<b>Announcement Reference</b>	SG170627OTHR8TTT
<b>Submitted By (Co./ Ind. Name)</b>	Enid Ling Peek Fong
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below)</b>	<p>CDL Hospitality Trusts, an associate of Millennium &amp; Copthorne Hotels plc, has issued the following announcements to Singapore Exchange Securities Limited on 27 June 2017:-</p> <p>1) Acquisition and Lease of Pullman Hotel Munich in Germany;</p> <p>2) Renounceable Underwritten Rights Issue: Launch Announcement and Books Closure Date; and</p> <p>3) Press Release and Presentation Slides on the Acquisition of Pullman Hotel Munich and Launch of Renounceable Underwritten Rights Issue.</p> <p>For details, please refer to the announcements posted by CDL Hospitality Trusts on the SGX website, <a href="http://www.sgx.com">www.sgx.com</a>.</p>

<b>Asset Acquisitions and Disposals::Acquisition and Lease of Pullman Hotel Munich in Germany</b>	
---	--

<b>Issuer &amp; Securities</b>	
--------------------------------	--

<b>Issuer/ Manager</b>	M&C REIT MANAGEMENT LIMITED
<b>Securities</b>	CDL HOSPITALITY TRUSTS - SG1T66931158 - J85
<b>Stapled Security</b>	Yes

<b>Other Issuer(s) for Stapled Security</b>	
---	--

<b>Name</b>	DBS TRUSTEE LIMITED
-------------	---------------------

<b>Announcement Details</b>	
-----------------------------	--

<b>Announcement Title</b>	Asset Acquisitions and Disposals
<b>Date &amp; Time of Broadcast</b>	27-Jun-2017 17:56:14
<b>Status</b>	New
<b>Announcement Sub Title</b>	Acquisition and Lease of Pullman Hotel Munich in Germany
<b>Announcement Reference</b>	SG170627OTHRE2PE
<b>Submitted By (Co./ Ind. Name)</b>	Enid Ling Peek Fong
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below)</b>	Please see the attached document on the Acquisition and Lease of Pullman Hotel Munich in Germany by CDL Hospitality Real Estate Investment Trust.

<b>Attachments</b>	<a href="#">📎 Announcement Acquisition and Lease of Pullman Hotel Munich.pdf</a> Total size =98K
--------------------	---



CDL HOSPITALITY TRUSTS

A stapled group comprising:

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

**CDL HOSPITALITY BUSINESS TRUST**

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

**ANNOUNCEMENT**

**ACQUISITION AND LEASE OF PULLMAN HOTEL MUNICH IN GERMANY**

**1. INTRODUCTION**

**1.1 Information on the Acquisition**

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”, and the manager of H-REIT, the “**H-REIT Manager**”) and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”, and the trustee-manager of HBT, the “**HBT Trustee-Manager**”, and together with the H-REIT Manager, the “**Managers**”), are pleased to announce that DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”), has today through its wholly-owned subsidiary, CDLHT Munich One Pte. Ltd. (the “**Purchaser**”), entered into a share purchase agreement (the “**Share Purchase Agreement**”) for the acquisition of an effective interest of 94.5% in Pullman Hotel Munich (the “**Hotel**”) and its office and retail components (the “**Commercial Components**”) and the fixture, furniture and equipment used by the Hotel (“**FF&E**”, and together with the Hotel and the Commercial Components, the “**Property**”).

The Hotel is presently co-owned by NKS Hospitality I B.V. (“**NKS**”) and Provent Immobilien Beteiligungs GmbH (“**Provent**”) under a cooperation agreement, where NKS owns 99.51% of the Hotel and 100.0% of the Commercial Components.

The Purchaser shall acquire an interest in the Property<sup>1</sup> through the following:

- (i) acquisition of 94.9% of the issued share capital of NKS from Event Hospitality Group B.V. (the “**Vendor**”); and
- (ii) acquisition from the Vendor of 94.9% of the issued share capital of Munich Furniture B.V. (“**FurnitureCo**”), which is the legal owner of the FF&E.

---

<sup>1</sup> The Purchaser’s effective interest of 94.5% in the Property is computed based on (a) its 94.4% interest in the Hotel (derived based on the Purchaser’s 94.9% interest in NKS, which in turn owns 99.5% of the Hotel (its 94.4% interest represents 85.9% of the Property value)), (b) its 94.9% interest in the Commercial Components (which represent 9.5% of the Property value) and (c) a 94.9% interest in the FF&E (which represents 4.6% of the Property value). The Vendor and Provent hold an interest of 5.1% and 0.4% respectively in the Property.

(together, the “**Acquisition**”).

Upon completion of the Acquisition (“**Completion**”) which is expected to be on or around 18 July 2017, the Vendor will continue to own 5.1% of the issued share capital of each of NKS and FurnitureCo (collectively, the “**Target Companies**”). In addition, NKS and Provent will grant a lease to UP Hotel Operations GmbH & Co. KG (which is an indirect wholly owned subsidiary of the Vendor) in relation to the management and operation of the Hotel (see 3.4.2 for more details).

## 1.2 Information on the Property

The Property is a mixed-use complex on two freehold land plots located in Munich, Germany, consisting predominantly of a purpose-built hotel with a 4-star rating, as well as secondary spaces currently let out to four retail and seven office tenants. It is strategically located adjacent to the commercial district of “Parkstadt Schwabing”, which is home to a variety of national and international companies, including Amazon, GE Healthcare and the German headquarters of Fujitsu, Microsoft, IBM and Munich Re.

The Property boasts convenient accessibility, with motorways connecting Munich to Berlin and Frankfurt within a two-minute drive away, and the Munich railway station and Munich International Airport being accessible within a 13-minute and 21-minute car drive, respectively. Travellers also have direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals<sup>2</sup>, offering ease of travel to the airport within 25 minutes. The Property is also in proximity to many of Munich’s popular tourist destinations including the English Garden, the BMW headquarters and Allianz Arena.

The Hotel opened in 1986 as Renaissance Hotel, and underwent a full renovation and rebranding in 2012, following which it continued its operations under the “Pullman” brand. Between 2012 and 2016, a total of €17.6 million was invested towards renovation and refurbishment of the Property, including a full renovation of its 337 guest rooms, food and beverage (“**F&B**”) outlets, spa and lobby areas. Additional facilities owned by the Hotel include F&B outlets such as a restaurant, bar and a beer garden terrace, a 400 sq m fitness and spa area, two conference rooms with more than 130 sq m of meeting space; as well as an underground parking garage with 150 spaces for the Hotel and 48 spaces for the Commercial Components.

Upon Completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels, a leading hotel group operating more than 4,100 hotels in 95 countries<sup>3</sup>. In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which will continue to hold 5.1% shareholding in the Target Companies. EVENT Hotels is the largest fully integrated hotel management platform in Germany and owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany.

---

2 Source: Lufthansa Express Bus Munich Website, accessed 17 April 2017 (<https://www.airportbus-muenchen.de/en/>).

3 Source: AccorHotels Website, accessed 17 April 2017 (<http://www.accorhotels.group/en/group/who-we-are/accorhotels-in-brief>).

### 1.3 Purchase Consideration

Pursuant to the terms of the Share Purchase Agreement, the purchase consideration for the Acquisition of €100.6 million (approximately S\$156.3 million<sup>4</sup> <sup>5</sup>), which is based on a property price of €104.7 million (approximately S\$162.7 million) for a 100% interest in the Property, comprises:

- (i) €98.9 million (approximately S\$153.8 million), being the payment of property price (the “**Property Consideration**”) based on H-REIT’s 94.5% interest in the Property; and
- (ii) payment of approximately €1.7 million (approximately S\$2.6 million) based on the estimated net working capital and cash of each of the Target Companies as at Completion.

The Property Consideration was arrived at on a willing-buyer and willing-seller basis following a tender exercise conducted by the Vendor, and took into account the independent valuation of the market value of the Property of €105.3 million (approximately S\$163.7 million) by CBRE GmbH (“**CBRE**”) in its valuation report dated 26 May 2017.

A refundable deposit of €5.8 million (approximately S\$9.0 million) (the “**Deposit**”), amounting to 10.0% of the agreed preliminary equity value of the Target Companies was paid by the Purchaser upon execution of the Share Purchase Agreement into the escrow account of Loyens & Loeff N.V. (being the Dutch notary designated by the Vendor) (the “**Dutch Notary**”). The Deposit will be paid out from the Dutch Notary’s escrow account to the Vendor in accordance with a notary letter to be entered into between the Dutch Notary, the Vendor and Purchaser in relation to the flow of funds under the Share Purchase Agreement. The remainder of the purchase consideration is to be fully satisfied by payment by way of transfer of funds to be credited on Completion to the Dutch Notary escrow account, subject to Post-Completion Adjustments.

## 2. RATIONALE FOR THE ACQUISITION

The Managers believe that the Acquisition will bring the following key benefits to holders of Stapled Securities (“**Stapled Securities**”, and the holders of Stapled Securities, “**Stapled Security Holders**”):

### 2.1 Accretive Acquisition

The Managers are of the view that the Acquisition is accretive to Stapled Security Holders based on the pro forma financial effects of the Acquisition on the distribution per Stapled Security (“**DPS**”) of CDLHT.

Based on the Property Consideration of €98.9 million (approximately S\$153.8 million) and assuming that CDLHT owned the 94.5% effective interest in the Property from 1 January 2016, the pro forma annualised net property income yield of the Property for the financial year

---

4 Unless otherwise stated in this announcement, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.

5 The purchase consideration will be subject to post-completion adjustments based on actual net working capital and cash of the Target Companies at (“**Post-Completion Adjustments**”).

ended 31 December 2016 (“FY2016”) would be 5.6%<sup>6</sup>. On a pro forma FY2016 basis, this translates to a DPS accretion of 3.8%<sup>7</sup>.

## 2.2 Maiden Entry into Continental Europe through Presence in Munich, Germany

With Germany being the largest economy in Europe<sup>8</sup>, the Bavarian capital of Munich is a compelling destination for CDLHT’s first acquisition in continental Europe. Germany’s gross domestic product (“GDP”) grew by 1.9% in 2016<sup>9</sup>, recording its strongest growth in five years, which was largely driven by falling unemployment rates and strong growth in private consumption amidst a low interest rate environment while Germany’s central bank and leading economic institutes have raised their GDP growth estimates for 2017 and 2018, pointing to a broad-based upswing driven by vibrant domestic demand<sup>10</sup>. German business confidence in May was also reported to have hit its highest level since 1991, underpinned by positive data from manufacturing and construction<sup>11</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May<sup>12</sup>. The continued economic resilience amongst its European counterparts has made it a highly sought-after destination for real estate investments<sup>13</sup>.

### 2.2.1 Opportunity to Penetrate a Highly Sought-After Market

The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city<sup>14</sup>. With relatively higher land costs, Munich has considerably higher barriers to entry than other German cities and this acquisition presents a rare opportunity to penetrate a highly sought-after market.

### 2.2.2 Vibrant Hospitality Market with Diversified Demand Drivers

As an important business hub and trade fair destination within Germany, as well as a popular tourism destination renowned for its sporting and cultural appeal, Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016<sup>15</sup>. The city is one of Germany’s top performing hospitality markets<sup>16</sup> where it posted the highest Average Daily Rate and Revenue Per Available Room (“RevPAR”) in 2016 amongst the major German cities<sup>17</sup>.

Munich is home to high-tech industries, traditional production, information and communication

---

6 Pursuant to H-REIT’s interest in the Property, based on the pro forma annualised net property income of the Property for FY2016 of €5.6 million (approximately S\$8.7 million). Taking into consideration the Total Acquisition Cost of €103.2 million (approximately S\$160.4 million), the pro forma annualised net property income yield will be 5.4%.

7 Based on the change of the pro forma DPS for FY2016 of the enlarged portfolio over the DPS for FY2016 of CDLHT.

8 Source: CIA World Factbook, accessed 17 April 2017 (<https://www.cia.gov/library/publications/resources/the-world-factbook/rankorder/2001rank.html>).

9 Source: Reuters, “German economy surges at fastest rate in five years”, 12 January 2017.

10 Source: Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017.

11 Source: Business Times. “German business confidence hits highest level since 1991”, 23 May 2017.

12 Source: PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017.

13 Source: Jones Lang LaSalle, Hotel Intelligence Munich, September 2016.

14 Source: CBRE Valuation Report dated 26 May 2017.

15 Source: Muenchen.de Website, accessed 17 April 2017.

([https://www.muenchen.de/rathaus/home\\_en/Tourist-Office/Salesguide/Facts-and-Figures.html](https://www.muenchen.de/rathaus/home_en/Tourist-Office/Salesguide/Facts-and-Figures.html)).

16 Source: Jones Lang LaSalle, Hotel Intelligence Munich, March 2017.

17 Source: STR Global data.

technology, automotive engineering, medical engineering and finance, all of which are strong market drivers. The city is also host to the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW. Alongside the balanced mix of industries, Munich also has the strongest economy and purchasing power among major German cities and is the third largest office location in Europe, with 22.5 million sq m of existing office space<sup>18</sup>. The modern Messe München with 16 halls spread across 180,000 sq m of exhibition space also makes the city ideal for attracting MICE demand<sup>19</sup>. There are more than 70 trade shows set to take place in Munich from 2017-2018<sup>20</sup>.

Munich is also home to FC Bayern Munich, the dominant football team in Germany, with its homeground stadium being Allianz Arena. With the success of FC Bayern Munich due its numerous accolades including winning the Bundesliga 27 times and Champions League five times<sup>21</sup>, as well as its huge fan base worldwide, football match days represent a significant business driver for the Hotel. In addition, Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich.

Munich is also a vibrant tourist destination with important cultural attractions such as theatres, opera houses and museums as well as festivals. Major sights include the Church of Our Lady, the city hall located within the historic city centre, Nymphenburg Castle, Allianz Arena and Olympiapark. The internationally renowned Oktoberfest, which is the world's largest beer festival and funfair held in September, attracts close to six million visitors annually<sup>22</sup>. Munich's excellent location in the heart of Europe also allows the city to be an ideal starting point for visitors to engage in numerous leisure activities in the surrounding area, such as day trips to Neuschwanstein Castle, Salzburg and the Alps.

As such, the Managers believe that Munich has an attractive hospitality market given the strong mix of corporate, leisure and MICE guests, which generates stable demand throughout the year, although there is some year-to-year variability due to the local trade fair cycle as leading trade fairs take place on a triennial and biennial frequency respectively.

### **2.3 High Quality Asset with Excellent Location**

The Hotel underwent complete renovation in 2012 and recently completed refurbishment of its kitchen in end-2016. The Hotel boasts a total of 337 guest rooms, including 24 suites. A comprehensive suite of facilities including conference rooms, F&B outlets, spa and underground parking spaces are available.

The Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft. In addition, it is adjacent to the headquarters of Munich RE, Zurich Financial Services and Stadtsparkasse Munich, and is within a 10-minute drive to the BMW headquarters.

---

18 Source: CBRE Valuation Report dated 26 May 2017.

19 Source: CBRE Valuation Report dated 26 May 2017.

20 Source: Events Eye Website, accessed 20 June 2017 ([http://www.eventseye.com/fairs/cy1\\_trade-shows-munich.html](http://www.eventseye.com/fairs/cy1_trade-shows-munich.html)).

21 Source: FC Bayern Munich Website, accessed 20 June 2017 (<https://fcbayern.com/us/club/honours/all-honours>).

22 Source: Oktoberfest.de Website, accessed 17 April 2017 (<http://www.oktoberfest.de/en/article/Oktoberfest+2017/About+the+Oktoberfest/The+Oktoberfest+2016+roundup/4895>).

The location of the Property allows it to boast terrific accessibility to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests to the main historic city centre and the trendy retail district of Schwabing within minutes. Allianz Arena – FC Bayern Munich’s football stadium – is only five stops away from the Property via the U-bahn. New developments in proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office, residential areas and a hotel. The Managers believe that with its strategic location, the Property will continue to benefit from a well-diversified mix of demand.

## **2.4 Capitalising on Low Funding Environment and Expected Economic Recovery in Europe**

The Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates. In addition to the low funding environment, a European economic recovery is expected given the recent strong economic indicators with the Eurozone recording its lowest unemployment rate in eight years and with factories reporting their highest levels of activity since 2011<sup>23</sup>.

## **2.5 Broadening Earnings Base and Strengthening Portfolio through Diversification**

The Property will provide Stapled Security Holders the benefit of geographical diversification. With the Property, CDLHT would be able to draw on the resilience and potential growth of the German hospitality sector.

The Acquisition is also expected to benefit Stapled Security Holders by broadening CDLHT’s earnings base. Assuming CDLHT owned the Property from 1 January 2016, it would contribute approximately 5.9%<sup>24</sup> of CDLHT’s total net property income on a pro forma basis for FY2016. The Acquisition will also have the benefit of improving the geographical diversification of CDLHT’s portfolio.

## **3. CERTAIN PRINCIPAL TERMS OF THE ACQUISITION**

### **3.1 Estimated Total Acquisition Cost**

The current estimated total cost of the Acquisition (“**Total Acquisition Cost**”) is approximately €103.2 million (approximately S\$160.4 million), comprising:

- (i) the Property Consideration of €98.9 million (approximately S\$153.8 million);
- (ii) estimated net working capital and cash of the Target Companies as at the time of Completion of approximately €1.7 million (approximately S\$2.6 million);
- (iii) the H-REIT Manager’s acquisition fee in respect of the Acquisition (the “**Acquisition**”

---

<sup>23</sup> Source: Financial Times, “Eurozone unemployment falls to its lowest rate in 8 years”, 3 April 2017.

<sup>24</sup> Pursuant to H-REIT’s interest in the Property, based on the pro forma net property income of CDLHT’s enlarged portfolio for the year ended 31 December 2016.



**Fee**) under the H-REIT Trust Deed<sup>25</sup> which amounts to €1.0 million (approximately S\$1.6 million); and

- (iv) the estimated professional fees and other expenses incurred by H-REIT in connection with the Acquisition, which amount to approximately €1.6 million (approximately S\$2.5 million).

The H-REIT Manager's acquisition fee will be paid wholly in cash.

### **3.2 Valuation**

The Managers and DBS Trustee Limited, in its capacity as the trustee of H-REIT have commissioned an independent property valuer, CBRE, to value the Property. CBRE, in its valuation report dated 26 May 2017, stated that the market value of the Property is €105.3 million (approximately S\$163.7 million). CBRE used the discounted cash flow methodology in arriving at its valuation of the Property.

### **3.3 Share Purchase Agreement**

Completion under the Share Purchase Agreement is subject to and conditional upon the satisfaction of certain conditions, including the discharge of any encumbrances in respect of the shares of the Target and of the Property as well as approval from relevant European antitrust authorities.

### **3.4 Management Lease Agreement and Shareholders Agreement**

In connection with the Acquisition, the following agreements will be entered into on Completion:

#### **3.4.1 Shareholders Agreement**

The Purchaser and the Vendor (the "**Shareholders**") have entered into a shareholders agreement (the "**Shareholders Agreement**"), which sets out the Shareholders' respective rights and obligations as shareholders of the Target Companies.

#### **3.4.2 Management Lease Agreement**

NKS, Provent (together with NKS, the "**Lessor**") and UP Hotel Operations GmbH & Co. KG (the "**Lessee**"), an indirect wholly owned subsidiary of the Vendor, will enter into a management lease agreement in relation to the management and operation of the Property by the Lessee (the "**Management Lease Agreement**").

The term of the Management Lease Agreement is for 20 years commencing from Completion date. The Lessor will receive rent of around 90% of the Net Operating Profit<sup>26</sup> of the hotel, subject to a guaranteed fixed rent of €3.6 million (approximately

---

25 The trust deed constituting H-REIT dated 8 June 2006 as amended, varied and supplemented from time to time.

26 The Net Operating Profit shall mean the gross operating profit of the Hotel less property taxes, premium payable on the Lessor's insurance obligations, fees payable to a hotel manager and an annual contribution to a FF&E replacement reserve.

S\$5.6 million), which provides both downside protection and upside participation. The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million. The Lessor is responsible for the capital expenditures of the Hotel.

### 3.5 Incorporation and Constitution of Subsidiaries

H-REIT has incorporated the following subsidiaries:

Name of Company	Country of Incorporation / Establishment	Issued and Paid Up Share Capital	Purpose
CDLHT Munich One Pte. Ltd.	Singapore	€2	To hold the Target Companies
CDLHT Munich Two Pte. Ltd.	Singapore	€2	To provide a shareholder's loan to NKS

## 4. METHOD OF FINANCING AND PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

### 4.1 Method of Financing

The Total Acquisition Cost will initially be fully-funded through 100.0% offshore debt financing through H-REIT's loan facility. Depending on market conditions, H-REIT's loan could be refinanced by a term loan or other means, as may be determined by the Managers. Upon Completion, the aggregate leverage of CDLHT is expected to be approximately 40.6%.<sup>27</sup>

### 4.2 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPS and net asset value ("NAV") presented below are strictly for illustrative purposes only and were prepared based on CDLHT's audited consolidated financial statements for the financial year ended 31 December 2016, taking into account the Total Acquisition Cost and assuming the Acquisition is 100.0% financed through debt.

The pro forma financial effects are for illustrative purposes only and do not represent CDLHT's DPS and NAV per Stapled Security following Completion.

#### Pro forma DPS and Distribution Yield

The pro forma financial effects of the Acquisition on the DPS and distribution yield for CDLHT for FY2016, as if the Acquisition was completed on 1 January 2016, and CDLHT held and operated the Property through to 31 December 2016, are as follows:

<sup>27</sup> On a pro forma basis, assuming the Acquisition was completed on 31 March 2017. The pre-acquisition debt to total assets ratio was 36.8% as at 31 March 2017. For the avoidance of doubt, this excludes the acquisition of The Lowry Hotel, which was completed on 4 May 2017.

	<b>FY2016</b>	
	<b>Before the Acquisition</b>	<b>After the Acquisition</b>
Net Property Income (S\$'000)	137,560 <sup>(1)</sup>	146,695 <sup>(2)</sup>
Distributable Income (S\$'000) <sup>(3)</sup>	109,677	113,852
Stapled Securities entitled for distribution ('000)	992,696 <sup>(4)</sup>	992,936 <sup>(5)</sup>
DPS (cents) <sup>(6)</sup>	10.00	10.38
Distribution yield (%) <sup>(7)</sup>	5.97	6.20

**Notes:**

- (1) Based on the audited consolidated statements of CDLHT for FY 2016.
- (2) Includes (i) pro forma income contribution from the Property, and (ii) deduction of additional property expenses in connection with the Acquisition for the period from 1 January 2016 to 31 December 2016, based on 100% interest in the Target Companies. Based on 94.9% interest, the Net Property Income post-acquisition would be S\$146.2 million.
- (3) The distributable income of CDLHT (before deducting income retained for working capital) represents the aggregate of distributions by H-REIT and HBT.
- (4) Number of Stapled Securities entitled for distribution as at 31 December 2016.
- (5) Increase in the number of Stapled Securities entitled for distribution relates to the Stapled Securities issued/to be issued as partial satisfaction of the management fee.
- (6) Figures rounded to two decimal places.
- (7) Based on the Stapled Securities' closing market price of S\$1.675 as at 23 June 2017.

**Pro forma NAV per Stapled Security**

The pro forma financial effects of the Acquisition on the NAV per Stapled Security as at 31 December 2016, as if the Acquisition was completed on 31 December 2016, are as follows:

	<b>As at 31 December 2016</b>	
	<b>Before the Acquisition</b>	<b>After the Acquisition</b>
NAV attributable to Stapled Securityholders (S\$'000)	1,546,421 <sup>(1)</sup>	1,546,421
Stapled Securities in issue and to be issued ('000)	996,866 <sup>(2)</sup>	996,866 <sup>(3)</sup>
NAV per Stapled Security (cents) <sup>(4)</sup>	1.55	1.55

**Notes:**

- (1) Based on the audited consolidated financial statements of CDLHT for FY2016.
- (2) Number of Stapled Securities issued and issuable as at 31 December 2016.
- (3) Includes the issued and issuable Stapled Securities as at 31 December 2016 in Note (2) above, with no new Stapled Securities to be issued for the Acquisition.
- (4) Figures rounded to two decimal places.

## Pro forma Capitalisation

The following table sets forth the pro forma capitalisation of CDLHT as at 31 December 2016, as if the Acquisition was completed on 31 December 2016.

	As at 31 December 2016	
	Actual	As adjusted
	(Before the Acquisition) <sup>(1)</sup>	(After the Acquisition)
	(S\$ million)	(S\$ million)
<b>Short-term debt:</b>		
Secured	-	-
Unsecured	-	-
Total short-term debt	-	-
<b>Long-term debt:</b>		
Secured	38.3	108.6 <sup>(2)</sup>
Unsecured	894.4	988.0 <sup>(2)</sup>
Total long-term debt	932.6	1,096.6
Total Debt	932.6	1,096.6
Stapled Securityholders' funds	1,546.4	1,546.4
Non-controlling interests	-	4.9 <sup>(3)</sup>
<b>Total Capitalisation</b>	<b>2,479.0</b>	<b>2,647.9</b>

### Notes:

- (1) Based on the audited consolidated financial statements of CDLHT as at 31 December 2016.
- (2) The borrowings include funding for the Total Acquisition Cost but exclude funding for future capital expenditure and working capital needs, which may be drawn down on or after Completion. The secured long-term debt is based on 100% interest in the Target Companies.
- (3) Non-controlling interests relates to the 5.1% interest in Target Companies owned by the Vendor.

## 5. OTHER INFORMATION

### 5.1 Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions, and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, inter alia, the following applicable bases:

- (i) the net profits attributable to the assets acquired, compared with CDLHT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (ii) the aggregate value of the consideration given or received, compared with CDLHT's

market capitalisation based on the total number of issued Stapled Securities pursuant to Rule 1006(c) of the Listing Manual.

Where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the transaction is classified as a “discloseable transaction” under Rule 1010 of the Listing Manual which would require the issue of an announcement. Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a “major transaction” under Rule 1014 of the Listing Manual which would be subject to the approval of Stapled Security Holders, unless such transaction is in the ordinary course of CDLHT’s business.

The relative figures in relation to the Acquisition computed on the bases set out do not exceed 20.0%. Rule 1006(d) does not apply as no Stapled Securities will be issued by CDLHT as consideration for the Acquisition.

For the purposes of illustration to Stapled Security Holders, the relative figures for the Acquisition using the applicable bases of comparison are set out in the table below:

<b>Criteria</b>	<b>CDLHT (S\$ million)</b>	<b>The Acquisition (S\$ million)</b>	<b>Relative Percentage (%)</b>
The net profits attributable to the assets acquired compared with CDLHT’s net profits	137.6 <sup>(1)</sup>	9.1	6.6
Aggregate value of the Purchase Consideration given compared with CDLHT’s market capitalisation	1,671.2 <sup>(2)</sup>	156.3	9.4

**Notes:**

- (1) Based on the audited consolidated financial statements of CDLHT for FY2016. In the case of a real estate investment trust, net property income is a close proxy to the net profits attributable to its assets.
- (2) Based on the market capitalisation of CDLHT on 23 June 2017, which is the market date preceding the date of the Share Purchase Agreement.

**5.2 Interests of Directors and Substantial Stapled Security Holders**

As at the date of this announcement, certain directors of the Managers collectively hold an aggregate, direct and indirect, interest in 230,000 Stapled Securities.

Based on the information available to the Managers as at the date of this announcement, none of the directors of the Managers and Substantial Stapled Security Holders have any interest, direct or indirect, in relation to the Acquisition.

**5.3 Director’s Service Contracts**

No person is proposed to be appointed as a Director in relation to the Acquisition or any other transactions contemplated in relation to the Acquisition.

## 6. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers at 36 Robinson Road, #04-01 City House, Singapore 068877<sup>28</sup> from the date of this announcement up to and including the date falling three months thereafter:

- (i) Share Purchase Agreement;
- (ii) Management Lease Agreement;
- (iii) Shareholders Agreement; and
- (iv) the valuation report of the Property by CBRE.

The H-REIT Trust Deed and HBT Trust Deed will also be available for inspection at the registered office of the Managers for so long as H-REIT and HBT are in existence.

### BY ORDER OF THE BOARD

Vincent Yeo Wee Eng  
Chief Executive Officer  
M&C REIT Management Limited  
(Company Registration Number 200607091Z)  
as manager of CDL Hospitality Real Estate Investment Trust

### BY ORDER OF THE BOARD

Vincent Yeo Wee Eng  
Chief Executive Officer  
M&C Business Trust Management Limited  
(Company Registration Number 200607118H)  
as trustee-manager of CDL Hospitality Business Trust

27 June 2017

---

<sup>28</sup> Prior appointment with the Managers will be appreciated.

## IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Managers on future events.

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the H-REIT Manager, the HBT Trustee-Manager or any of their respective affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the H-REIT Manager and the HBT Trustee-Manager or any of their respective affiliates redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the holders of Stapled Securities may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

Consent has not been sought from Lufthansa Express Bus Munich; AccorHotels; Jones Lang LaSalle; Central Intelligence Agency; Federal Statistical Office and the statistical Offices of the Länder; Reuters; Business Times; IHS Markit; Portal München Betriebs-GmbH & Co; STR Global; Events Eye; FC Bayern Munich; Datenwerk GmbH and Financial Times for the inclusion of information extracted from the relevant reports published by them and therefore they are not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the reports published by Lufthansa Express Bus Munich; AccorHotels; Jones Lang LaSalle; Central Intelligence Agency; Federal Statistical Office and the statistical Offices of the Länder; Reuters; Business Times; IHS Markit; Portal München Betriebs-GmbH & Co; STR Global; Events Eye; FC Bayern Munich; Datenwerk GmbH and Financial Times are reproduced in their proper form and context, and that the relevant information has been extracted accurately and fairly from such reports, neither the Managers nor any other party has conducted an independent review of the information contained in such reports and the market and industry information contained in this announcement nor verified the accuracy of the contents of the relevant information or the reports cited in this announcement.

## Rights:: Voluntary

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	M&C REIT MANAGEMENT LIMITED
<b>Security</b>	CDL HOSPITALITY TRUSTS - SG1T66931158 - J85

## Other Issuer(s) for Stapled Security

<b>Name</b>	DBS TRUSTEE LIMITED
-------------	---------------------

## Announcement Details

<b>Announcement Title</b>	Propose Renounceable Underwritten Rights Issue
<b>Date &amp; Time of Broadcast</b>	27-Jun-2017 18:13:30
<b>Status</b>	New
<b>Corporate Action Reference</b>	SG170627RHDIE41H
<b>Submitted By (Co./ Ind. Name)</b>	Vincent Yeo Wee Eng
<b>Designation</b>	Chief Executive Officer
<b>Underwritten</b>	Yes
<b>Shareholders' Approval Required?</b>	No
<b>Shareholders' Approval Obtained</b>	No
<b>Financial Year End</b>	31/12/2017
<b>Foreign Shareholder Eligibility</b>	No

## Attachment for Intent

1_Launch_Announcement.pdf
2_Notice_of_BCD.pdf
3_PressRelease_Acquisition_of_Pullman_Hotel_Munich_and_Launch_of_Rights_Issue.pdf
4_Presentation_Acquisition_of_Pullman_Hotel_Munich_and_Launch_of_Rights_Issue.pdf

## Event Narrative

<b>Narrative Type</b>	<b>Narrative Text</b>
	Please refer to the following attachments:
Additional Text	(1) Launch of Underwritten and Renounceable Rights Issue;
	(2) Notice of Books Closure Date;
Additional Text	(3) Press Release on "CDL Hospitality Trusts Marks Maiden Entry into the Largest Economy in Europe through Munich, Germany and Launches S\$255.4 Million Rights Issue"; and
	(4) Presentation Slides on the Acquisition of Pullman Hotel Munich and Launch of Renounceable Underwritten Rights Issue.

## Dates

<b>Record Date and Time</b>	05/07/2017 17:00:00
<b>Ex Date</b>	03/07/2017

## Rights Details

<b>Security Not Found?</b>	No
----------------------------	----



<b>Renounceable</b>	Yes
<b>Rights Distribution Pay Date</b>	07/07/2017
<b>Trading Period From</b>	10/07/2017
<b>Trading Period To</b>	18/07/2017
<b>Rights Security Distribution Ratio- Underlying</b>	100
<b>Rights Security Distribution Ratio- Rights Security</b>	20

### Option Exercise

<b>Issue Price (Per Rights)</b>	SGD 1.28			
<b>Exercise Period</b>	10/07/2017 TO 24/07/2017			
<b>Pay Date</b>	24/07/2017			
<b>Disbursed Security</b>				
<b>ISIN</b>	<b>Name</b>	<b>Security Type</b>	<b>Distribution Ratio- Rights</b>	<b>Distribution Ratio- Disbursed</b>
SG1T66931158	CDL HOSPITALITY TRUSTS	Stapled Security	1	1

### Renounceable Conditions

<b>Allow Over Subscription</b>	Yes
--------------------------------	-----

<b>Attachments</b>	<p><a href="#">1 Launch Announcement.pdf</a></p> <p><a href="#">2 Notice of BCD.pdf</a></p> <p><a href="#">3 PressRelease Acquisition of Pullman Hotel Munich and Launch of Rights Issue.pdf</a></p> <p><a href="#">4 Presentation Acquisition of Pullman Hotel Munich and Launch of Rights Issue.pdf</a></p> <p>Total size =3741K</p>
--------------------	--

<b>Related Announcements</b>	<a href="#">27/06/2017 18:39:38</a>
------------------------------	-------------------------------------

**NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES,  
EUROPEAN ECONOMIC AREA, CANADA OR JAPAN**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities. This announcement is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or any other jurisdiction. This announcement is not an offer of securities for sale in the United States, European Economic Area, Canada, Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.



**CDL HOSPITALITY TRUSTS**

A stapled group comprising:

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

**CDL HOSPITALITY BUSINESS TRUST**

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

**ANNOUNCEMENT**

**LAUNCH OF UNDERWRITTEN AND RENOUNCEABLE RIGHTS ISSUE TO RAISE GROSS  
PROCEEDS OF APPROXIMATELY S\$255.4 MILLION**

**1. INTRODUCTION**

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust ("**H-REIT**", and the manager of H-REIT, the "**H-REIT Manager**"), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust ("**HBT**" and the trustee-manager of HBT, the "**HBT Trustee-Manager**", and together with the H-REIT Manager, the "**Managers**"), wish to announce that they are undertaking an underwritten and renounceable rights issue (the "**Rights Issue**") of 199,545,741 new stapled securities in CDL Hospitality Trusts ("**Rights Stapled Securities**") to raise gross proceeds of approximately S\$255.4 million.

DBS Bank Ltd. has been appointed as the sole lead manager and underwriter for the Rights Issue (the "**Lead Manager and Underwriter**").

To demonstrate its support for CDL Hospitality Trusts ("**CDLHT**") and the Rights Issue, the sponsor of CDLHT, Millennium & Copthorne Hotels plc (the "**Sponsor**"), has provided an irrevocable undertaking to each of (a) the Managers and (b) the Lead Manager and Underwriter that the Sponsor will procure its wholly-owned subsidiaries to subscribe and pay in full for their total provisional allotment of Rights Stapled Securities ("**Rights Entitlements**"). (Please refer to Paragraph 4 below for further details.)

This commitment by the Sponsor represents in aggregate approximately 36.98% of the Rights Stapled Securities to be issued pursuant to the Rights Issue.

## 2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the Rights Issue, the Rights Stapled Securities will be offered at the rights ratio (“**Rights Ratio**”) of 20 Rights Stapled Securities for every 100 existing Stapled Securities in CDLHT (“**Existing Stapled Securities**”) held as at 5.00 p.m. on 5 July 2017, being the time and date on which the transfer books and register of stapled securityholders of CDLHT (“**Stapled Securityholders**”) will be closed to determine the provisional allotments of Rights Stapled Securities to the Eligible Stapled Securityholders (“**Eligible Stapled Securityholders**”) (as defined herein) (the “**Rights Issue Books Closure Date**”) (fractional entitlements to be disregarded).

The Rights Issue would provide Stapled Securityholders with the opportunity to subscribe for their *pro rata* Rights Entitlement at an issue price of S\$1.280 per Rights Stapled Security (“**Issue Price**”), which represents a discount of:

- (i) approximately 23.8% to the closing price of S\$1.680 per Stapled Security on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue (“**Closing Price**”); and
- (ii) 20.7% to the theoretical ex-rights price (“**TERP**”) of S\$1.613 per Stapled Security which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of CDLHT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Stapled Securities outstanding after the Rights Issue}}$$

The Rights Stapled Securities will be issued pursuant to the general mandate (the “**General Mandate**”) that was given by the Stapled Securityholders to the Managers for the issue of new Stapled Securities, pursuant to an ordinary resolution obtained at the annual general meetings of Stapled Securityholders held on 26 April 2017.

The Rights Stapled Securities will, upon allotment and issue, rank *pari passu* in all respects with the existing Stapled Securities in issue as at the date of issue of the Rights Stapled Securities, including the right to any distributions which may accrue for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter.

## 3. USE OF PROCEEDS

The Managers intend to use the gross proceeds of approximately S\$255.4 million from the Rights Issue in the following manner:

- (i) approximately S\$250.0 million (equivalent to approximately 97.9% of the gross proceeds) will be used to partially repay CDLHT’s existing borrowings<sup>1</sup>;

---

<sup>1</sup> For the avoidance of doubt, the existing borrowings to be partially repaid shall not include the loan facilities drawn down and to be drawn down respectively to finance CDLHT’s acquisition of The Lowry Hotel (a hotel located in Manchester, the United Kingdom (“**UK**”)) which was announced on 4 May 2017 and an effective interest of 94.5% in Pullman Hotel Munich (a property located in Munich, Germany, comprising a hotel, its office and retail components and the fixture, furniture and equipment used by the hotel) which was announced on 27 June 2017.

- (ii) up to approximately S\$4.4 million (equivalent to approximately 1.7% of the gross proceeds) will be used to pay for the total costs and expenses relating to the Rights Issue; and
- (iii) up to approximately S\$1.0 million (equivalent to approximately 0.4% of the gross proceeds) will be used for working capital and capital expenditure purposes.

Notwithstanding their current intention, the Managers may, subject to relevant laws and regulations, use the net proceeds from the Rights Issue at their absolute discretion for other purposes, including funding other acquisitions.

Pending deployment of the net proceeds from the Rights Issue, the net proceeds may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term or interim basis as the Managers may, in their absolute discretion, deem fit.

The Managers will make periodic announcements on the utilisation of the proceeds from the Rights Issue as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual reports of CDLHT. Where there is any material deviation from the stated use of proceeds, the Managers will announce the reasons for such deviation.

#### **4. COMMITMENT OF THE SPONSOR**

To demonstrate its support for CDLHT and the Rights Issue, the Sponsor, which through its wholly-owned subsidiaries Hospitality Holdings Pte. Ltd., the H-REIT Manager and the HBT Trustee-Manager (collectively, the “**Relevant Entities**”), holds an aggregate interest in 368,949,703 Stapled Securities representing approximately 36.98% of the issued Stapled Securities as at 27 June 2017, has provided an irrevocable undertaking on 27 June 2017 to each of (a) the Managers and (b) the Lead Manager and Underwriter that the Sponsor irrevocably undertakes that, in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Stapled Securities, the Sponsor will procure that the Relevant Entities and/or one or more of its wholly-owned subsidiaries (together with the Relevant Entities, the “**Subscribing Entities**”) to accept (as the case may be), subscribe and pay in full for, the Relevant Entities’ respective provisional allotment of Rights Stapled Securities (the “**Sponsor Undertaking**”).

#### **5. BENEFITS OF THE RIGHTS ISSUE**

The Manager believes that the Rights Issue will provide Stapled Securityholders with the following benefits.

##### **5.1 Enhanced financial flexibility from lower gearing and increased debt headroom**

The Managers had on 4 May 2017, announced the completion of the acquisition of The Lowry Hotel in Manchester, UK, which was fully funded via offshore GBP denominated debt financing. Subsequently on 27 June 2017, the Managers announced the acquisition of an effective interest of 94.5% in Pullman Hotel Munich in Munich, Germany. Both acquisitions (collectively, the “**Acquisitions**”) will be fully funded by debt financing, so as to allow CDLHT to capitalise on the window of opportunity presented by the low funding environment in Europe, thereby enjoying an attractive spread between the property yield and borrowing rates.

Following the completion of the Acquisitions, CDLHT's gearing is expected to increase from 36.8% (as at 31 March 2017) to 42.6%.

The Rights Issue will reduce CDLHT's gearing and is expected to strengthen CDLHT's balance sheet and increase its financial flexibility for future growth. The Managers intend to utilise the proceeds from the Rights Issue to partially repay CDLHT's existing borrowings. This will reduce CDLHT's gearing from 42.6% (post-completion of the Acquisitions) to 33.6%.

The Managers believe that a reduced gearing will provide CDLHT with an enhanced credit profile for greater financial flexibility and access to more funding options, increasing CDLHT's ability to pursue future growth opportunities with an enlarged debt headroom of approximately S\$577.2 million, based on a regulatory gearing limit of 45.0%, via acquisitions and/or asset enhancement initiatives, in an efficient manner.

In addition, the realignment of CDLHT's capital structure through the partial repayment of higher interest-bearing borrowings will lower its weighted average cost of debt and further improve its interest coverage ratio.

Furthermore, as an illustration, assuming CDLHT owned The Lowry Hotel and Pullman Hotel Munich from 1 January 2016 and proceeded with a rights issue to raise proceeds to partially repay existing borrowings to maintain CDLHT's gearing ratio at 36.8%<sup>1</sup>, the Acquisitions are expected to be accretive.

## **5.2 Provide an opportunity for Eligible Stapled Securityholders to participate in an equity fund raising exercise**

The Rights Issue provides an opportunity for Eligible Stapled Securityholders to subscribe for their pro rata Rights Entitlement at an Issue Price of S\$1.280 which is at a discount of 23.8% to Closing Price.

The Rights Entitlements are renounceable, and Eligible Stapled Securityholders who do not wish to subscribe for their entitlements may sell their "nil-paid" rights and crystallise the value of the rights discount.

## **5.3 Potential increase in trading liquidity of Stapled Securities**

The Rights Issue will increase the number of Stapled Securities in issue by 199,545,741 Stapled Securities, which is an increase of 20.0% of the total number of Stapled Securities in issue as at the date of this announcement. The increase in the total number of Stapled Securities in issue pursuant to the Rights Issue may improve the trading liquidity of the Stapled Securities after the Rights Issue.

---

<sup>1</sup> Based on an illustrative hypothetical scenario with a rights issue raising gross proceeds of S\$167.8 million such that the gearing of CDLHT is maintained at 36.8%.

## 6. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

### 6.1 Assumptions

The pro forma financial effects of the Acquisitions and the Rights Issue (collectively, the “**Transactions**”) on the distribution per Stapled Security (“**DPS**”), the net asset value (“**NAV**”) per Stapled Security, and the capitalisation of CDLHT presented below are **strictly for illustrative purposes** and are prepared based on the audited financial statements for FY2016 (the “**2016 Audited Financial Statements**”) and the following assumptions:

- (i) the Acquisitions will be fully funded by debt financing and the proceeds of the Rights Issue will not be used to repay the loan facilities drawn down to finance the Acquisitions;
- (ii) 199,545,741 Rights Stapled Securities are issued at an Issue Price of S\$1.280 per Rights Stapled Security;
- (iii) approximately S\$250.0 million of the gross proceeds from the Rights Issue will be used to repay the existing borrowings;
- (iv) approximately S\$4.4 million of the gross proceeds from the Rights Issue will be used to pay for the total costs and expenses relating to the Rights Issue;
- (v) approximately S\$1.0 million of the gross proceeds from the Rights Issue will be used for working capital and capital expenditure purposes; and
- (vi) the acquisition fee payable to the Managers for the Acquisitions will be paid wholly in cash.

The pro forma financial effects are for **illustrative purposes only** and do not represent CDLHT’s DPS and NAV per Stapled Security following the completion of the Transactions.

### 6.2 Pro Forma Financial Effects for FY2016

#### (i) Pro Forma DPS

**FOR ILLUSTRATIVE PURPOSES ONLY:** the pro forma financial effects of the Transactions on the DPS for FY2016, as if the Transactions were completed on 1 January 2016 and CDLHT had held The Lowry Hotel and the effective interest of 94.5% in Pullman Hotel Munich are as follows:

	Pro Forma Financial Effects for FY2016	
	FY2016 Audited Financial Statements	After the Transactions
Amount available for distribution <sup>(1)</sup> (S\$’000)	109,677	124,028 <sup>(2)</sup>
Stapled Securities entitled for distribution (’000)	992,696	1,192,476 <sup>(3)</sup>
DPS (cents)	10.00	9.43
DPS yield (%)	5.95 <sup>(4)</sup>	5.85 <sup>(5)</sup>

**Notes:**

- (1) The distributable income of CDLHT (before deducting income retained for working capital) represents the aggregate of distributions by H-REIT and HBT.
- (2) Includes (i) pro forma income contribution from The Lowry Hotel and Pullman Hotel Munich, (ii) deduction of additional property expenses in connection with the Acquisitions for the period from 1 January 2016 to 31 December 2016, (iii) pro forma effects of the Rights Issue, as if it was completed on 1 January 2016.

- (3) Increase in the number of Stapled Securities entitled for distribution relates to the Rights Stapled Securities and the Stapled Securities issued and to be issued as partial satisfaction of the Managers' management fees.
- (4) Based on the Stapled Securities' closing market price of S\$1.680 as at 27 June 2017.
- (5) Based on TERP of S\$1.613 per Stapled Security.

**(ii) Pro Forma NAV per Stapled Security**

**FOR ILLUSTRATIVE PURPOSES ONLY:** the pro forma financial effects of the Transactions on the NAV per Stapled Security as at 31 December 2016, as if the Transactions were completed on that date, are as follows:

	Pro Forma Financial Effects for FY2016	
	FY2016 Audited Financial Statements	After the Transactions
NAV attributable to Stapled Securityholders (S\$'000)	1,546,421	1,787,444
Stapled Securities in issue and to be issued ('000)	996,866	1,196,412 <sup>(1)</sup>
NAV per Stapled Security (S\$)	1.55	1.49

**Note:**

- (1) Based on the number of Stapled Securities in issue and to be issued as at 31 December 2016 and adjusted to include Rights Stapled Securities.

**(iii) Pro Forma Capitalisation**

**FOR ILLUSTRATIVE PURPOSES ONLY:** the pro forma financial effects of the Transactions on the capitalisation of CDLHT as at 31 December 2016, as if the Transactions were completed on that date, are as follows:

(S\$'000)	Pro Forma Financial Effects for FY2016	
	FY2016 Audited Financial Statements	After the Transactions
<b>Short-term debt:</b>		
Secured	-	-
Unsecured	-	-
Total short-term debt	-	-
<b>Long-term debt:</b>		
Secured	38.3	108.6
Unsecured	894.4	835.1
Total long-term debt	932.6	943.7
<b>Total Debt</b>	<b>932.6</b>	<b>943.7</b>
Stapled Securityholders' funds	1,546.4	1,787.4
Non-controlling interests <sup>(1)</sup>	-	4.9
<b>Total Capitalisation</b>	<b>2,479.0</b>	<b>2,736.0</b>

**Note:**

- (1) Based on the 5.1% interest in the entities holding Pullman Hotel Munich, held by Event Hospitality Group B.V.. For further details pursuant to the acquisition of an effective interest of 94.5% in Pullman Hotel Munich, please refer to the announcement "Acquisition and Lease of Pullman Hotel Munich in Germany" dated 27 June 2017.

## **7. UNDERWRITING OF THE RIGHTS ISSUE**

Save for the number of Rights Stapled Securities to be subscribed for by the Subscribing Entities under the Sponsor Undertaking, the Rights Issue is underwritten by the Lead Manager and Underwriter on the terms and subject to the conditions of the management and underwriting agreement entered into between the Managers and the Lead Manager and Underwriter on 27 June 2017 (the "**Management and Underwriting Agreement**").

The Lead Manager and Underwriter will be entitled to a commission of 1.5% of the Issue Price multiplied by the total number of Rights Stapled Securities less the number of Rights Stapled Securities subscribed for by the Subscribing Entities pursuant to the Sponsor Undertaking (the "**Underwritten Rights Stapled Securities**").

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Lead Manager and Underwriter is not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commences (being 3 July 2017) (in compliance with Rule 818 of the Listing Manual of the SGX-ST (the "**Listing Manual**").

## **8. APPROVAL IN-PRINCIPLE OF THE SGX-ST**

The SGX-ST has on 27 June 2017 given its approval in-principle for the listing and quotation of the Rights Stapled Securities on the Main Board of the SGX-ST.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Rights Issue, the Rights Stapled Securities, CDLHT, H-REIT, HBT and/or their subsidiaries.

The listing approval of the Rights Stapled Securities is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) submission of a written undertaking from the Managers that they will comply with Rule 704(30), Rule 815 and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Managers will disclose a breakdown with specific details on the use of proceeds for working capital in CDLHT's announcements on use of proceeds and in CDLHT's annual report;
- (iii) submission of a written undertaking from the Managers that they will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Stapled Securities;
- (iv) submission of a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the Sponsor has sufficient financial resources to fulfil their respective obligations under the Sponsor Undertaking; and
- (v) submission of a written undertaking from the Managers that Rule 818 of the Listing Manual will be complied with.



## 9. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

Eligible Stapled Securityholders are Stapled Securityholders with Stapled Securities standing to the credit of their securities account with CDP (but do not include securities sub-accounts) (“**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days<sup>1</sup> prior to the Rights Issue Books Closure Date, provided CDP with Singapore addresses for the service of notices and documents, but exclude, subject to certain exceptions, Stapled Securityholders located, resident or with a registered address outside of Singapore (“**Eligible Stapled Securityholders**”).

Eligible Stapled Securityholders will receive their Rights Entitlements under the Rights Issue on the basis of their holdings of Stapled Securities in CDLHT (“**Stapled Securityholdings**”) as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive the offer information statement to be lodged with the Monetary Authority of Singapore (the “**MAS**”, and the offer information statement, the “**Offer Information Statement**”) (including the ARE<sup>2</sup> and the ARS<sup>3</sup>) at their respective Singapore addresses registered with CDP. Eligible Stapled Securityholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Stapled Securities. No provisional allotments of Rights Stapled Securities will be made to Stapled Securityholders who are not Eligible Stapled Securityholders (the “**Ineligible Stapled Securityholders**”) and no purported acceptance thereof or application for Excess Rights Stapled Securities thereof by Ineligible Stapled Securityholders will be valid.

The Rights Stapled Securities represented by the provisional allotments (A) of (i) Eligible Stapled Securityholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Stapled Securityholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Stapled Securities**”) will be aggregated and used to satisfy applications (if any) for Excess Rights Stapled Securities or disposed of or otherwise dealt with in such manner as the Managers may, in their absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Stapled Securities, preference will be given to the rounding of odd lots (if any) followed by allotment to the Stapled Securityholders who are neither directors of the Managers (“**Directors**”) nor Substantial Stapled Securityholders<sup>4</sup>. Directors and Substantial Stapled Securityholders who have control or influence over CDLHT or the Managers in connection with the day-to-day affairs of CDLHT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of directors of the Managers, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Stapled Securities.

---

1 “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

2 The “**ARE**” refers to the application form for Rights Stapled Securities and Excess Rights Stapled Securities issued to Eligible Stapled Securityholders in respect of their Rights Entitlements under the Rights Issue.

3 The “**ARS**” refers to the application form and acceptance form for Rights Stapled Securities to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system.

4 “**Substantial Stapled Securityholder**” means a person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue.

Eligible Stapled Securityholders who hold Stapled Securities under the Supplementary Retirement Scheme or through a finance company or depository agent can only accept their provisional allotments of Rights Stapled Securities by instructing their relevant bank, finance company or depository agent to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVEMENTIONED STAPLED SECURITYHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED.** Such Stapled Securityholders should refer to the Offer Information Statement to be lodged with the MAS for important details relating to the offer procedure in connection with the Rights Issue.

For practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Stapled Securityholders may have as their addresses registered with CDP, unless otherwise determined by the Managers in their sole discretion, the Rights Stapled Securities will not be offered to Stapled Securityholders who are not Eligible Stapled Securityholders, with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not before at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents ("**Foreign Stapled Securityholders**"). Accordingly, no provisional allotment of Rights Stapled Securities will be made to Foreign Stapled Securityholders and no purported acceptance or application for Rights Stapled Securities by Foreign Stapled Securityholders will be valid, unless otherwise determined by the Managers in their sole discretion.

The Managers reserve the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Managers or their agents to have been executed in any jurisdiction outside Singapore or which the Managers believe may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

## **10. OFFER INFORMATION STATEMENT**

In connection with the Rights Issue, the Managers will, following the lodgement of the Offer Information Statement with the MAS, issue and despatch the Offer Information Statement to Stapled Securityholders setting out, among other things, the details of the Rights Issue.

## 11. INDICATIVE TIMETABLE

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

<b>Event</b>	<b>Date and Time</b>
Last day of “cum-rights” trading for the Rights Issue	: 30 June 2017
First day of “ex-rights” trading for the Rights Issue	: 3 July 2017
Lodgement of Offer Information Statement	: 5 July 2017
Rights Issue Books Closure Date	: 5 July 2017 at 5.00 p.m.
Despatch of the Offer Information Statement (together with the application forms) to Eligible Stapled Securityholders	: 10 July 2017
Commencement of trading of Rights Entitlements	: 10 July 2017 from 9.00 a.m.
Last date and time for trading of Rights Entitlements	: 18 July 2017 at 5.00 p.m.
<b>Closing Date:</b>	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Stapled Securities	: 24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Stapled Securities	: 24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renouncee	: 24 July 2017 at 5.00 p.m.
Expected date for commencement of trading of Rights Stapled Securities on the SGX-ST	: 2 August 2017 from 9.00 a.m.

**Note:**

(1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP in accordance with the ARE and the ARS.

The Managers may, in consultation with the Lead Manager and Underwriter and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Managers will announce the same via the SGXNET. However, as at the date of this announcement, the Managers do not expect the above timetable to be modified.

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng

Chief Executive Officer

**M&C REIT Management Limited**

(Company Registration No. 200607091Z)

(as manager of CDL Hospitality Real Estate Investment Trust)

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng

Chief Executive Officer

**M&C Business Trust Management Limited**

(Company Registration No. 200607118H)

(as trustee-manager of CDL Hospitality Business Trust)

27 June 2017

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of CDLHT and the Managers is not necessarily indicative of the future performance of CDLHT and the Managers. This announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

Any offering of Rights Stapled Securities will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Stapled Securities under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <<http://masnet.mas.gov.sg/opera/sdrprosp.nsf>> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of CDLHT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or DBS Trustee Limited (as the trustee of H-REIT) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The nil-paid rights and Rights Stapled Securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities is being made in the United States.

**NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES,  
EUROPEAN ECONOMIC AREA, CANADA OR JAPAN**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities. This announcement is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or any other jurisdiction. This announcement is not an offer of securities for sale into the United States, European Economic Area, Canada, Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.



**CDL HOSPITALITY TRUSTS**

A stapled group comprising:

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

**CDL HOSPITALITY BUSINESS TRUST**

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

**ANNOUNCEMENT**

**NOTICE OF BOOKS CLOSURE DATE**

Further to the announcement dated 27 June 2017 relating to the underwritten and renounceable rights issue of 20 new stapled securities in CDL Hospitality Trusts (“**CDLHT**”) (the “**Stapled Securities**”, and the new Stapled Securities to be issued under the rights issue, the “**Rights Stapled Securities**”) for every 100 existing Stapled Securities at an issue price of S\$1.280 per Rights Stapled Security (the “**Rights Issue**”), M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”, and the manager of H-REIT, the “**H-REIT Manager**”), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”, and the trustee-manager of HBT, the “**HBT Trustee-Manager**”, and together with the H-REIT Manager, the “**Managers**”), wish to announce that the transfer books and register of stapled securityholders of CDLHT (“**Stapled Securityholders**”) will be closed at **5.00 p.m.** on **5 July 2017** (the “**Rights Issue Books Closure Date**”) for the purpose of determining the provisional allotments of Rights Stapled Securities to Eligible Stapled Securityholders under the Rights Issue (the “**Rights Entitlements**”).

“**Eligible Stapled Securityholders**” are Stapled Securityholders with Stapled Securities standing to the credit of their securities account with CDP (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days<sup>1</sup> prior to the Rights Issue Books Closure Date, provided CDP with Singapore addresses for the service of notices and documents, but exclude, subject to certain

<sup>1</sup> Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

exceptions, Stapled Securityholders located, resident or with a registered address outside of Singapore.

In connection with the Rights Issue, provisional allotments of Rights Stapled Securities of Eligible Stapled Securityholders will be determined on the basis of 20 Rights Stapled Securities for every 100 existing Stapled Securities held by each Eligible Stapled Securityholder as at the Rights Issue Books Closure Date.

The Stapled Securities will trade on a “cum-rights” basis on the SGX-ST up to 5.00 p.m. (Singapore time) on 30 June 2017. The Stapled Securities will trade on an “ex-rights” basis from 9.00 a.m. (Singapore time) on 3 July 2017 and any person who purchases Stapled Securities on and from 9.00 a.m. (Singapore time) on 3 July 2017 will not be entitled to any provisional allotment of the Rights Stapled Securities under the Rights Issue.

CDLHT’s current distribution policy is to distribute at least 90.0% of its taxable income and of its tax exempt income (if any) on a semi-annual basis to Stapled Securityholders. The Rights Stapled Securities will, upon allotment and issue, rank *pari passu* in all respects with the existing Stapled Securities in issue as at the date of issue of the Rights Stapled Securities, including the right to any distributions which may accrue for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter.

For practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore), unless otherwise determined by the Managers in their sole discretion, the Rights Stapled Securities will not be offered to Stapled Securityholders who are not Eligible Stapled Securityholders, with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not before at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents (“**Foreign Stapled Securityholders**”). Accordingly, no provisional allotment of Rights Stapled Securities will be made to Foreign Stapled Securityholders and no purported acceptance or application for Rights Stapled Securities by Foreign Stapled Securityholders will be valid, unless otherwise determined by the Managers in their sole discretion.

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng

Chief Executive Officer

**M&C REIT Management Limited**

(Company Registration No. 200607091Z)

(as manager of CDL Hospitality Real Estate Investment Trust)

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng

Chief Executive Officer

**M&C Business Trust Management Limited**

(Company Registration No. 200607118H)

(as trustee-manager of CDL Hospitality Business Trust)

27 June 2017

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of CDLHT and the Managers is not necessarily indicative of the future performance of CDLHT and the Managers. This announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

Any offering of Rights Stapled Securities will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Stapled Securities under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <<http://masnet.mas.gov.sg/operasdrprosp.nsf>> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of CDLHT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or DBS Trustee Limited (as the trustee of H-REIT) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The nil-paid rights and Rights Stapled Securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities is being made in the United States.





## CDL HOSPITALITY TRUSTS

### **NOT FOR PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA OR JAPAN**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities. This publication is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or any other jurisdiction. This press release is not an offer of securities for sale in the United States, European Economic Area, Canada, Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.

**FOR IMMEDIATE RELEASE**

**27 JUNE 2017**

### **CDL HOSPITALITY TRUSTS MARKS MAIDEN ENTRY INTO THE LARGEST ECONOMY IN EUROPE THROUGH MUNICH, GERMANY AND LAUNCHES S\$255.4 MILLION RIGHTS ISSUE**

- **Acquisition of a hotel with a 4-star rating, located in close proximity to major business districts, which will be fully funded by debt financing**
- **Property price of €98.9 million with net property income yield of 5.6% for FY 2016**
- **Rare opportunity to acquire a high quality asset in Munich with exposure to diversified demand drivers and to capitalise on the low funding environment**
- **Strengthens portfolio and earnings base through diversification**
- **Rights issue to enhance financial flexibility through reduced gearing and increased debt headroom**

**Singapore, 27 June 2017** – CDL Hospitality Trusts ("CDLHT" or the "Group"), 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, has today announced the acquisition of Pullman Hotel Munich (the "Hotel") and its office and retail components (the "Commercial Components", and together with the Hotel, the "Property") for €98.9 million (approximately S\$153.8 million<sup>1</sup>), which will be fully funded by debt financing and is accretive with a net property income yield of 5.6% for FY 2016<sup>3</sup>.

**Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said,** "Munich is a compelling destination for our first acquisition in continental Europe, allowing CDLHT to benefit from a potential economic recovery in the region through exposure to the largest economy in Europe. Besides being an important business hub and trade fair destination within Germany, Munich is also home to famous cultural and sporting attractions."

To realign CDLHT's capital structure, through partially repaying its existing borrowings, CDLHT has today also launched a fully underwritten and renounceable rights issue to raise S\$255.4 million. This is expected to enhance CDLHT's financial flexibility through reduced gearing and increased debt headroom. The partial repayment of existing higher interest-bearing borrowings<sup>4</sup> will also lower its weighted average cost of debt and further improve its interest coverage ratio.

<sup>1</sup> Unless otherwise stated in this press release, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.

<sup>2</sup> €98.9 million (approximately S\$153.8 million), is the payment of property price (the "Property Consideration") pursuant to H-REIT's effective interest of 94.5% in the Property (on the basis of 100% ownership interest in the Property, property price is €104.7 million (approximately S\$162.7 million)). Together with payment of €1.7 million (approximately S\$2.6 million) based on the estimated net working capital and cash of the entities holding the Property, the purchase consideration for the acquisition is €100.6 million (approximately S\$156.3 million).

<sup>3</sup> Assuming CDLHT owned the Property from 1 January 2016 and not including The Lowry Hotel, which was acquired on 4 May 2017.

<sup>4</sup> For the avoidance of doubt, the existing borrowings to be repaid shall not include the loan facilities drawn down to finance CDLHT's acquisition of The Lowry Hotel (Manchester, United Kingdom ("UK")), which was announced on 4 May 2017, and to be drawn down for Pullman Hotel Munich (Munich, Germany), which was announced on 27 June 2017.



## CDL HOSPITALITY TRUSTS

**Mr Yeo added,** “The acquisition of Pullman Hotel Munich facilitates CDLHT with a strategic entry into Germany and allows us to penetrate a highly sought-after hospitality market while enjoying a spread between the attractive property yield and ultra-low borrowing rates. This equity fund raising exercise will strengthen our balance sheet and enhance financial flexibility, allowing CDLHT to pursue future growth opportunities, through acquisitions and asset enhancement initiatives.”

After the completion of the acquisition of the Property and taking into account the acquisition of The Lowry Hotel, which was announced and completed on 4 May 2017, CDLHT’s gearing is expected to increase from 36.8% (as at 31 March 2017) to 42.6%, not including the rights issue. Including the rights issue, CDLHT’s gearing will be approximately 33.6%, with an enlarged regulatory debt headroom of S\$577.2 million.

On a standalone basis, assuming CDLHT owned the Property from 1 January 2016 on 100% debt financing, the pro forma FY 2016 DPS accretion is approximately 3.8%<sup>5</sup>.

Assuming CDLHT owned the Property and The Lowry Hotel from 1 January 2016, both on 100% debt financing, and proceeded with a rights issue on 1 January 2016 with proceeds raised to partially repay sufficient existing borrowings to maintain the gearing of CDLHT at 36.8%, the acquisitions are expected to be accretive.

### LEASE STRUCTURE OF HOTEL

Upon Completion, the Hotel will be leased based on a management lease agreement for 20 years commencing from completion date. The lease structure provides both downside protection and upside participation where rent received is around 90% of the Net Operating Profit of the hotel, subject to a guaranteed fixed rent of €3.6 million (approximately S\$5.6 million). The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.

### DESCRIPTION OF PROPERTY

The Property is a mixed-use complex on two freehold land plots located in Munich, Germany, consisting predominantly of a purpose-built hotel with a 4-star rating with a comprehensive suite of facilities, as well as secondary spaces currently let out to four retail and seven office tenants. It is strategically located adjacent to the commercial district of “Parkstadt Schwabing”, which is home to a variety of national and international companies, including Amazon, GE Healthcare and the German headquarters of Fujitsu, Microsoft, IBM and Munich Re.

The Property boasts convenient accessibility, with motorways connecting Munich to Berlin and Frankfurt within a two-minute drive away, and the Munich railway station and Munich International Airport being accessible via a short drive. Travellers also have direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals<sup>6</sup>, offering significant cost savings and ease of travel to the airport within 25 minutes. The Property is also in proximity to many of Munich’s popular tourist destinations including the English Garden, the BMW headquarters and Allianz Arena.

The Hotel opened in 1986 and underwent a full renovation and rebranding in 2012, following which it continued its operations under the “Pullman” brand. Between 2012 and 2016, a total of €17.6 million was invested towards renovation and refurbishment of the Property, including a full renovation of its 337 guest rooms, food and beverage (“F&B”) outlets, spa and lobby areas.

<sup>5</sup> Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.

<sup>6</sup> Lufthansa Express Bus Munich Website



## CDL HOSPITALITY TRUSTS

Upon completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels, a leading hotel group operating more than 4,100 hotels in 95 countries<sup>7</sup>. In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which is also the partner to H-REIT who holds the remaining interest in the Property. EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany.

### FUNDING OF ACQUISITION

The acquisition will be fully funded initially by debt financing through a loan facility and the acquisition is expected to be completed on or around 18 July 2017. Depending on market conditions, the loan could be refinanced by a term loan or other means, as determined by CDLHT’s managers.

### INVESTMENT HIGHLIGHTS OF ACQUISITION

#### Maiden Entry into Continental Europe through Presence in Munich, Germany

This acquisition marks CDLHT’s first investment in Germany and in the Bavarian capital of Munich, further diversifying its portfolio. Germany is the largest economy in Europe<sup>8</sup>, which recorded a GDP growth of 1.9% in 2016<sup>9</sup>, its strongest growth in five years, which was largely driven by falling unemployment rates and strong growth in private consumption amidst an low interest rate environment, while Germany’s central bank and leading economic institutes have raised their GDP growth estimates for 2017 and 2018, pointing to a broad-based upswing driven by vibrant domestic demand<sup>10</sup>. German business confidence in May was reported to have hit its highest level since 1991, underpinned by positive data from manufacturing and construction<sup>11</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May<sup>12</sup>. The continued economic resilience amongst its European counterparts has made the nation a highly sought-after destination for real estate investments<sup>13</sup>.

#### Opportunity to Penetrate a Highly Sought-After Market

The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city<sup>14</sup>. With relatively higher land costs, Munich has considerably higher barriers to entry than other German cities and this acquisition presents a rare opportunity to penetrate a highly sought-after market.

#### Vibrant Hospitality Market with Diversified Demand Drivers

As an important business hub and trade fair destination within Germany, as well as a popular tourism destination renowned for its sporting and cultural appeal, Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016<sup>15</sup>. The city is one of Germany’s top performing hospitality markets<sup>16</sup> where it posted the highest Average Daily Rate and Revenue per Available

---

7 AccorHotels Website

8 CIA World Factbook

9 Reuters, “German economy surges at fastest rate in five years”, 12 January 2017

10 Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017

11 Business Times, “German business confidence hits highest level since 1991”, 23 May 2017

12 PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017

13 Jones Lang LaSalle, Hotel Intelligence Munich, September 2016

14 CBRE Valuation Report dated 26 May 2017

15 Muenchen.de

16 Jones Lang LaSalle, Hotel Intelligence Munich, March 2017



## CDL HOSPITALITY TRUSTS

Room (“RevPAR”) in 2016 amongst the major German cities<sup>17</sup>.

Munich is home to high-tech industries, traditional production, information and communication technology, automotive engineering, medical engineering and finance, all of which are strong market drivers and the city is host to the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW.

Alongside the balanced mix of industries, Munich also has the strongest economy and purchasing power among major German cities and is the third largest office location in Europe, with 22.5 million sq m of existing office space<sup>18</sup>. The modern Messe München with 16 halls spread across 180,000 sq m of exhibition space also makes the city ideal for attracting meetings, incentives, conferencing and exhibitions (“MICE”) demand<sup>19</sup>. There are more than 70 trade shows set to take place in Munich from 2017-2018<sup>20</sup>.

Munich is home to FC Bayern Munich, the dominant football team in Germany, with its homeground stadium being Allianz Arena. With the success of FC Bayern Munich due to its numerous accolades including winning the Bundesliga 27 times and Champions League five times<sup>21</sup>, as well as its huge fan base worldwide, football match days represent a significant business driver for the Hotel. In addition, Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich.

A vibrant tourist destination with important cultural attractions such as theatres, opera houses and museums as well as festivals, major sights in Munich include the Church of Our Lady, the city hall located within the historic city centre, Nymphenburg Castle, Allianz Arena and Olympiapark. The internationally renowned Oktoberfest, which is the world’s largest beer festival and funfair held in September, attracts close to six million visitors annually<sup>22</sup>.

As such, Munich has an attractive hospitality market given the strong mix of corporate, leisure and MICE guests, which generates stable demand throughout the year, although there is some year-to-year variability due to the local trade fair cycle as leading trade fairs take place on a triennial and biennial frequency respectively.

### **High Quality Asset with Excellent Location**

The Hotel underwent complete renovation in 2012 and has a total of 337 guest rooms, including 24 suites, as well as a comprehensive suite of facilities including conference rooms, F&B outlets and a spa.

The Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft, as well as being adjacent to the headquarters of Munich RE, Zurich Financial Services and Stadtparkasse Munich, and is within a 10-minute drive to the BMW headquarters.

The Property is easily accessible to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests to the main historic city centre and the trendy retail district of Schwabing. Allianz Arena – FC Bayern Munich’s football stadium – is only five stops away from the Property via the U-bahn.

New developments in proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office and residential areas. CDLHT’s managers believe that with its strategic location, the Property will continue to benefit from a well-diversified mix of demand.

17 STR Global data

18 CBRE Valuation Report dated 26 May 2017

19 CBRE Valuation Report dated 26 May 2017

20 Events Eye, Trade Shows in Munich 2017-2018

21 FC Bayern Munich website

22 Oktoberfest.de website



## CDL HOSPITALITY TRUSTS

### Capitalising on Low Funding Environment and Expected Economic Recovery in Europe

In line with CDLHT's strategy, the acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates. In addition, an European economic recovery is expected given the recent strong economic indicators, with the Eurozone recording its lowest unemployment rate in eight years and with factories reporting their highest levels of activity since 2011<sup>23</sup>.

### Broadening Earnings Base and Strengthening Portfolio through Diversification

The Property will provide Stapled Security Holders the benefit of geographical diversification while drawing on the resilience and potential growth of the German hospitality sector. The acquisition is also expected to benefit Stapled Security Holders by broadening CDLHT's earnings base.

Assuming CDLHT owned the Property from 1 January 2016, it would contribute approximately 5.9%<sup>24</sup> of CDLHT's total net property income on a pro forma basis for FY 2016. On the same basis and including The Lowry Hotel in CDLHT's portfolio from 1 January 2016, the Property would contribute approximately 5.7%.

### RIGHTS ISSUE

The rights issue comprises an offer of 199,545,741 Rights Stapled Securities to Eligible Stapled Security Holders based on a rights ratio of 20 Rights Stapled Securities for every 100 existing Stapled Securities in CDLHT, at an issue price of S\$1.280 per Rights Stapled Security, to raise gross proceeds of approximately S\$255.4 million. This represents a discount of 23.8% to the closing price of S\$1.680 per Stapled Security on 27 June 2017 and a discount of 20.7% to the theoretical ex-rights price of S\$1.613 per Stapled Security<sup>25</sup>.

To demonstrate its support for CDLHT and the rights issue, CDLHT's sponsor, Millennium & Copthorne Hotels plc, will through its wholly-owned subsidiaries, subscribe and pay in full for the total provisional allotment of the Rights Stapled Securities, which represents approximately 36.98% of the rights issue.

Of the S\$255.4 million gross proceeds raised from the rights issue, approximately S\$250.0 million will be used to partially repay CDLHT's existing borrowings, which shall not include the loan facilities drawn down to finance CDLHT's acquisition of The Lowry Hotel and Pullman Hotel Munich. Approximately S\$1.0 million will be used for working capital and capital expenditure purposes and approximately S\$4.4 million will be used to pay for the total costs and expenses relating to the rights issue.

**Mr Yeo concluded**, "The rights issue offers Eligible Stapled Security Holders an opportunity to subscribe for the Rights Stapled Securities at an attractive discount and to participate in CDLHT's future growth. Once our acquisition in Munich and equity fund raising are completed, CDLHT's portfolio will see the addition of two new European properties in 2017 and our total valuation of the portfolio will increase from S\$2.4 billion at end 2016 to S\$2.7 billion. Our enlarged portfolio and debt headroom, coupled with diversified income sources, will allow us to continue to generate long-term sustainable returns for our Stapled Security Holders."

<sup>23</sup> Financial Times, "Eurozone unemployment falls to its lowest rate in 8 years", 3 April 2017

<sup>24</sup> Pursuant to H-REIT's interest in the Property, based on the pro forma annualised pro rata NPI of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million).

<sup>25</sup> Theoretical ex-rights price of S\$1.613 per Stapled Security is calculated as (Market capitalisation of CDLHT based on last trading day of the Stapled Securities prior to the announcement of the rights issue + Gross proceeds from the rights issue) / (Stapled Securities outstanding after the Rights Issue).



## CDL HOSPITALITY TRUSTS

Please refer to Appendix A for an indicative timetable relating to the rights issue.

– ENDS –

### For media and investor queries, please contact:

Mandy Koo  
Vice President, Investments & Investor Relations  
Tel: +65 6664 8887  
Email: [mandykoo@cdlht.com](mailto:mandykoo@cdlht.com)

Benjamin Ong  
Assistant Manager, Investor Relations  
Tel: +65 6664 8890  
Email: [benjaminong@cdlht.com](mailto:benjaminong@cdlht.com)

### About CDL Hospitality Trusts

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.5 billion. 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 was established with the principal investment strategy of investing in a diversified portfolio of hospitality and/or hospitality-related assets. As at 4 May 2017, CDLHT owns 16 hotels and two resorts comprising a total of 5,077 rooms as well as a retail mall. The properties under CDLHT’s portfolio are:

- (i) six hotels in the gateway city of Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) five hotels in Brisbane and Perth, Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth);
- (iii) two hotels in Japan’s gateway city of Tokyo (Hotel MyStays Asakusabashi and Hotel MyStays Kamata);
- (iv) one hotel in New Zealand’s gateway city of Auckland (Grand Millennium Auckland, formerly known as Rendezvous Hotel Auckland);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester); and
- (vi) two resorts in Maldives (Angsana Velavaru and Jumeirah Dhevanafushi).



## CDL HOSPITALITY TRUSTS

### **IMPORTANT NOTICE**

The value of stapled securities in CDL Hospitality Trusts (“**Stapled Securities**”) and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, M&C REIT Management Limited (as the manager of CDL Hospitality Real Estate Investment Trust), M&C Business Trust Management Limited (as the trustee-manager of CDL Hospitality Business Trust) (collectively, the “Managers”) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.

Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities in the United States. This publication is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), and is not to be distributed or circulated outside Singapore. The Rights Entitlements and the Rights Stapled Securities referred to herein have not been, and will not be, registered under United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.



## CDL HOSPITALITY TRUSTS

### **Appendix A**

#### **INDICATIVE TIMETABLE**

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

<b>Event</b>	<b>Date and Time</b>
Last day of “cum-rights” trading for the Rights Issue	30 June 2017
First day of “ex-rights” trading for the Rights Issue	3 July 2017
Lodgement of Offer Information Statement	5 July 2017
Rights Issue Books Closure Date	5 July 2017 at 5.00 p.m.
Despatch of the Offer Information Statement (together with the application forms) to Eligible Stapled Security Holders	10 July 2017
Commencement of trading of Rights Entitlements	10 July 2017 from 9.00 a.m.
Last date and time for trading of Rights Entitlements	18 July 2017 at 5.00 p.m.
<b>Closing Date:</b>	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Stapled Securities	24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Stapled Securities	24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renouncee	24 July 2017 at 5.00 p.m.
Expected date for commencement of trading of Rights Stapled Securities on the SGX-ST	2 August 2017 from 9.00 a.m.

**Note:**

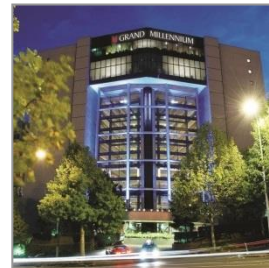
- (1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP in accordance with the ARE and the ARS.





CDL HOSPITALITY TRUSTS

Acquisition of Pullman Hotel Munich, Germany  
and  
Launch of Renounceable Underwritten Rights Issue  
27 June 2017



# Important Notice



CDL HOSPITALITY TRUSTS

NOT FOR PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA, JAPAN OR AUSTRALIA

The information set out in this presentation is for information only and is not intended to form the basis of any contract. By accessing this presentation, you agree that you will not rely on any representation or warranty implied herein or the information contained herein in any action or decision you may take or make.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CDL Hospitality Trusts.

The value of stapled securities of CDL Hospitality Trusts ("Stapled Securities") and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (the "H-REIT Manager") or M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (the "HBT Trustee-Manager"), or any of their respective affiliates.

An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the H-REIT Manager and/or the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the Stapled Securities may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation contains certain tables and other statistical analyses (the "Statistical Information") which have been prepared by the H-REIT Manager and the HBT Trustee-Manager. Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

Market data and certain industry forecasts used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by the H-REIT Manager or the HBT Trustee-Manager and neither the H-REIT Manager nor the HBT Trustee-Manager makes any representations as to the accuracy or completeness of such information.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the H-REIT Manager or the HBT Trustee-Manager on future events.

This presentation does not constitute or form part of an offer, solicitation, recommendation or invitation for the sale or purchase of securities or of any of the assets, business or undertakings described herein. No part of it nor the fact of its presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

Nothing in this presentation constitutes or forms a part of any offer to sell or solicitation of any offer to purchase or subscribe for securities for sale in the United States, the European Economic Area, Canada, Japan, Australia, Singapore or any other jurisdiction. The Stapled Securities will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The securities described in this presentation are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S of the Securities Act. The H-REIT Manager and the HBT Trustee Manager do not intend to conduct a public offering of any Stapled Securities in the United States.

Neither this presentation nor any part thereof may be (a) used or relied upon by any other party or for any other purpose, (b) copied, photocopied, duplicated or otherwise reproduced in any form or by any means, or (c) forwarded, published, redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any other person either in your organisation or elsewhere. By accessing this presentation, you agree to be bound by the terms set out above.

# Table of Contents



▪ Executive Summary	4
▪ Overview of Pullman Hotel Munich Acquisition	6
▪ Investment Highlights	17
▪ Rights Issue	34
▪ Pro forma Financial Information	38
▪ Indicative Rights Issue Timetable	40



# Executive Summary

---

# Executive Summary of Overall Transactions



CDL HOSPITALITY TRUSTS

Acquired on  
4 May 2017  
The Lowry Hotel  
Manchester, UK



Acquisition announced on  
27 June 2017  
Pullman Hotel Munich  
Munich, Germany



Renounceable and fully underwritten Rights  
Issue to raise gross proceeds of S\$255.4M

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Proceeds to partially repay CDLHT's existing borrowings, not including those for the acquisition of The Lowry Hotel and Pullman Hotel Munich (the "Acquisitions")
- Enhanced financial flexibility from lower gearing and increased debt headroom
- Realignment of capital structure will lower CDLHT's weighted average cost of debt and further improve its interest coverage ratio
- Provides existing Stapled Securityholders with pro rata opportunity to participate in equity fund raising
- Potential increase in trading liquidity of Stapled Securities

**Both acquisitions are/will be fully funded by debt financing**

- Fully funding the Acquisitions by debt financing allows CDLHT to capitalise on the window of opportunity presented by the low funding environment in Europe and to achieve a natural hedge
- On a standalone basis, each of the above acquisition is a DPS accretive acquisition <sup>(1)</sup>
- On an overall basis, the Acquisitions are accretive <sup>(2)</sup>

(1) Pro forma FY 2016 distribution per security ("DPS") based on each acquisition being fully funded by debt financing, compared against actual FY 2016 DPS.

(2) Based on an illustrative hypothetical scenario with a rights issue raising gross proceeds of S\$167.8 million such that gearing of CDLHT is maintained at 36.8% (as at 31 March 2017).



# Overview of Pullman Hotel Munich Acquisition

---

# Executive Summary of Pullman Hotel Munich Acquisition



CDL HOSPITALITY TRUSTS



## Pullman Hotel Munich Germany

- Acquisition of an upper upscale hotel with a 4-star rating in Munich with **337 keys** on freehold land <sup>(1)</sup>
- **Lease structure** with guaranteed base rent of €3.6M and upside potential through variable rent
- Property Price: €98.9M (~S\$153.8M) <sup>(2)</sup> <sup>(3)</sup>
- Hotel Price Per Key: ~€281K (~S\$437K) <sup>(4)</sup>
- Pro Forma NPI Yield for FY 2016 <sup>(5)</sup>: ~**5.6%**
- Pro Forma DPS Impact for FY 2016 <sup>(6)</sup>: ~**3.8% accretion**
- Complete refurbishment implemented in 2012

- (1) Acquisition comprises an effective interest of 94.5% in Pullman Hotel Munich (the “**Hotel**”) and its office and retail components (the “**Commercial Components**”) and the fixture, furniture and equipment used by the Hotel (“**FF&E**”, and together with the Hotel and the Commercial Components, the “**Property**”).
- (2) Unless otherwise stated, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.
- (3) €98.9 million (approximately S\$153.8 million) is the payment of Property Price pursuant to H-REIT’s effective interest of ~94.5% in the Property. On the basis of 100% interest in the Property, the Property price is €104.7 million (approximately S\$162.7 million).
- (4) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.
- (5) Pursuant to H-REIT’s interest in the Property, based on the pro forma annualised net property income (“**NPI**”) of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million) and a Purchase Consideration of €100.6 million (approximately S\$156.3 million). Taking into consideration the Total Acquisition Cost of €103.2 million (approximately S\$160.4 million), the pro forma annualised NPI yield will be 5.4%.
- (6) Based on the change of the pro forma Distribution per Stapled Security (“**DPS**”) for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.

# Executive Summary of Pullman Hotel Munich Acquisition (Con't)



CDL HOSPITALITY TRUSTS

**Maiden entry into continental Europe through presence in Munich, Germany** – where Germany is the largest economy in Europe <sup>(1)</sup> and recorded its strongest GDP growth in 5 years in 2016 <sup>(2)</sup>, with a positive outlook in 2017 and 2018 <sup>(3)</sup>

## **Vibrant hospitality market with diversified demand drivers:**

- Munich is one of Germany's top performing hospitality market where it posted the highest ADR and RevPAR in 2016 amongst the major German cities <sup>(4)</sup>, supported by well-diversified demand drivers:
  - **Corporate demand:** Munich is home to a broad spectrum of industries and the headquarters of various companies listed on the Frankfurt Stock Exchange such as Allianz and BMW
  - **Meetings, Incentives, Conferencing, Exhibitions (“MICE”) demand:** The city has strong MICE demand as it hosts the world's leading trade fairs such as those by Messe Munich and is supported by well developed trade fair infrastructure such as the Messe München
  - **Leisure demand:** Iconic festivals and cultural events such as Oktoberfest as well as the presence of FC Bayern Munich help to drive healthy leisure demand

## **High quality asset with ~€18 million invested towards refurbishment of the Property between 2012 and 2016**

**Excellent location** as the hotel is in close proximity to a major business park, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services and Microsoft, and easily accessible to the city centre, tourist attractions and airport

**Lease structure offers downside protection and upside participation** where the Lessor will receive rent of around 90% of the Net Operating Profit of the hotel subject to a guaranteed fixed rent of €3.6 million <sup>(5)</sup>

**Accretive acquisition** with pro forma DPS accretion of 3.8% for FY 2016

**Transaction reinforces CDLHT's strategy** to diversify and enter markets with strong fundamentals and growth potential

(1) CIA World Factbook

(2) Reuters, “German economy surges at fastest rate in five years”, 12 January 2017

(3) Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017

(4) STR Global Data

(5) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.



## Location

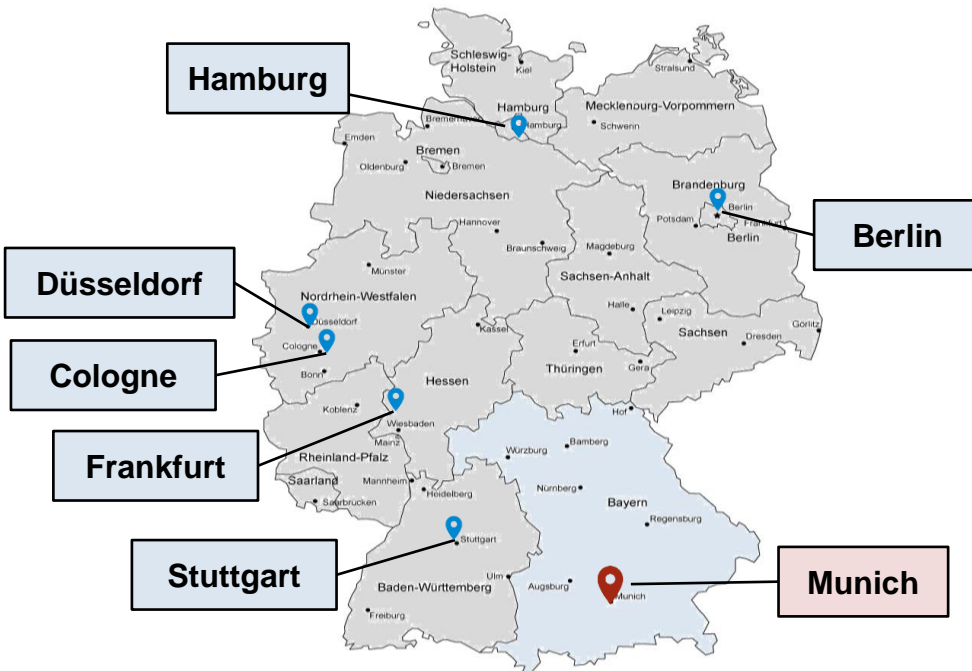
- As at 2016, Munich Airport serves 257 destinations across 73 countries, an increase of 10 new destinations in the medium and long-haul routes year-on-year (“yoy”)
- Regional train services such as InterCity Express connects Munich to all the major German cities:
  - Berlin to Munich (~6 hours)
  - Frankfurt to Munich (~3.5 hours)

## City of Sports and Culture

- Munich is home to FC Bayern Munich, the dominant football team in Germany
- FC Bayern Munich, a record 27 times Bundesliga champion and 5 times Champions League winner, draws fans from all over the world for matches and stadium tours
- It is famous internationally for Oktoberfest – the world’s largest annual beer festival and funfair

## One of the Most Attractive Business Locations in Europe

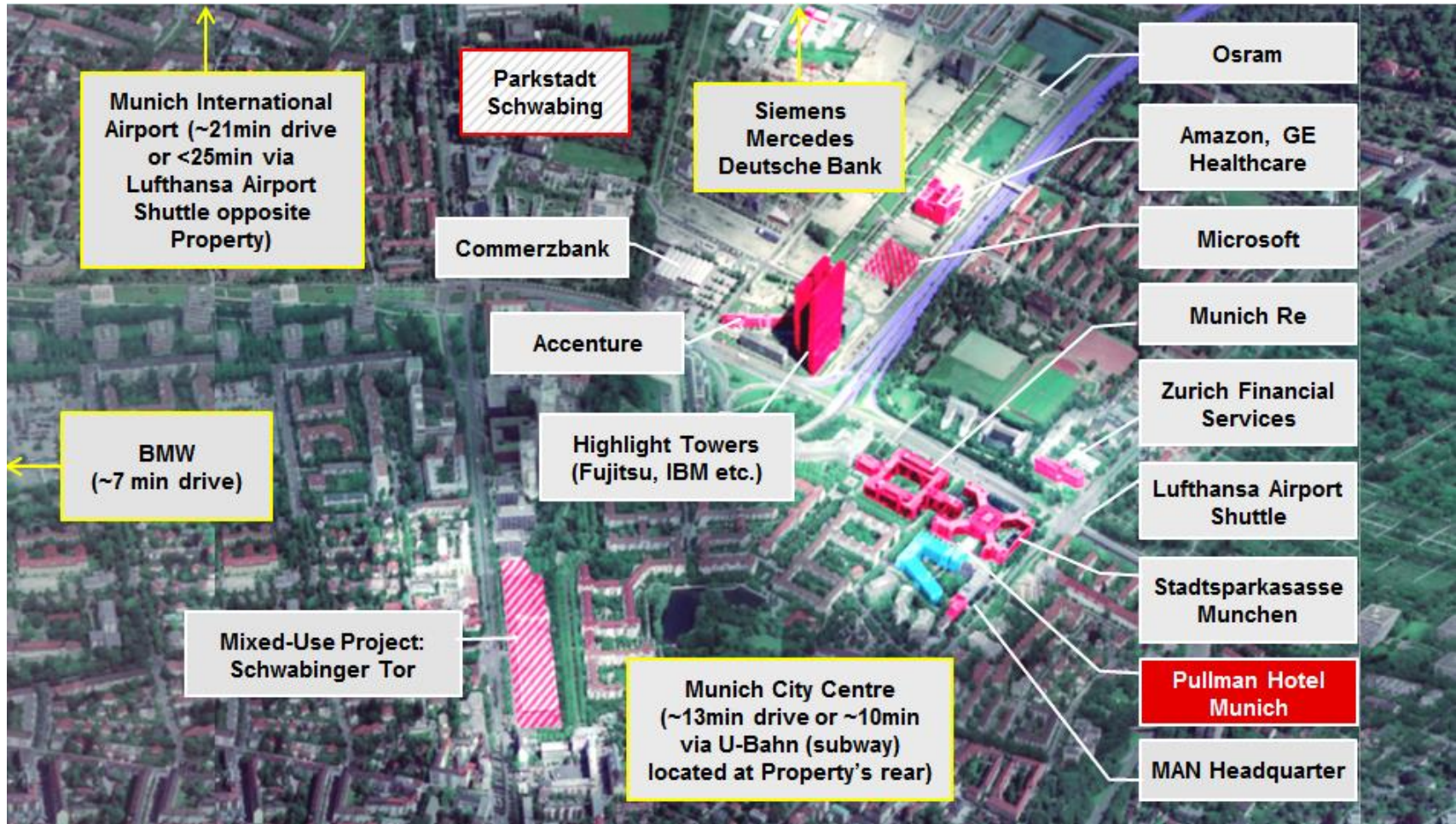
- Munich is the capital of the federal state of Bavaria which boasts of economic resilience and strength<sup>(1)</sup>
- It is the third largest city in Germany by population, with a population of 1.53 million in 2016<sup>(2)</sup>
- It is touted as an important research and knowledge hub with 17 universities and more than 115,000 students<sup>(1)</sup>
- The city is identified as one of the most important fintech locations in Europe over the next two years<sup>(1)</sup>
- Munich is a vibrant trade fair destination and is host to world leading trade fairs such as BAU and bauma



(1) Colliers International, Immobilien-Marktbericht München (“Real Estate Market Report Munich”) 17/18

(2) Muenche.de

# Location of Pullman Hotel Munich



- Parkstadt Schwabing, a 400,000 sq m commercial district, is in close proximity to the Property
- In September 2016, Microsoft opened its new Germany office, which is an 8-minute walk from the Property
- The strong catchment of international firms will continue to drive corporate accounts

# Details and Description of Property



CDL HOSPITALITY TRUSTS



*Superior Room*



*Theo's Restaurant*

Overview	Property Description
Property	<ul style="list-style-type: none"> <li>Property consists of Pullman Hotel Munich and its office and retail components and the fixture, furniture and equipment used by the Hotel</li> </ul>
Location	<ul style="list-style-type: none"> <li>Theodor-Dombart-Strasse 4, Munich, 80805, Germany</li> </ul>
Title Details	<ul style="list-style-type: none"> <li>2 freehold land plots</li> </ul>
Year of Opening	<ul style="list-style-type: none"> <li>Opened in 1986</li> <li>Underwent a full renovation and rebranding in 2012</li> </ul>
Rooms	<ul style="list-style-type: none"> <li>337 rooms, including 24 suites</li> <li>Weighted average room size of 34 sq m</li> </ul>
Others Amenities	<ul style="list-style-type: none"> <li>5 Food and Beverage (“F&amp;B”) outlets</li> <li>400 sq m of fitness and spa area</li> <li>2 conference rooms for up to 80 people</li> <li>150 parking lots for Hotel and 48 parking lots for Commercial Components</li> <li>Commercial Components currently leased out to 4 retail and 7 office tenants</li> </ul>

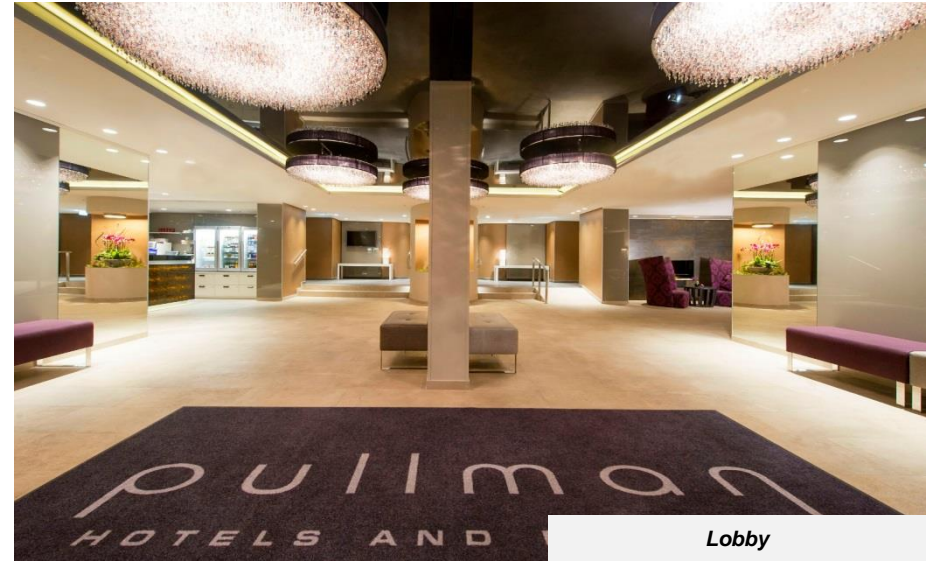
# Details and Description of Property (Con't)



CDL HOSPITALITY TRUSTS



*Meeting Room - Marienplatz*



*Lobby*



*Meeting Room - Königsplatz*



*Executive Room*



## Transaction Summary

Acquisition	<ul style="list-style-type: none"> <li>▪ Acquisition of an effective interest of 94.5% in the Property through the purchase of:                             <ol style="list-style-type: none"> <li>i. 94.9% of the issued share capital of NKS Hospitality I B.V. (“<b>NKS</b>”) from Event Hospitality Group B.V. (the “<b>Vendor</b>”); and</li> <li>ii. Acquisition from the Vendor of 94.9% of the issued share capital of Munich Furniture B.V. (“<b>FurnitureCo</b>”, and together with NKS, the “<b>Target Companies</b>”), which is the legal owner of the FF&amp;E used by the Hotel</li> </ol> </li> <li>▪ Upon Completion, 5.1% of the issued share capital of each of the Target Companies will continue to be owned by the Vendor</li> </ul>
Purchaser	<ul style="list-style-type: none"> <li>▪ CDLHT Munich One Pte. Ltd.</li> </ul>
Property Price	<ul style="list-style-type: none"> <li>▪ €98.9 million / (~S\$153.8 million)<sup>(1)</sup> based on a property price of €104.7 million on a 100% interest basis</li> </ul>
Hotel Price per key <sup>(2)</sup>	<ul style="list-style-type: none"> <li>▪ ~€281K (~S\$437K)</li> </ul>
Valuation <sup>(3)</sup>	<ul style="list-style-type: none"> <li>▪ €105.3 million on a 100% interest basis / (~S\$163.7 million)</li> </ul>
Net Working Capital and Cash of Target	<ul style="list-style-type: none"> <li>▪ Apart from the payment of Property Price, the purchase consideration for the Acquisition also comprise the payment of a sum of approximately €1.7 million / (~S\$2.6 million)<sup>(1)</sup> based on the estimated net working capital and cash of the Target Companies</li> </ul>
Encumbrance	<ul style="list-style-type: none"> <li>▪ Franchise Agreement with AccorHotels (~5 years unexpired term)</li> </ul>
Date of Completion	<ul style="list-style-type: none"> <li>▪ On or around 18 July 2017</li> </ul>

(1) Pursuant to H-REIT’s interest in the Property.

(2) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.

(3) Valuation report dated 26 May 2017 by CBRE using the discounted cash flow method to arrive at its valuation of the Property.



## Management Lease Summary

Management Lease	<ul style="list-style-type: none"> <li>Upon completion, a new Management Lease Agreement will be entered in relation to the management and operation of the Property</li> </ul>
Lessee	<ul style="list-style-type: none"> <li>UP Hotel Operations GmbH &amp; Co. KG (a wholly-owned subsidiary of EVENT Hotels)</li> </ul>
Term of Lease	<ul style="list-style-type: none"> <li>20 years commencing from completion date</li> </ul>
Rent	<ul style="list-style-type: none"> <li>Lessor will receive rent of around 90% of the Net Operating Profit<sup>(1)</sup> of the Hotel subject to a guaranteed fixed rent of €3.6 million<sup>(2)</sup></li> </ul>
Capital Expenditure Obligations	<ul style="list-style-type: none"> <li>Lessor is responsible for the capital expenditures of the Hotel</li> </ul>

(1) The Net Operating Profit shall mean the gross operating profit of the Hotel less property taxes, premium payable on the Lessor's insurance obligations, fees payable to a hotel manager and an annual contribution to a FF&E replacement reserve.

(2) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.



## 5.1% Shareholder and Lessee



- Upon Completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels
  - AccorHotels is a top leading hotel group operating more than 4,100 hotels in 95 countries <sup>(1)</sup>
- In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which is also the 5.1% shareholder of the Target Companies
  - EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany

(1) AccorHotels Website

# Transaction Details (Con't)



Financing	
Total Acquisition Cost	
Property Price	€98.9 million (~S\$153.8 million) <sup>(1)</sup>
Estimated Net Working Capital & Cash of the Target Companies	€1.7 million (~S\$2.6 million) <sup>(1)</sup>
Professional Fees & Expenses	€1.6 million (~S\$2.5 million)
Acquisition Fee <sup>(2)</sup>	€1.0 million (~S\$1.6 million)
<b>Total</b>	<b>€103.2 million (~S\$160.4 million)*</b>

\*Numbers will not add up due to rounding.



- Initially fully funded by 100.0% debt financing through H-REIT's loan facility
- Depending on market conditions, H-REIT's loan could be refinanced by a term loan or other means, as may be determined by the Managers

(1) Pursuant to H-REIT's interest in the Property.

(2) Acquisition fee to be paid by H-REIT is calculated based on 1.0% of the Property Price of €98.9 million and the Estimated Net Working Capital & Cash of the Target Companies of €1.7 million.





# Investment Highlights

---

# Investment Highlights



CDL HOSPITALITY TRUSTS

- 1 Accretive Acquisition
- 2 Maiden Entry into Continental Europe through Presence in Munich, Germany
- 3 Vibrant Hospitality Market with Diversified Demand Drivers
- 4 High Quality Asset with Excellent Location
- 5 Capitalising on Low Funding Environment and Expected Economic Recovery in Europe
- 6 Broaden Earnings Base and Strengthen Portfolio through Diversification

# 1 Accretive Acquisition

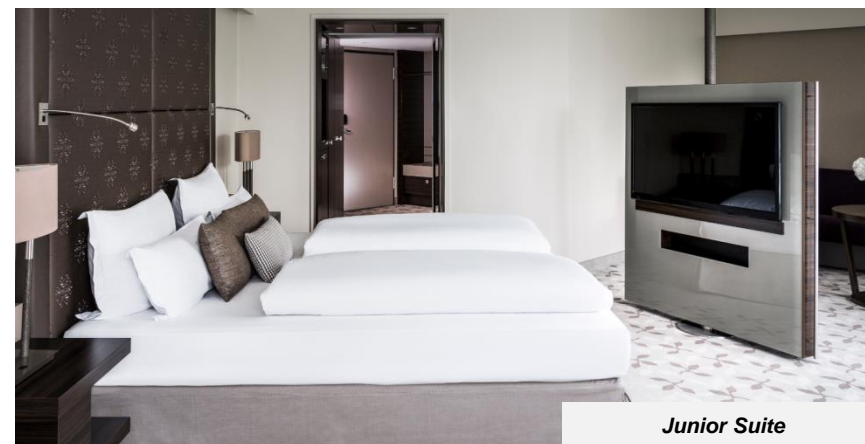


CDL HOSPITALITY TRUSTS

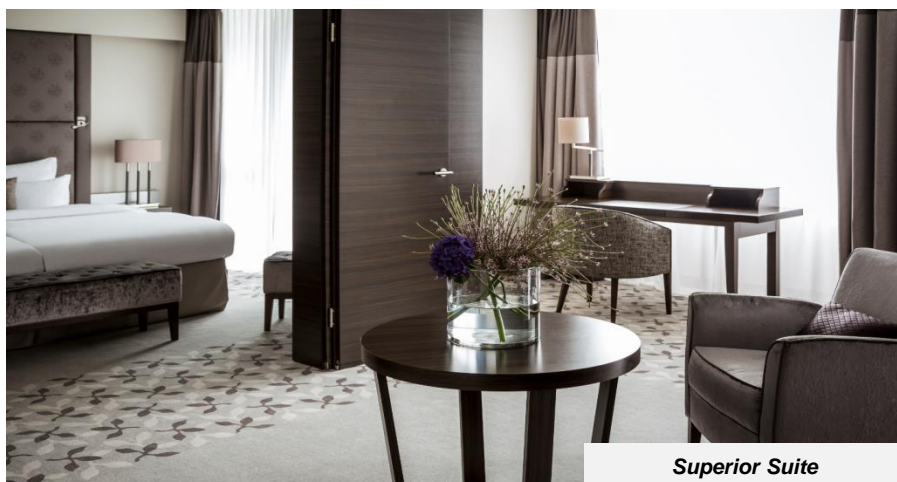
## Pullman Hotel Munich



*THEO's Lounge*



*Junior Suite*



*Superior Suite*

Assuming CDLHT owned the Property from 1 Jan 2016\*

Pro Forma NPI Yield of the Property 5.6% <sup>(1)</sup>

DPS accretion 3.8% <sup>(2)</sup>

\*For the avoidance of doubt, this excludes the acquisition of The Lowry Hotel, which was completed on 4 May 2017.

(1) Pursuant to H-REIT's interest in the Property, based on the pro forma annualised pro rata NPI of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million).

(2) Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.



## Economy of Germany

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	1.6%	1.8%	1.9%	1.5%

- With a nominal GDP of €3.1 trillion in 2016, Germany is the largest European economy and the fourth largest economy in the world <sup>(3)</sup>
- Its real GDP grew by 1.9% in 2016 (strongest growth in five years), driven by falling unemployment rates and strong growth in private consumption amidst an ultra-low interest rate environment and the outlook into 2017 remains positive
- German business confidence soared in May 2017 to levels not seen in more than a quarter of a century, underpinned by positive data from manufacturing and construction <sup>(4)</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May 2017 <sup>(5)</sup>
- This continued economic resilience amongst its European counterparts have recently made it a highly sought-after destination for real estate investments <sup>(6)</sup>
- With Brexit underway, Germany could potentially benefit from the relocation of financial firms out of United Kingdom (“UK”) into Europe <sup>(7)</sup>, attributed to speculations on the loss of passporting rights and tighter immigration rules

(1) Federal Statistical Office (Destatis)

(2) World Economic Outlook Update, January 2017

(3) CIA World Factbook

(4) Business Times. “German business confidence hits highest level since 1991”, 23 May 2017

(5) PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017

(6) JLL Market Intelligence Munich, September 2016

(7) Sky News, “Germany sees rise in relocation queries from UK-based banks”, November 2016



## Economy of Munich

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	2.6%	2.2%	1.8%	1.5%

- Munich is the capital of Bavaria which has the second largest share of Germany's GDP <sup>(1)</sup>
- It is the third largest city in Germany by population and the second largest employment hub in Germany as of 2016 <sup>(3)</sup>
- It has a well balanced mix of industries across the financial services, healthcare and retail industries, allowing its economy to be relatively resilient against economic shocks
- Rare opportunity to penetrate a highly sought-after market as:
  - The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city <sup>(3)</sup>
  - Munich has considerably higher barriers to entry than other German cities, with relatively higher land costs



*City Hall and Church of Our Lady*



*Nymphenburg Castle*

Image Credits: Dorinser (<http://bit.ly/2rzrF0K>), Eric Bauer (<http://bit.ly/2rz6Sdq>)

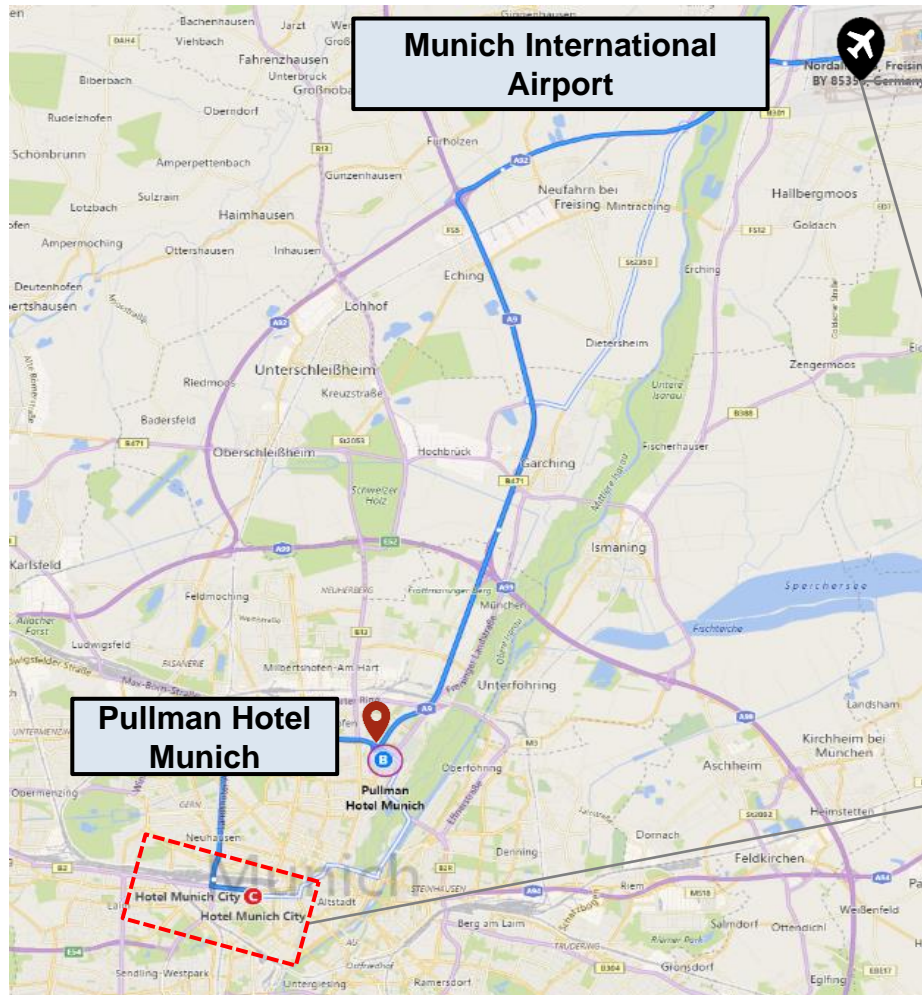
(1) Federal Statistical Office (Destatis)

(2) Oxford Economics

(3) CBRE Valuation Report dated 26 May 2017



## Major Development Projects



- Project:** Expansion of Terminal 1 which includes a new pier and a central building complex
  - Aim:** Increase passenger capacity by 6 million a year to 31 million passengers (+24%)
  - Expected Opening:** 2022 (*currently in Planning Phase*)

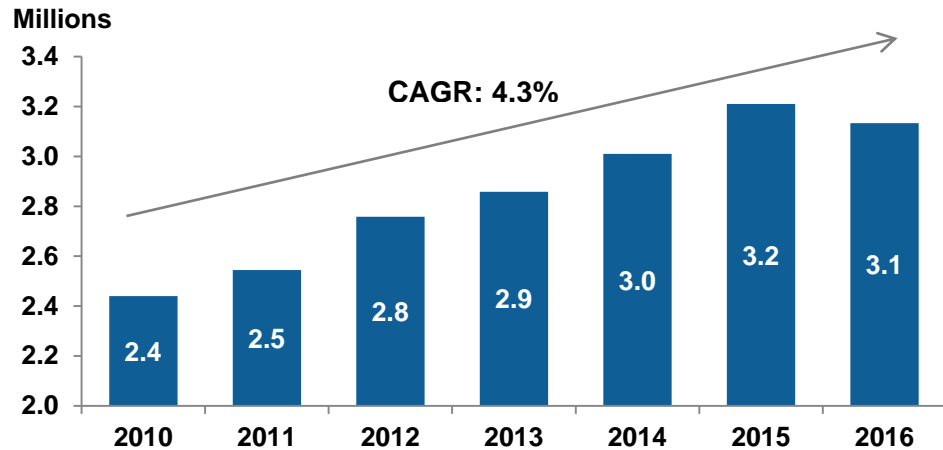
- Project:** Addition of a third runway
  - Aim:** Increase aircraft movement capacity from 90 to 120 per hour (+25%)
  - Expected Opening:** 2022

- Project:** Construction of a second S-Bahn tunnel beneath the Munich City Centre; new underground stations are planned at Munich Main Station, Marienhof, and Munich East
  - Aim:** Increase passenger capacity to house more than 840,000 passengers; increase arrivals to Munich city centre by train
  - Expected Opening:** 2026 (*currently in Planning Phase*)

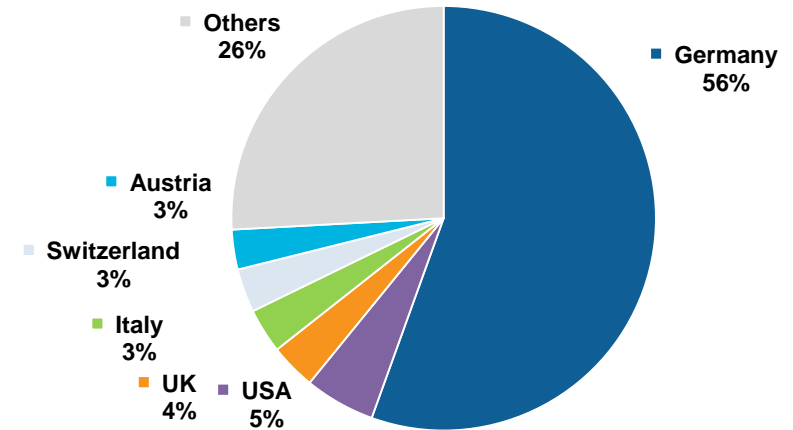


## Healthy Growth in Tourist Arrivals

**Total International Visitor Arrivals to Munich <sup>(1)</sup>**



**Geographical Mix 2016 <sup>(1)</sup>**



- Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016 <sup>(1)</sup>
- Munich enjoys a good balance of domestic and international visitors – 44% of total arrivals in 2016 were international visitors
- The top three international source markets in 2016 include the United States, UK and Italy
- Whilst the Munich market faced a 2.4% drop in international tourist arrivals in 2016 due to a number of terrorism activities in Europe, Munich is capable of attracting a healthy and stable mix of tourists in 2017 with MICE, international sports events and the annual Oktoberfest lined up throughout the year
- While the expected 5 year CAGR for new hotel rooms supply is slightly above 2%, the city is also one of Germany's top performing hospitality market <sup>(2)</sup> where it posted the highest Average Daily Rate and RevPAR in 2016 amongst the major German cities and RevPAR recorded a CAGR of 4.4% between 2011 and 2016 <sup>(3)</sup>

(1) Muenchen.de

(2) Jones Lang LaSalle, Hotel Intelligence Munich, March 2017

(3) STR Global data

## Important Business Hub within Germany



*BMW Headquarters and BMW World*



*The Linde Group Headquarters*

- Munich is home to high-tech industries, traditional production, information and communication technology, automotive engineering, medical engineering and finance, all of which are strong market drivers
- The city hosts the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW
- Munich is also the third largest office location in Europe, with 22.5 million sq m of existing office space <sup>(1)</sup>








## Vibrant Trade Fair Destination more than 70 Trade Shows in 2017-2018 <sup>(1)</sup>

- Munich has well developed trade fair infrastructure including the Messe München and the International Congress Centre Munich (“ICM”), which is ideal for attracting MICE demand <sup>(2)</sup>
- Messe München, with a combined exhibition area of 625,000 sq m indoors and outdoors, recorded around 2.4 million visitors in 2016, a 23.6% growth yoy <sup>(2)</sup>
  - In order to keep up with the growing MICE demand, Messe München has broken ground to construct two new exhibition halls, to be completed by 3Q 2018
- ICM, with a total exhibition area of 7,000 sq m and meeting rooms with a capacity for up to 6,000 participants, hosts more than 100 conferences and events annually with around 110,000 visitors <sup>(2)</sup>

### Major Trade Fairs in Munich

<b>bauma</b>	 APRIL 8-14, 2019 MUNICH	International Trade Fair for Construction Machinery, Building Material and Mining Machines and Construction Vehicles	Triennial	~580,000 attendance
<b>BAU</b>	 January 16-21 - Munich	World's Leading Trade Fair for Architecture, Materials and Systems	Biennial	~254,000 attendance
<b>IFAT</b>		World's Leading Trade Fair for Water, Sewage, Waste and Raw Materials Management	Biennial	~136,000 attendance
<b>Heim+Handwerk</b>		Trade Fair for Building, Furnishing and Living	Annual	~140,000 attendance
<b>Internationale Handwerksmesse</b>		The Leading Trade Fair for Craft Trades, including Munich's indoor garden fair	Annual	~131,000 attendance

(1) Events Eye

(2) CBRE Valuation Report dated 26 May 2017

(3) Messe Munchen

## Leisure Demand Supported by Sporting and Cultural Events



- Munich home to FC Bayern Munich, the dominant football team in Germany
- Allianz Arena, with a capacity of 75,000 <sup>(1)</sup>, is home to FC Bayern Munich, the dominant team in Germany and second highest earning football club (revenue) in the world <sup>(2)</sup>:
  - Draws close to 2 million foreign fans per season to Munich to watch matches and ticket sales for Bundesliga 2016/2017 has 100% attendance for FC Bayern Munich matches <sup>(3)</sup>
  - Fanfare driven by numerous accolades of the club, including a record 27 times Bundesliga champion, 18 times DFB German Cup winner, 5 times Champions League winner and also 1 of 5 clubs in the world to win all 3 major UEFA trophies <sup>(4)</sup>
  - Football-related demand is a significant business driver for Property during match days
  - Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich

Image Credits: Michael Hofmann (<http://bit.ly/2q2yLcl>), FC Bayern Munich website

(1) Allianz Arena website, Facts, General Information

(2) Deloitte, Football Money League, January 2017

(3) FC Bayern Munich website, Bayern's home

(4) UEFA website



## Leisure Demand Supported by Sporting and Cultural Events (Con't)



*Oktoberfest*



*Tollwood Festival (Winter)*

- Munich is famous internationally for Oktoberfest – the world’s largest annual beer festival and funfair held in September:
  - In 2016, Oktoberfest attracted 5.6 million visitors (2015: 5.9 million) <sup>(1)</sup>
  - Strong hotel performance during Oktoberfest as rooms are sold at a premium amidst high industry wide occupancies
- Other famous festivals include the semi-annual Tollwood Festival which takes place in Olympiapark (summer) and Theresienwiese (winter) across 55 days and attracts ~1.5 million visitors <sup>(2)</sup>

Image Credits: Bernd Wackerbauer (Tollwood website), Oktoberfest website

(1) Oktoberfest.de

(2) GO Group Cologne, Tollwood Festival of Culture, April 2016



Marienplatz



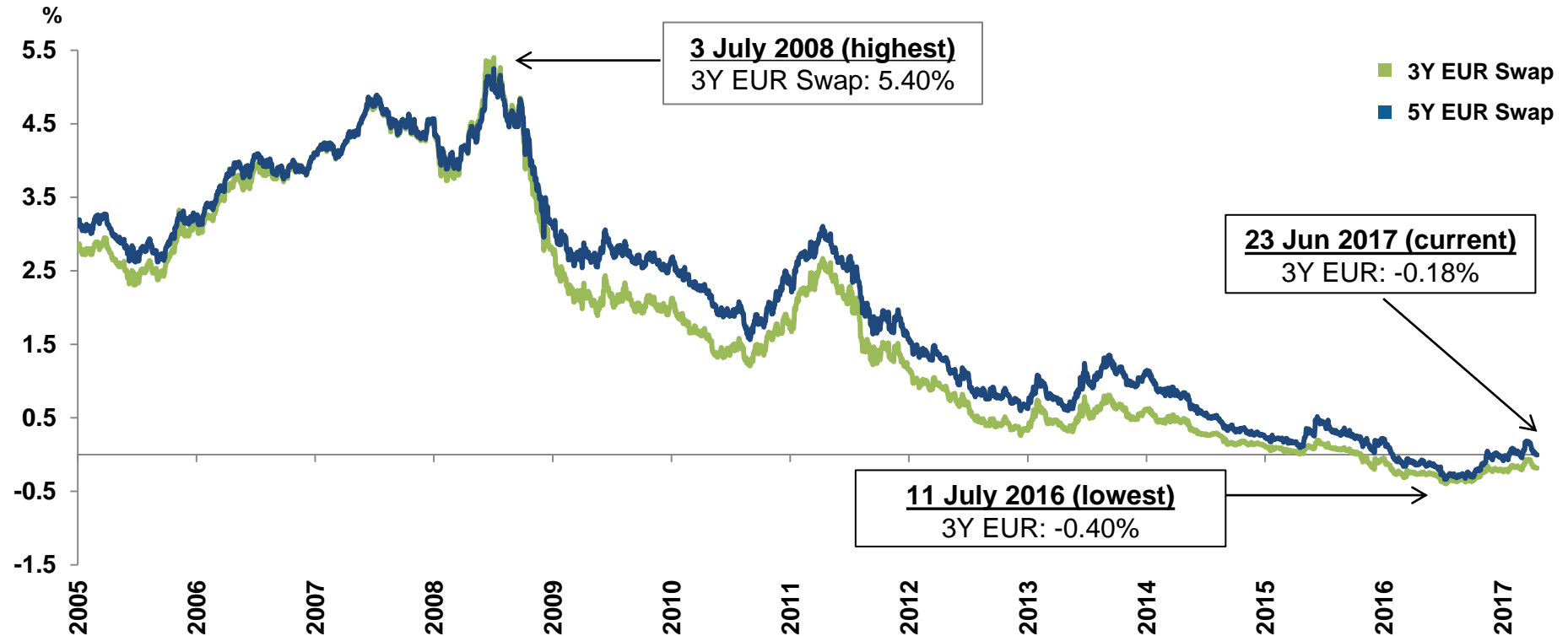
Schwabinger Tor Mixed Development

- Between 2012 and 2016, a total of ~€18 million was invested towards renovation and refurbishment for the Property, including a full renovation of its 337 guest rooms, F&B outlets, spa and lobby areas
- Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft
- Property is easy accessible to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests within minutes to the main historic city centre, the trendy retail district of Schwabing
- FC Bayern Munich's football stadium – Allianz Arena – is only 5 stops (~8 minutes) away via the U-bahn
- Motorways connecting Munich to Berlin and Frankfurt is within a 2-minute drive from the Property
- New developments in the proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office and residential areas
- Direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals, offering significant cost and ease of travel to the airport within 25 minutes

# Capitalising on Low Funding Environment and Expected Economic Recovery in Europe



## EUR Swap <sup>(1)</sup>



- Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates
- A European economic recovery is expected given the recent strong economic indicators with the Eurozone recording its lowest unemployment rate in 8 years and with factories reporting their highest levels of activity since 2011 <sup>(2)</sup>

(1) Bloomberg

(2) Financial Times, "Eurozone unemployment falls to its lowest rate in 8 years", 3 April 2017

# Broaden Earnings Base and Strengthen Portfolio through Diversification



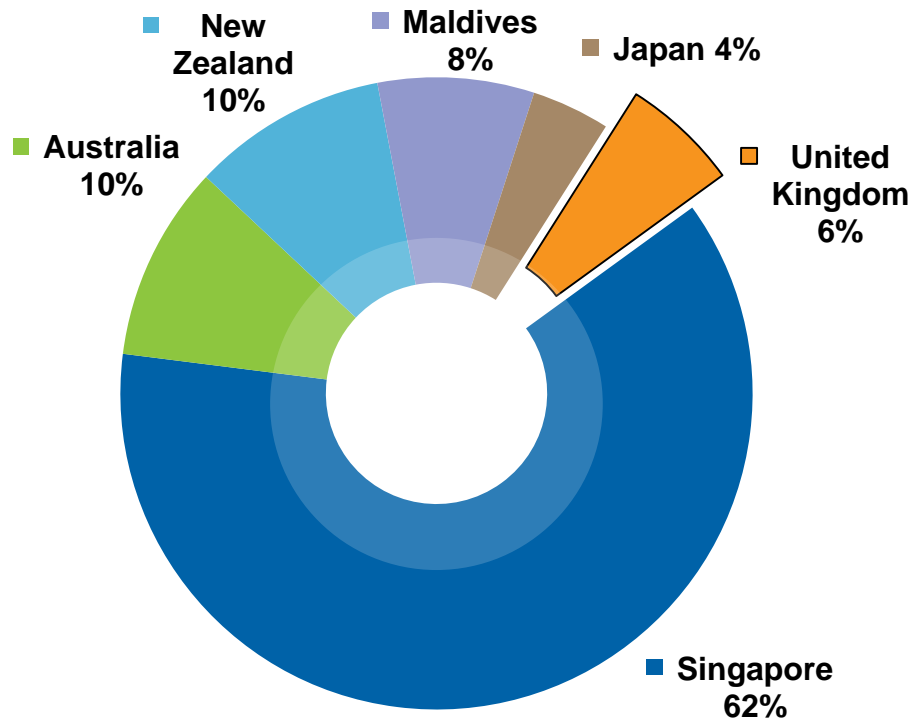
- Upon completion, total number of properties will increase to 20

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)

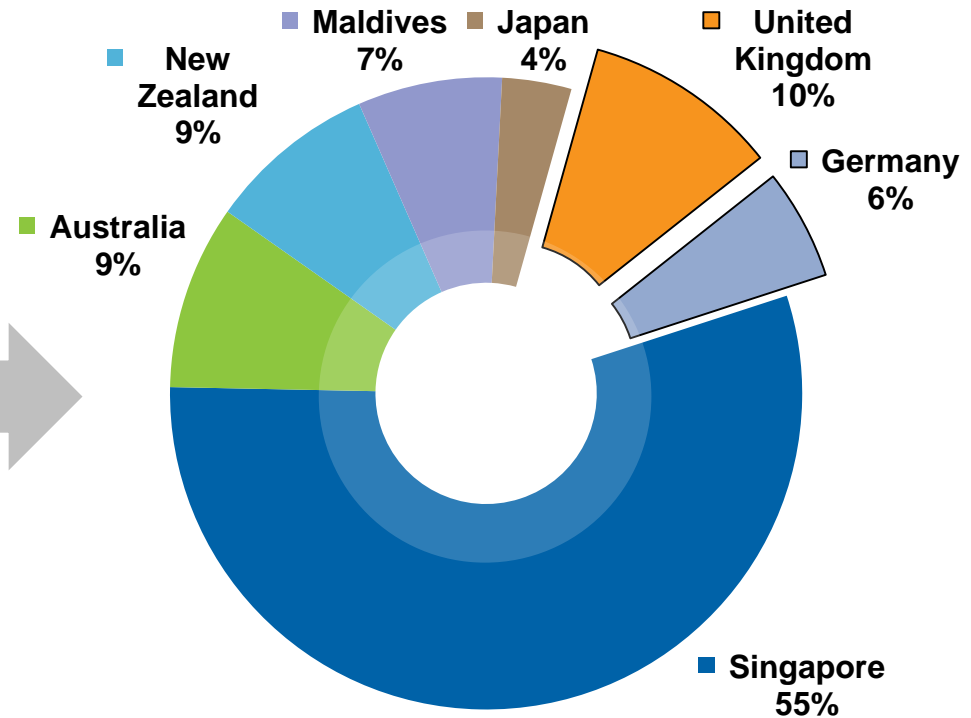


## Pro Forma NPI Contribution for FY 2016<sup>(1)</sup>

### Pre-Acquisitions\*



### Post-Acquisitions\*



- Assuming CDLHT owned The Lowry Hotel and the Property from 1 January 2016, the Property would have accounted for 5.7% of CDLHT's total NPI on a pro forma basis for FY 2016

\*For the avoidance of doubt, the Pre-Acquisitions NPI excludes the The Lowry Hotel and the Post-Acquisitions Pro Forma NPI Contribution for FY 2016 assumes CDLHT owned The Lowry Hotel and Pullman Hotel Munich from 1 January 2016.

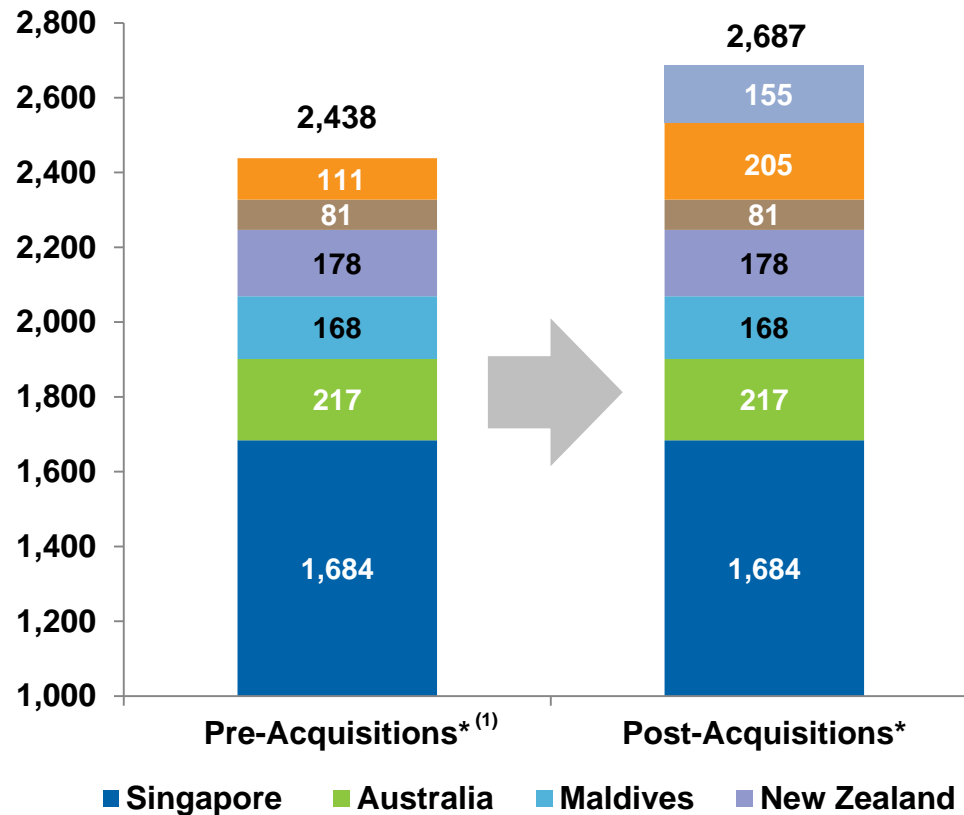
(1) Percentages may not add up due to rounding.

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)



## Valuation of CDLHT's Properties

S\$ Million



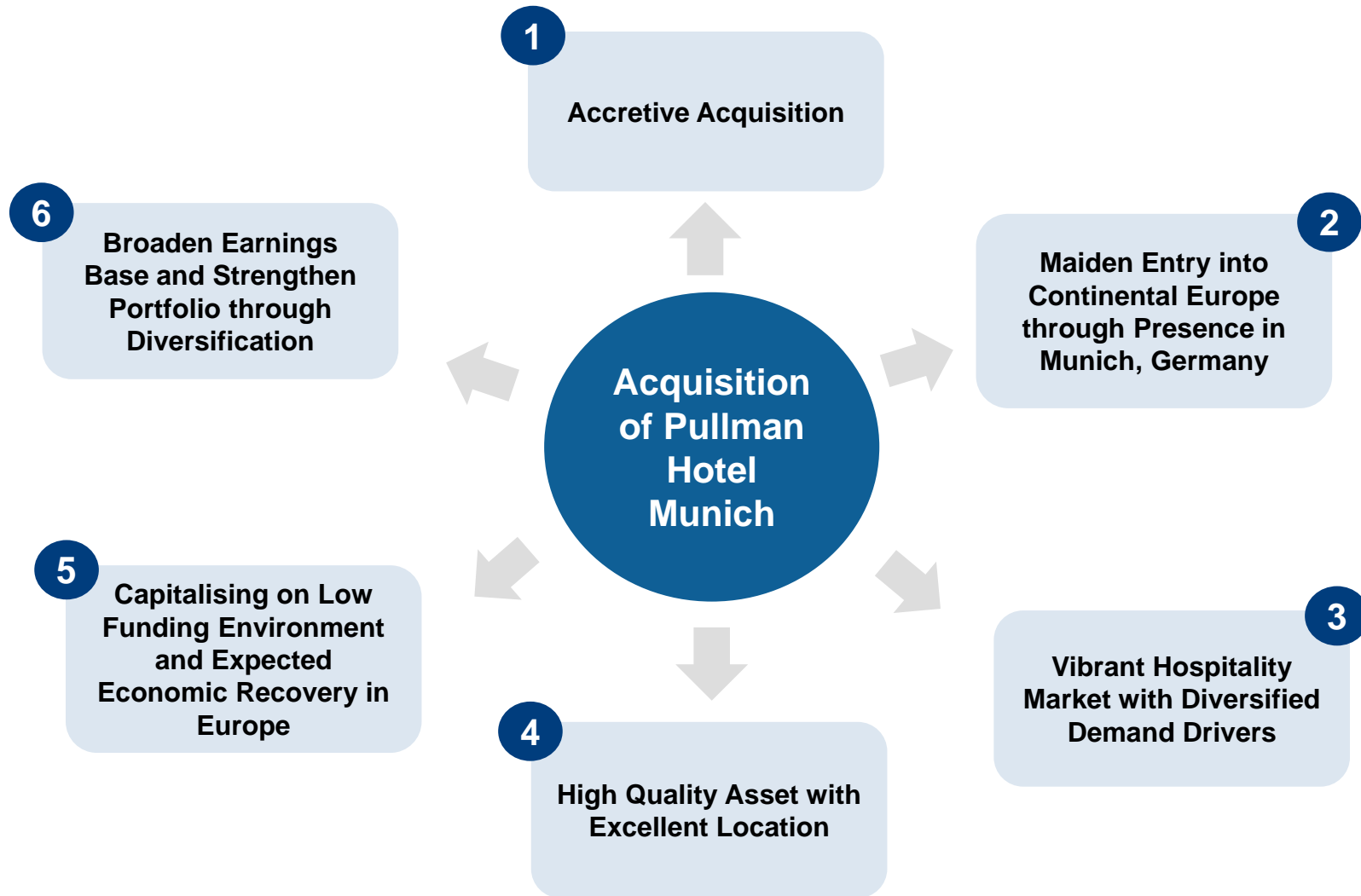
Country	Pre-Acquisitions <sup>(1)</sup>	Post-Acquisitions
Singapore	69.1%	62.7%
Australia	8.9%	8.1%
Maldives	6.9%	6.2%
New Zealand	7.3%	6.6%
Japan	3.3%	3.0%
United Kingdom	4.5%	7.6%
Germany	-	5.8%

\*For the avoidance of doubt, the Pre-Acquisitions valuation excludes The Lowry Hotel and the Post-Acquisitions valuation takes into account The Lowry Hotel and Pullman Hotel Munich.

(1) Valuations as reflected in CDLHT Annual Report 2016.



# Summary of Investment Highlights



CDLHT is poised to benefit from the rare opportunity to secure a presence in the largest economy in Europe and a city with well-diversified demand drivers while capitalising on low funding cost



# Rights Issue

---

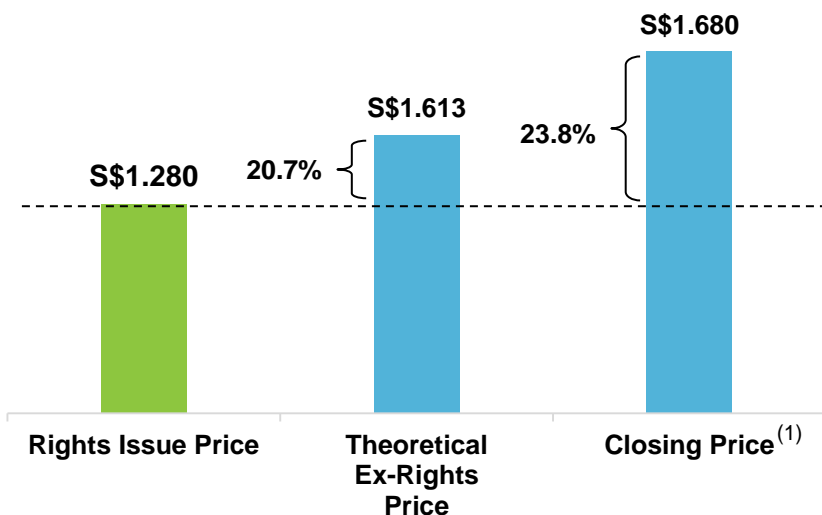
# Details of Rights Issue



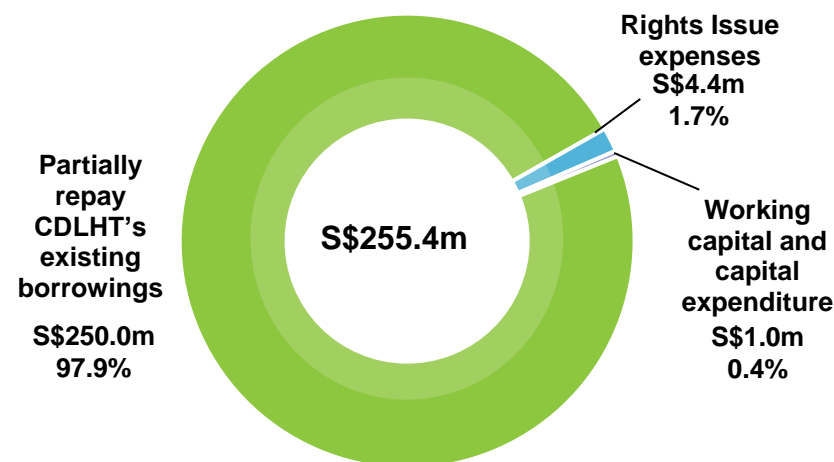
## Renounceable and fully underwritten Rights Issue to raise gross proceeds of S\$255.4 million

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Irrevocable undertaking by CDLHT's Sponsor, Millennium & Copthorne Hotels plc (the "Sponsor"), to subscribe fully for the pro rata rights entitlements of its wholly-owned subsidiaries, aggregating c.36.98% of the Rights Issue
- Remaining rights Stapled Securities are underwritten by DBS Bank Ltd.

### Rights Issue Price (in S\$ per Stapled Security)



### Use of Gross Proceeds of Rights Issue

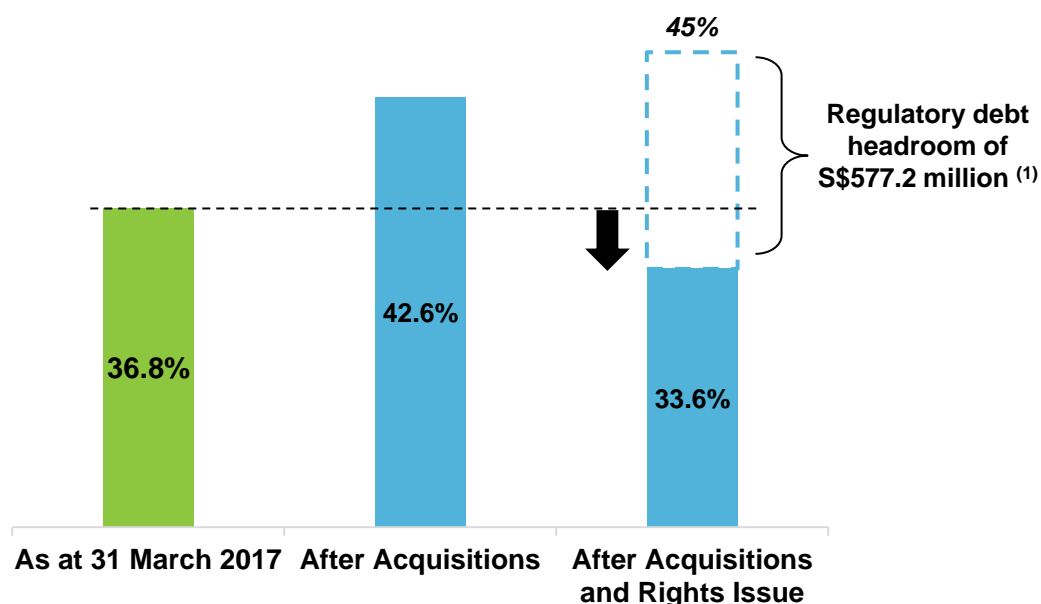


(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue



## 1 Enhanced Financial Flexibility from Lower Gearing and Increased Debt Headroom

### Gearing



- Strengthen balance sheet and enhance credit profile of CDLHT
- Realignment of capital structure through partial repayment of existing higher interest-bearing borrowings
- Gearing of CDLHT is expected to be lowered to approximately 33.6% on a pro forma basis as at 31 March 2017
- Regulatory debt headroom will increase to approximately S\$577.2 million (1), increasing CDLHT's ability to pursue future growth opportunities via acquisitions and/or asset enhancement initiatives
- Lower CDLHT's weighted average cost of debt and improve interest coverage ratio

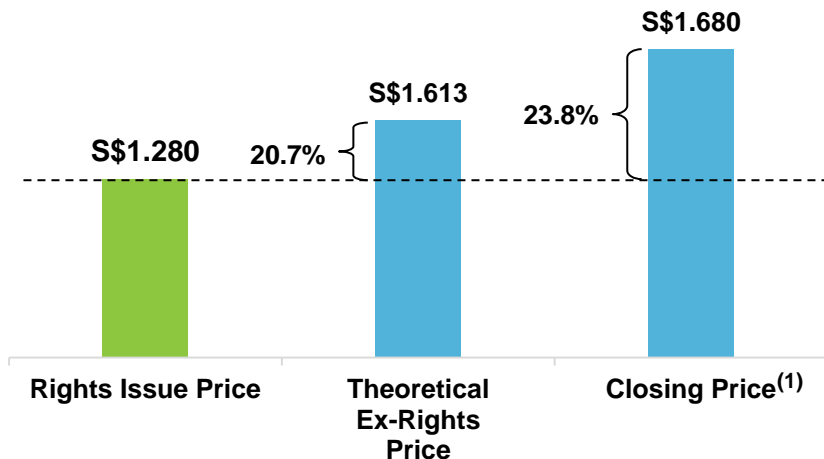
(1) Based on gearing of 45.0%.

# Rationale and Benefits of Rights Issue (Con't)



## 2 Provides Existing Stapled Securityholders with Pro Rata Opportunity to Participate in Equity Fund Raising

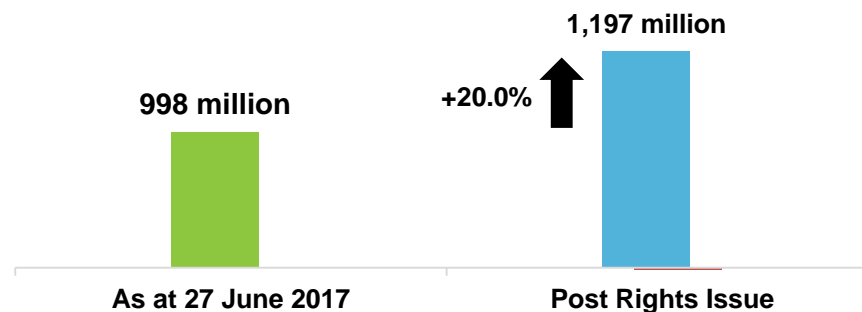
Rights Issue Price (in S\$ per Stapled Security)



- Rights Stapled Securities offered at discount to TERP and Closing Price
- Stapled Securityholders may sell their Rights Entitlements to crystallise the value of their Rights Entitlements and may apply for Excess Rights Stapled Securities

## 3 Potential Increase in Trading Liquidity of Stapled Securities

Number of Stapled Securities



- Rights Issue will increase the number of Stapled Securities in issue by 199,545,741 Stapled Securities
- Stapled Securityholders may potentially enjoy an improvement in trading liquidity of Stapled Securities after the Rights Issue

(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue.



# Pro forma Financial Information

---

# Pro forma Financial Information



CDL HOSPITALITY TRUSTS

	FY 2016 Audited Financial Statements	Pro forma Financial Effects for FY 2016 After acquisition of The Lowry Hotel and Pullman Hotel Munich and Rights Issue
<b>DPS (cents)</b> <sup>(1) (2)</sup>	10.00 <sup>(3)</sup>	9.43 <sup>(4)</sup>
<b>DPS yield (%)</b>	5.95 <sup>(5)</sup>	5.85 <sup>(6)</sup>
<b>NAV per Stapled Security (S\$)</b> <sup>(1)</sup>	1.55 <sup>(3)</sup>	1.49 <sup>(7)</sup>

(1) Figures rounded to two decimal places.

(2) Based on the distributable income of CDLHT (before deducting income retained for working capital) which comprises the aggregate of distributions by H-REIT and HBT, divided by the number of Stapled Securities entitled for distributions as at 31 December 2016.

(3) Based on the audited consolidated financial statements of CDLHT for FY 2016.

(4) Includes (i) pro forma income contribution from The Lowry Hotel and Pullman Hotel Munich as if they were acquired on 1 January 2016, (ii) deduction of additional property expenses in connection with the Acquisitions for the period from 1 January 2016 to 31 December 2016 (iii) pro forma effects of the Rights Issue, as if it was completed on 1 January 2016.

(5) Based on the Stapled Securities' closing market price of S\$1.680 as at 27 June 2017.

(6) Based on TERP of S\$1.613.

(7) Adjusted for the acquisitions of The Lowry Hotel and Pullman Hotel Munich, as well as the Rights Issue, assuming the aforementioned were completed on 31 December 2016.



# Indicative Rights Issue Timetable

---



# Indicative Rights Issue Timetable



CDL HOSPITALITY TRUSTS

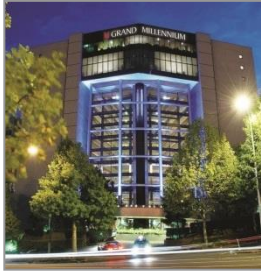
Event	Dates and Times
Last day of Stapled Securities traded “cum-rights” for the Rights Issue	30 June 2017
First day of Stapled Securities traded “ex-rights” for the Rights Issue	3 July 2017
Lodgement of Offer Information Statement	5 July 2017
Rights Issue Books Closure Date	5 July 2017 at 5.00pm
Despatch of Offer Information Statement	10 July 2017
Commence trading of Rights Entitlement	10 July 2017 from 9.00am
Last day of trading of Rights Entitlement	18 July 2017 at 5.00pm
Closing date of the Rights Issue	24 July 2017 at 5.00pm <sup>(1)</sup> (9.30pm for Electronic Application through ATMs of Participating Banks)
Expected listing of the Rights Stapled Securities	2 August 2017 from 9.00am

**NOTE: The above timetable is indicative only and is subject to change. Any changes to the dates and times will be announced on SGXNet.**

(1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP.



THANK YOU



**Asset Acquisitions and Disposals::Acquisition of Pullman Hotel Munich and Launch of Renounceable Underwritten Rights Issue****Issuer & Securities**

<b>Issuer/ Manager</b>	M&C REIT MANAGEMENT LIMITED
<b>Securities</b>	CDL HOSPITALITY TRUSTS - SG1T66931158 - J85
<b>Stapled Security</b>	Yes

**Other Issuer(s) for Stapled Security**

<b>Name</b>	DBS TRUSTEE LIMITED
-------------	---------------------

**Announcement Details**

<b>Announcement Title</b>	Asset Acquisitions and Disposals
<b>Date &amp; Time of Broadcast</b>	27-Jun-2017 18:18:44
<b>Status</b>	New
<b>Announcement Sub Title</b>	Acquisition of Pullman Hotel Munich and Launch of Renounceable Underwritten Rights Issue
<b>Announcement Reference</b>	SG170627OTHRUU8U
<b>Submitted By (Co./ Ind. Name)</b>	Enid Ling Peek Fong
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below)</b>	<p>Please refer to the attached documents:</p> <p>1) Press Release on "CDL Hospitality Trusts Marks Maiden Entry into the Largest Economy in Europe through Munich, Germany and Launches S\$255.4 Million Rights Issue"; and</p> <p>2) Presentation Slides on the Acquisition of Pullman Hotel Munich and Launch of Renounceable Underwritten Rights Issue.</p>

<b>Attachments</b>	<p><a href="#">1_PressRelease_Acquisition_of_Pullman_Hotel_Munich_and_Launch_of_Rights_Issue.pdf</a></p> <p><a href="#">2_Presentation_Acquisition_of_Pullman_Hotel_Munich_and_Launch_of_Rights_Issue.pdf</a></p> <p>Total size =3162K</p>
--------------------	--



## CDL HOSPITALITY TRUSTS

### **NOT FOR PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA OR JAPAN**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities. This publication is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or any other jurisdiction. This press release is not an offer of securities for sale in the United States, European Economic Area, Canada, Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.

**FOR IMMEDIATE RELEASE**

**27 JUNE 2017**

### **CDL HOSPITALITY TRUSTS MARKS MAIDEN ENTRY INTO THE LARGEST ECONOMY IN EUROPE THROUGH MUNICH, GERMANY AND LAUNCHES S\$255.4 MILLION RIGHTS ISSUE**

- **Acquisition of a hotel with a 4-star rating, located in close proximity to major business districts, which will be fully funded by debt financing**
- **Property price of €98.9 million with net property income yield of 5.6% for FY 2016**
- **Rare opportunity to acquire a high quality asset in Munich with exposure to diversified demand drivers and to capitalise on the low funding environment**
- **Strengthens portfolio and earnings base through diversification**
- **Rights issue to enhance financial flexibility through reduced gearing and increased debt headroom**

**Singapore, 27 June 2017** – CDL Hospitality Trusts ("CDLHT" or the "Group"), 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, has today announced the acquisition of Pullman Hotel Munich (the "Hotel") and its office and retail components (the "Commercial Components", and together with the Hotel, the "Property") for €98.9 million (approximately S\$153.8 million<sup>1</sup>), which will be fully funded by debt financing and is accretive with a net property income yield of 5.6% for FY 2016<sup>3</sup>.

**Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said,** "Munich is a compelling destination for our first acquisition in continental Europe, allowing CDLHT to benefit from a potential economic recovery in the region through exposure to the largest economy in Europe. Besides being an important business hub and trade fair destination within Germany, Munich is also home to famous cultural and sporting attractions."

To realign CDLHT's capital structure, through partially repaying its existing borrowings, CDLHT has today also launched a fully underwritten and renounceable rights issue to raise S\$255.4 million. This is expected to enhance CDLHT's financial flexibility through reduced gearing and increased debt headroom. The partial repayment of existing higher interest-bearing borrowings<sup>4</sup> will also lower its weighted average cost of debt and further improve its interest coverage ratio.

<sup>1</sup> Unless otherwise stated in this press release, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.

<sup>2</sup> €98.9 million (approximately S\$153.8 million), is the payment of property price (the "Property Consideration") pursuant to H-REIT's effective interest of 94.5% in the Property (on the basis of 100% ownership interest in the Property, property price is €104.7 million (approximately S\$162.7 million)). Together with payment of €1.7 million (approximately S\$2.6 million) based on the estimated net working capital and cash of the entities holding the Property, the purchase consideration for the acquisition is €100.6 million (approximately S\$156.3 million).

<sup>3</sup> Assuming CDLHT owned the Property from 1 January 2016 and not including The Lowry Hotel, which was acquired on 4 May 2017.

<sup>4</sup> For the avoidance of doubt, the existing borrowings to be repaid shall not include the loan facilities drawn down to finance CDLHT's acquisition of The Lowry Hotel (Manchester, United Kingdom ("UK")), which was announced on 4 May 2017, and to be drawn down for Pullman Hotel Munich (Munich, Germany), which was announced on 27 June 2017.



## CDL HOSPITALITY TRUSTS

**Mr Yeo added,** “The acquisition of Pullman Hotel Munich facilitates CDLHT with a strategic entry into Germany and allows us to penetrate a highly sought-after hospitality market while enjoying a spread between the attractive property yield and ultra-low borrowing rates. This equity fund raising exercise will strengthen our balance sheet and enhance financial flexibility, allowing CDLHT to pursue future growth opportunities, through acquisitions and asset enhancement initiatives.”

After the completion of the acquisition of the Property and taking into account the acquisition of The Lowry Hotel, which was announced and completed on 4 May 2017, CDLHT’s gearing is expected to increase from 36.8% (as at 31 March 2017) to 42.6%, not including the rights issue. Including the rights issue, CDLHT’s gearing will be approximately 33.6%, with an enlarged regulatory debt headroom of S\$577.2 million.

On a standalone basis, assuming CDLHT owned the Property from 1 January 2016 on 100% debt financing, the pro forma FY 2016 DPS accretion is approximately 3.8%<sup>5</sup>.

Assuming CDLHT owned the Property and The Lowry Hotel from 1 January 2016, both on 100% debt financing, and proceeded with a rights issue on 1 January 2016 with proceeds raised to partially repay sufficient existing borrowings to maintain the gearing of CDLHT at 36.8%, the acquisitions are expected to be accretive.

### LEASE STRUCTURE OF HOTEL

Upon Completion, the Hotel will be leased based on a management lease agreement for 20 years commencing from completion date. The lease structure provides both downside protection and upside participation where rent received is around 90% of the Net Operating Profit of the hotel, subject to a guaranteed fixed rent of €3.6 million (approximately S\$5.6 million). The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.

### DESCRIPTION OF PROPERTY

The Property is a mixed-use complex on two freehold land plots located in Munich, Germany, consisting predominantly of a purpose-built hotel with a 4-star rating with a comprehensive suite of facilities, as well as secondary spaces currently let out to four retail and seven office tenants. It is strategically located adjacent to the commercial district of “Parkstadt Schwabing”, which is home to a variety of national and international companies, including Amazon, GE Healthcare and the German headquarters of Fujitsu, Microsoft, IBM and Munich Re.

The Property boasts convenient accessibility, with motorways connecting Munich to Berlin and Frankfurt within a two-minute drive away, and the Munich railway station and Munich International Airport being accessible via a short drive. Travellers also have direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals<sup>6</sup>, offering significant cost savings and ease of travel to the airport within 25 minutes. The Property is also in proximity to many of Munich’s popular tourist destinations including the English Garden, the BMW headquarters and Allianz Arena.

The Hotel opened in 1986 and underwent a full renovation and rebranding in 2012, following which it continued its operations under the “Pullman” brand. Between 2012 and 2016, a total of €17.6 million was invested towards renovation and refurbishment of the Property, including a full renovation of its 337 guest rooms, food and beverage (“F&B”) outlets, spa and lobby areas.

<sup>5</sup> Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.

<sup>6</sup> Lufthansa Express Bus Munich Website



## CDL HOSPITALITY TRUSTS

Upon completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels, a leading hotel group operating more than 4,100 hotels in 95 countries<sup>7</sup>. In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which is also the partner to H-REIT who holds the remaining interest in the Property. EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany.

### FUNDING OF ACQUISITION

The acquisition will be fully funded initially by debt financing through a loan facility and the acquisition is expected to be completed on or around 18 July 2017. Depending on market conditions, the loan could be refinanced by a term loan or other means, as determined by CDLHT’s managers.

### INVESTMENT HIGHLIGHTS OF ACQUISITION

#### Maiden Entry into Continental Europe through Presence in Munich, Germany

This acquisition marks CDLHT’s first investment in Germany and in the Bavarian capital of Munich, further diversifying its portfolio. Germany is the largest economy in Europe<sup>8</sup>, which recorded a GDP growth of 1.9% in 2016<sup>9</sup>, its strongest growth in five years, which was largely driven by falling unemployment rates and strong growth in private consumption amidst an low interest rate environment, while Germany’s central bank and leading economic institutes have raised their GDP growth estimates for 2017 and 2018, pointing to a broad-based upswing driven by vibrant domestic demand<sup>10</sup>. German business confidence in May was reported to have hit its highest level since 1991, underpinned by positive data from manufacturing and construction<sup>11</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May<sup>12</sup>. The continued economic resilience amongst its European counterparts has made the nation a highly sought-after destination for real estate investments<sup>13</sup>.

#### Opportunity to Penetrate a Highly Sought-After Market

The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city<sup>14</sup>. With relatively higher land costs, Munich has considerably higher barriers to entry than other German cities and this acquisition presents a rare opportunity to penetrate a highly sought-after market.

#### Vibrant Hospitality Market with Diversified Demand Drivers

As an important business hub and trade fair destination within Germany, as well as a popular tourism destination renowned for its sporting and cultural appeal, Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016<sup>15</sup>. The city is one of Germany’s top performing hospitality markets<sup>16</sup> where it posted the highest Average Daily Rate and Revenue per Available

---

7 AccorHotels Website

8 CIA World Factbook

9 Reuters, “German economy surges at fastest rate in five years”, 12 January 2017

10 Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017

11 Business Times, “German business confidence hits highest level since 1991”, 23 May 2017

12 PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017

13 Jones Lang LaSalle, Hotel Intelligence Munich, September 2016

14 CBRE Valuation Report dated 26 May 2017

15 Muenchen.de

16 Jones Lang LaSalle, Hotel Intelligence Munich, March 2017



## CDL HOSPITALITY TRUSTS

Room (“RevPAR”) in 2016 amongst the major German cities<sup>17</sup>.

Munich is home to high-tech industries, traditional production, information and communication technology, automotive engineering, medical engineering and finance, all of which are strong market drivers and the city is host to the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW.

Alongside the balanced mix of industries, Munich also has the strongest economy and purchasing power among major German cities and is the third largest office location in Europe, with 22.5 million sq m of existing office space<sup>18</sup>. The modern Messe München with 16 halls spread across 180,000 sq m of exhibition space also makes the city ideal for attracting meetings, incentives, conferencing and exhibitions (“MICE”) demand<sup>19</sup>. There are more than 70 trade shows set to take place in Munich from 2017-2018<sup>20</sup>.

Munich is home to FC Bayern Munich, the dominant football team in Germany, with its homeground stadium being Allianz Arena. With the success of FC Bayern Munich due to its numerous accolades including winning the Bundesliga 27 times and Champions League five times<sup>21</sup>, as well as its huge fan base worldwide, football match days represent a significant business driver for the Hotel. In addition, Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich.

A vibrant tourist destination with important cultural attractions such as theatres, opera houses and museums as well as festivals, major sights in Munich include the Church of Our Lady, the city hall located within the historic city centre, Nymphenburg Castle, Allianz Arena and Olympiapark. The internationally renowned Oktoberfest, which is the world’s largest beer festival and funfair held in September, attracts close to six million visitors annually<sup>22</sup>.

As such, Munich has an attractive hospitality market given the strong mix of corporate, leisure and MICE guests, which generates stable demand throughout the year, although there is some year-to-year variability due to the local trade fair cycle as leading trade fairs take place on a triennial and biennial frequency respectively.

### **High Quality Asset with Excellent Location**

The Hotel underwent complete renovation in 2012 and has a total of 337 guest rooms, including 24 suites, as well as a comprehensive suite of facilities including conference rooms, F&B outlets and a spa.

The Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft, as well as being adjacent to the headquarters of Munich RE, Zurich Financial Services and Stadtparkasse Munich, and is within a 10-minute drive to the BMW headquarters.

The Property is easily accessible to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests to the main historic city centre and the trendy retail district of Schwabing. Allianz Arena – FC Bayern Munich’s football stadium – is only five stops away from the Property via the U-bahn.

New developments in proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office and residential areas. CDLHT’s managers believe that with its strategic location, the Property will continue to benefit from a well-diversified mix of demand.

17 STR Global data

18 CBRE Valuation Report dated 26 May 2017

19 CBRE Valuation Report dated 26 May 2017

20 Events Eye, Trade Shows in Munich 2017-2018

21 FC Bayern Munich website

22 Oktoberfest.de website



## CDL HOSPITALITY TRUSTS

### Capitalising on Low Funding Environment and Expected Economic Recovery in Europe

In line with CDLHT's strategy, the acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates. In addition, an European economic recovery is expected given the recent strong economic indicators, with the Eurozone recording its lowest unemployment rate in eight years and with factories reporting their highest levels of activity since 2011<sup>23</sup>.

### Broadening Earnings Base and Strengthening Portfolio through Diversification

The Property will provide Stapled Security Holders the benefit of geographical diversification while drawing on the resilience and potential growth of the German hospitality sector. The acquisition is also expected to benefit Stapled Security Holders by broadening CDLHT's earnings base.

Assuming CDLHT owned the Property from 1 January 2016, it would contribute approximately 5.9%<sup>24</sup> of CDLHT's total net property income on a pro forma basis for FY 2016. On the same basis and including The Lowry Hotel in CDLHT's portfolio from 1 January 2016, the Property would contribute approximately 5.7%.

### RIGHTS ISSUE

The rights issue comprises an offer of 199,545,741 Rights Stapled Securities to Eligible Stapled Security Holders based on a rights ratio of 20 Rights Stapled Securities for every 100 existing Stapled Securities in CDLHT, at an issue price of S\$1.280 per Rights Stapled Security, to raise gross proceeds of approximately S\$255.4 million. This represents a discount of 23.8% to the closing price of S\$1.680 per Stapled Security on 27 June 2017 and a discount of 20.7% to the theoretical ex-rights price of S\$1.613 per Stapled Security<sup>25</sup>.

To demonstrate its support for CDLHT and the rights issue, CDLHT's sponsor, Millennium & Copthorne Hotels plc, will through its wholly-owned subsidiaries, subscribe and pay in full for the total provisional allotment of the Rights Stapled Securities, which represents approximately 36.98% of the rights issue.

Of the S\$255.4 million gross proceeds raised from the rights issue, approximately S\$250.0 million will be used to partially repay CDLHT's existing borrowings, which shall not include the loan facilities drawn down to finance CDLHT's acquisition of The Lowry Hotel and Pullman Hotel Munich. Approximately S\$1.0 million will be used for working capital and capital expenditure purposes and approximately S\$4.4 million will be used to pay for the total costs and expenses relating to the rights issue.

**Mr Yeo concluded**, "The rights issue offers Eligible Stapled Security Holders an opportunity to subscribe for the Rights Stapled Securities at an attractive discount and to participate in CDLHT's future growth. Once our acquisition in Munich and equity fund raising are completed, CDLHT's portfolio will see the addition of two new European properties in 2017 and our total valuation of the portfolio will increase from S\$2.4 billion at end 2016 to S\$2.7 billion. Our enlarged portfolio and debt headroom, coupled with diversified income sources, will allow us to continue to generate long-term sustainable returns for our Stapled Security Holders."

<sup>23</sup> Financial Times, "Eurozone unemployment falls to its lowest rate in 8 years", 3 April 2017

<sup>24</sup> Pursuant to H-REIT's interest in the Property, based on the pro forma annualised pro rata NPI of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million).

<sup>25</sup> Theoretical ex-rights price of S\$1.613 per Stapled Security is calculated as (Market capitalisation of CDLHT based on last trading day of the Stapled Securities prior to the announcement of the rights issue + Gross proceeds from the rights issue) / (Stapled Securities outstanding after the Rights Issue).





## CDL HOSPITALITY TRUSTS

Please refer to Appendix A for an indicative timetable relating to the rights issue.

– ENDS –

### For media and investor queries, please contact:

Mandy Koo  
Vice President, Investments & Investor Relations  
Tel: +65 6664 8887  
Email: [mandykoo@cdlht.com](mailto:mandykoo@cdlht.com)

Benjamin Ong  
Assistant Manager, Investor Relations  
Tel: +65 6664 8890  
Email: [benjaminong@cdlht.com](mailto:benjaminong@cdlht.com)

### About CDL Hospitality Trusts

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.5 billion. 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 was established with the principal investment strategy of investing in a diversified portfolio of hospitality and/or hospitality-related assets. As at 4 May 2017, CDLHT owns 16 hotels and two resorts comprising a total of 5,077 rooms as well as a retail mall. The properties under CDLHT’s portfolio are:

- (i) six hotels in the gateway city of Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) five hotels in Brisbane and Perth, Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth);
- (iii) two hotels in Japan’s gateway city of Tokyo (Hotel MyStays Asakusabashi and Hotel MyStays Kamata);
- (iv) one hotel in New Zealand’s gateway city of Auckland (Grand Millennium Auckland, formerly known as Rendezvous Hotel Auckland);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester); and
- (vi) two resorts in Maldives (Angsana Velavaru and Jumeirah Dhevanafushi).



## CDL HOSPITALITY TRUSTS

### **IMPORTANT NOTICE**

The value of stapled securities in CDL Hospitality Trusts (“**Stapled Securities**”) and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, M&C REIT Management Limited (as the manager of CDL Hospitality Real Estate Investment Trust), M&C Business Trust Management Limited (as the trustee-manager of CDL Hospitality Business Trust) (collectively, the “Managers”) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.

Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities in the United States. This publication is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), and is not to be distributed or circulated outside Singapore. The Rights Entitlements and the Rights Stapled Securities referred to herein have not been, and will not be, registered under United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.



## CDL HOSPITALITY TRUSTS

### **Appendix A**

#### **INDICATIVE TIMETABLE**

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

<b>Event</b>	<b>Date and Time</b>
Last day of “cum-rights” trading for the Rights Issue	30 June 2017
First day of “ex-rights” trading for the Rights Issue	3 July 2017
Lodgement of Offer Information Statement	5 July 2017
Rights Issue Books Closure Date	5 July 2017 at 5.00 p.m.
Despatch of the Offer Information Statement (together with the application forms) to Eligible Stapled Security Holders	10 July 2017
Commencement of trading of Rights Entitlements	10 July 2017 from 9.00 a.m.
Last date and time for trading of Rights Entitlements	18 July 2017 at 5.00 p.m.
<b>Closing Date:</b>	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Stapled Securities	24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Stapled Securities	24 July 2017 at 5.00 p.m. <sup>(1)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renounee	24 July 2017 at 5.00 p.m.
Expected date for commencement of trading of Rights Stapled Securities on the SGX-ST	2 August 2017 from 9.00 a.m.

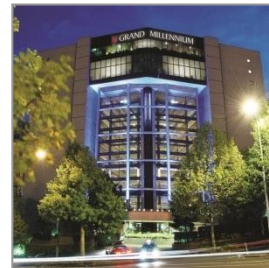
**Note:**

- (1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP in accordance with the ARE and the ARS.



CDL HOSPITALITY TRUSTS

Acquisition of Pullman Hotel Munich, Germany  
and  
Launch of Renounceable Underwritten Rights Issue  
27 June 2017



# Important Notice



CDL HOSPITALITY TRUSTS

NOT FOR PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA, JAPAN OR AUSTRALIA

The information set out in this presentation is for information only and is not intended to form the basis of any contract. By accessing this presentation, you agree that you will not rely on any representation or warranty implied herein or the information contained herein in any action or decision you may take or make.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CDL Hospitality Trusts.

The value of stapled securities of CDL Hospitality Trusts ("Stapled Securities") and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (the "H-REIT Manager") or M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (the "HBT Trustee-Manager"), or any of their respective affiliates.

An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the H-REIT Manager and/or the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the Stapled Securities may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation contains certain tables and other statistical analyses (the "Statistical Information") which have been prepared by the H-REIT Manager and the HBT Trustee-Manager. Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

Market data and certain industry forecasts used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by the H-REIT Manager or the HBT Trustee-Manager and neither the H-REIT Manager nor the HBT Trustee-Manager makes any representations as to the accuracy or completeness of such information.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the H-REIT Manager or the HBT Trustee-Manager on future events.

This presentation does not constitute or form part of an offer, solicitation, recommendation or invitation for the sale or purchase of securities or of any of the assets, business or undertakings described herein. No part of it nor the fact of its presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

Nothing in this presentation constitutes or forms a part of any offer to sell or solicitation of any offer to purchase or subscribe for securities for sale in the United States, the European Economic Area, Canada, Japan, Australia, Singapore or any other jurisdiction. The Stapled Securities will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The securities described in this presentation are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S of the Securities Act. The H-REIT Manager and the HBT Trustee Manager do not intend to conduct a public offering of any Stapled Securities in the United States.

Neither this presentation nor any part thereof may be (a) used or relied upon by any other party or for any other purpose, (b) copied, photocopied, duplicated or otherwise reproduced in any form or by any means, or (c) forwarded, published, redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any other person either in your organisation or elsewhere. By accessing this presentation, you agree to be bound by the terms set out above.

# Table of Contents



▪ Executive Summary	4
▪ Overview of Pullman Hotel Munich Acquisition	6
▪ Investment Highlights	17
▪ Rights Issue	34
▪ Pro forma Financial Information	38
▪ Indicative Rights Issue Timetable	40



# Executive Summary

---

# Executive Summary of Overall Transactions



CDL HOSPITALITY TRUSTS

Acquired on  
4 May 2017  
The Lowry Hotel  
Manchester, UK



Acquisition announced on  
27 June 2017  
Pullman Hotel Munich  
Munich, Germany



Renounceable and fully underwritten Rights  
Issue to raise gross proceeds of S\$255.4M

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Proceeds to partially repay CDLHT's existing borrowings, not including those for the acquisition of The Lowry Hotel and Pullman Hotel Munich (the "Acquisitions")
- Enhanced financial flexibility from lower gearing and increased debt headroom
- Realignment of capital structure will lower CDLHT's weighted average cost of debt and further improve its interest coverage ratio
- Provides existing Stapled Securityholders with pro rata opportunity to participate in equity fund raising
- Potential increase in trading liquidity of Stapled Securities

**Both acquisitions are/will be fully funded by debt financing**

- Fully funding the Acquisitions by debt financing allows CDLHT to capitalise on the window of opportunity presented by the low funding environment in Europe and to achieve a natural hedge
- On a standalone basis, each of the above acquisition is a DPS accretive acquisition <sup>(1)</sup>
- On an overall basis, the Acquisitions are accretive <sup>(2)</sup>

(1) Pro forma FY 2016 distribution per security ("DPS") based on each acquisition being fully funded by debt financing, compared against actual FY 2016 DPS.

(2) Based on an illustrative hypothetical scenario with a rights issue raising gross proceeds of S\$167.8 million such that gearing of CDLHT is maintained at 36.8% (as at 31 March 2017).





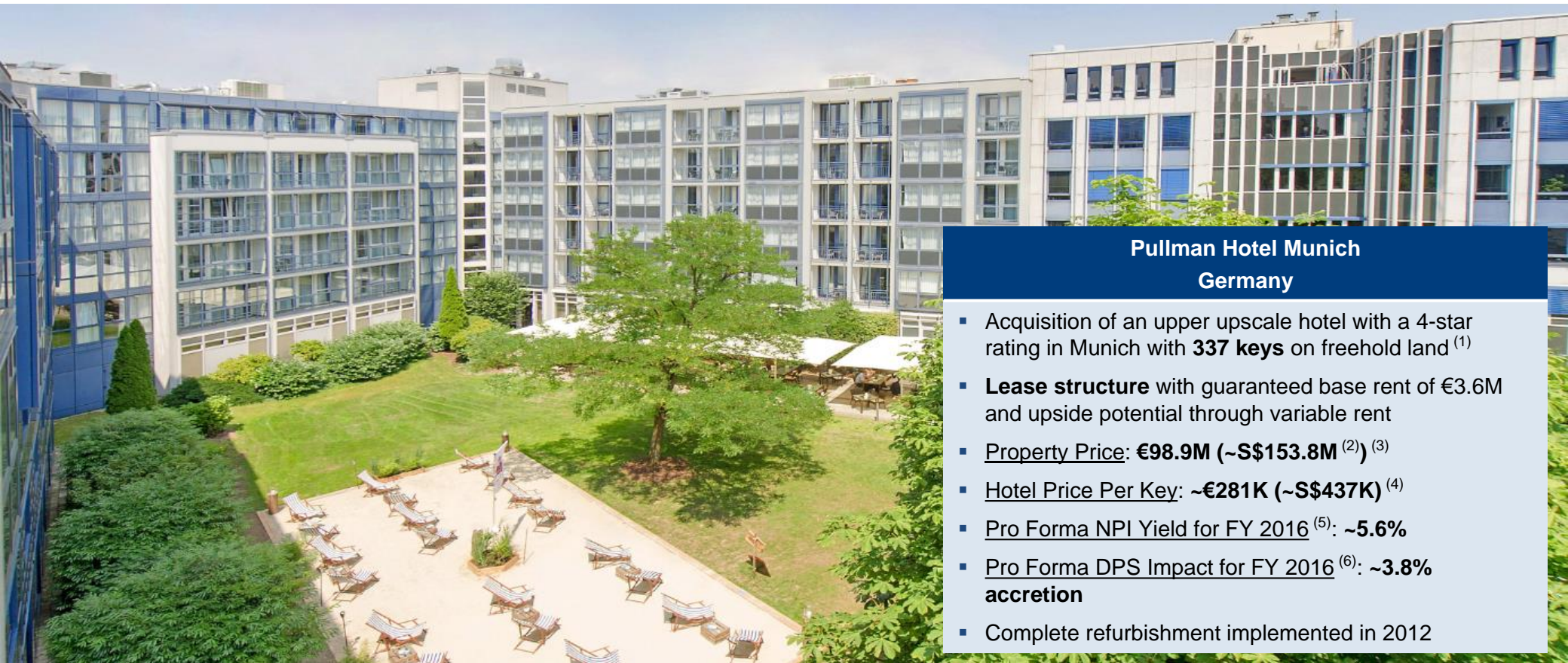
# Overview of Pullman Hotel Munich Acquisition

---

# Executive Summary of Pullman Hotel Munich Acquisition



CDL HOSPITALITY TRUSTS



## Pullman Hotel Munich Germany

- Acquisition of an upper upscale hotel with a 4-star rating in Munich with **337 keys** on freehold land <sup>(1)</sup>
- **Lease structure** with guaranteed base rent of €3.6M and upside potential through variable rent
- **Property Price: €98.9M (~S\$153.8M)** <sup>(2)</sup> <sup>(3)</sup>
- **Hotel Price Per Key: ~€281K (~S\$437K)** <sup>(4)</sup>
- **Pro Forma NPI Yield for FY 2016** <sup>(5)</sup>: **~5.6%**
- **Pro Forma DPS Impact for FY 2016** <sup>(6)</sup>: **~3.8% accretion**
- Complete refurbishment implemented in 2012

- (1) Acquisition comprises an effective interest of 94.5% in Pullman Hotel Munich (the “**Hotel**”) and its office and retail components (the “**Commercial Components**”) and the fixture, furniture and equipment used by the Hotel (“**FF&E**”, and together with the Hotel and the Commercial Components, the “**Property**”).
- (2) Unless otherwise stated, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5546.
- (3) €98.9 million (approximately S\$153.8 million) is the payment of Property Price pursuant to H-REIT’s effective interest of ~94.5% in the Property. On the basis of 100% interest in the Property, the Property price is €104.7 million (approximately S\$162.7 million).
- (4) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.
- (5) Pursuant to H-REIT’s interest in the Property, based on the pro forma annualised net property income (“**NPI**”) of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million) and a Purchase Consideration of €100.6 million (approximately S\$156.3 million). Taking into consideration the Total Acquisition Cost of €103.2 million (approximately S\$160.4 million), the pro forma annualised NPI yield will be 5.4%.
- (6) Based on the change of the pro forma Distribution per Stapled Security (“**DPS**”) for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.

# Executive Summary of Pullman Hotel Munich Acquisition (Con't)



CDL HOSPITALITY TRUSTS

**Maiden entry into continental Europe through presence in Munich, Germany** – where Germany is the largest economy in Europe <sup>(1)</sup> and recorded its strongest GDP growth in 5 years in 2016 <sup>(2)</sup>, with a positive outlook in 2017 and 2018 <sup>(3)</sup>

## **Vibrant hospitality market with diversified demand drivers:**

- Munich is one of Germany's top performing hospitality market where it posted the highest ADR and RevPAR in 2016 amongst the major German cities <sup>(4)</sup>, supported by well-diversified demand drivers:
  - **Corporate demand:** Munich is home to a broad spectrum of industries and the headquarters of various companies listed on the Frankfurt Stock Exchange such as Allianz and BMW
  - **Meetings, Incentives, Conferencing, Exhibitions (“MICE”) demand:** The city has strong MICE demand as it hosts the world's leading trade fairs such as those by Messe Munich and is supported by well developed trade fair infrastructure such as the Messe München
  - **Leisure demand:** Iconic festivals and cultural events such as Oktoberfest as well as the presence of FC Bayern Munich help to drive healthy leisure demand

## **High quality asset with ~€18 million invested towards refurbishment of the Property between 2012 and 2016**

**Excellent location** as the hotel is in close proximity to a major business park, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services and Microsoft, and easily accessible to the city centre, tourist attractions and airport

**Lease structure offers downside protection and upside participation** where the Lessor will receive rent of around 90% of the Net Operating Profit of the hotel subject to a guaranteed fixed rent of €3.6 million <sup>(5)</sup>

**Accretive acquisition** with pro forma DPS accretion of 3.8% for FY 2016

**Transaction reinforces CDLHT's strategy** to diversify and enter markets with strong fundamentals and growth potential

(1) CIA World Factbook

(2) Reuters, “German economy surges at fastest rate in five years”, 12 January 2017

(3) Euronews, “Germany sticks to cautious growth outlook despite brighter prospects”, 16 June 2017

(4) STR Global Data

(5) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.

## Location

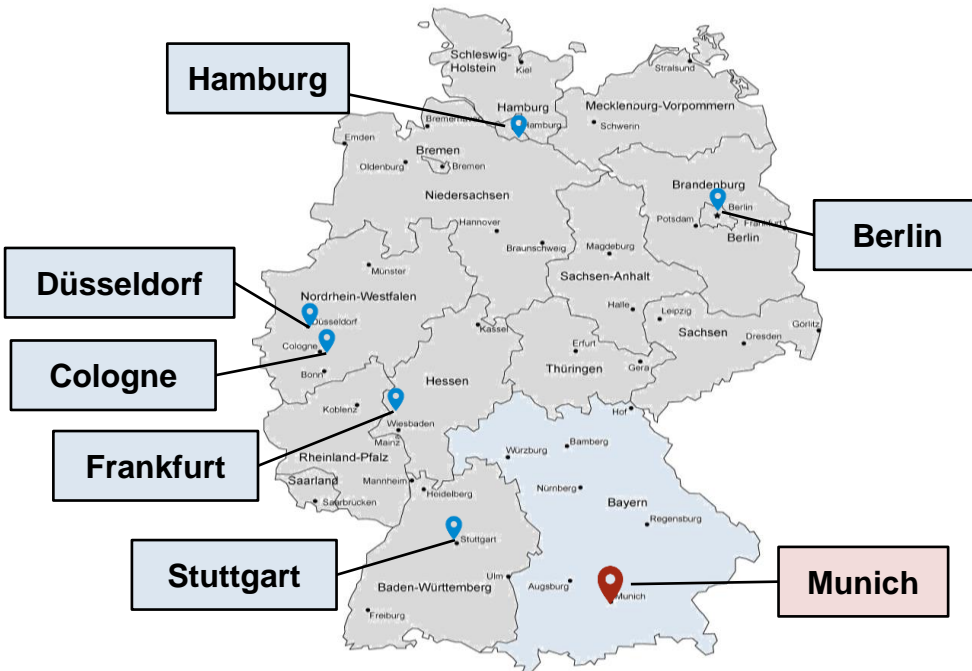
- As at 2016, Munich Airport serves 257 destinations across 73 countries, an increase of 10 new destinations in the medium and long-haul routes year-on-year (“yoy”)
- Regional train services such as InterCity Express connects Munich to all the major German cities:
  - Berlin to Munich (~6 hours)
  - Frankfurt to Munich (~3.5 hours)

## City of Sports and Culture

- Munich is home to FC Bayern Munich, the dominant football team in Germany
- FC Bayern Munich, a record 27 times Bundesliga champion and 5 times Champions League winner, draws fans from all over the world for matches and stadium tours
- It is famous internationally for Oktoberfest – the world’s largest annual beer festival and funfair

## One of the Most Attractive Business Locations in Europe

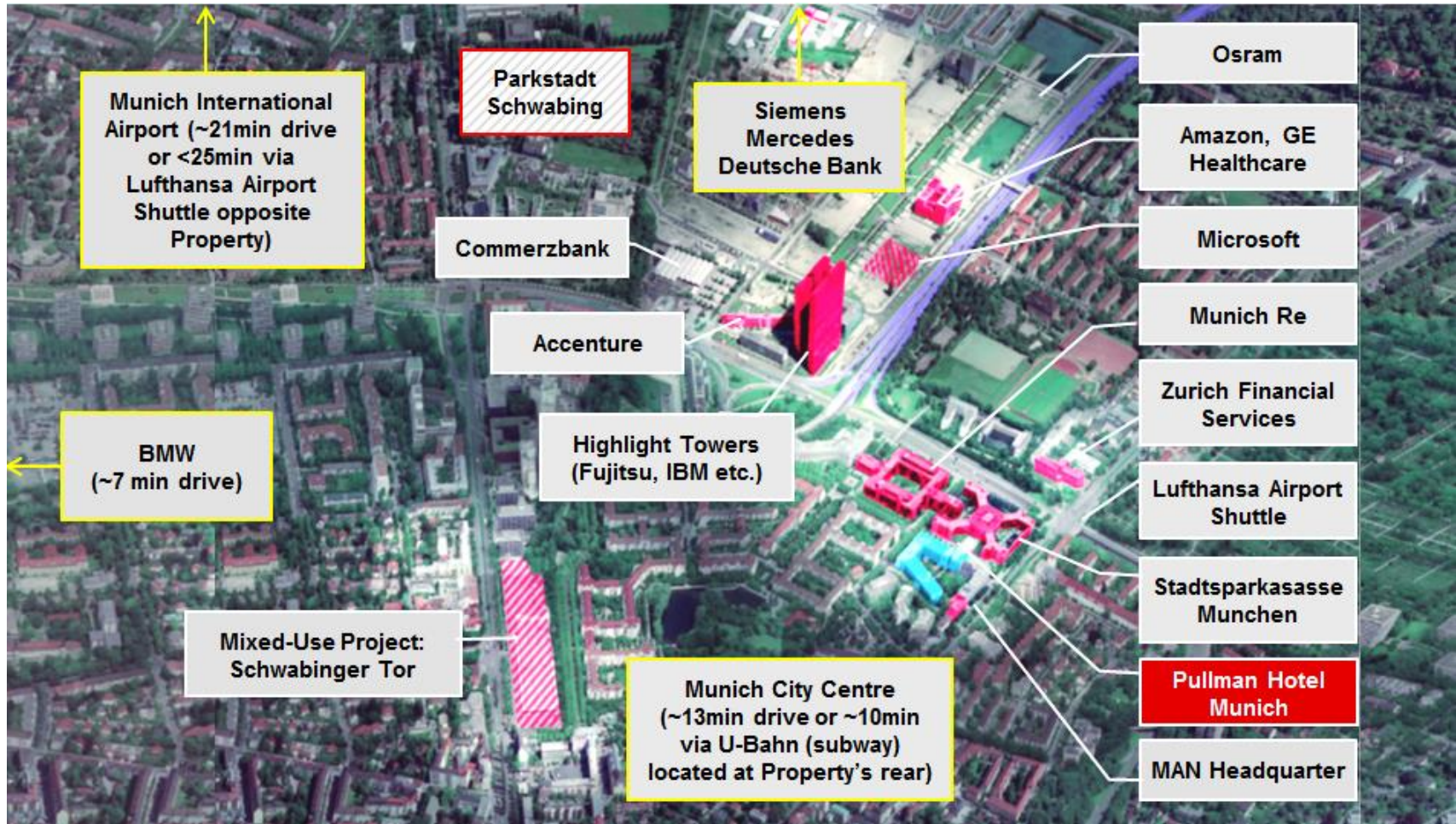
- Munich is the capital of the federal state of Bavaria which boasts of economic resilience and strength<sup>(1)</sup>
- It is the third largest city in Germany by population, with a population of 1.53 million in 2016<sup>(2)</sup>
- It is touted as an important research and knowledge hub with 17 universities and more than 115,000 students<sup>(1)</sup>
- The city is identified as one of the most important fintech locations in Europe over the next two years<sup>(1)</sup>
- Munich is a vibrant trade fair destination and is host to world leading trade fairs such as BAU and bauma



(1) Colliers International, Immobilien-Marktbericht München (“Real Estate Market Report Munich”) 17/18

(2) Muenche.de

# Location of Pullman Hotel Munich



- Parkstadt Schwabing, a 400,000 sq m commercial district, is in close proximity to the Property
- In September 2016, Microsoft opened its new Germany office, which is an 8-minute walk from the Property
- The strong catchment of international firms will continue to drive corporate accounts

# Details and Description of Property



CDL HOSPITALITY TRUSTS



*Superior Room*



*Theo's Restaurant*

Overview	Property Description
Property	<ul style="list-style-type: none"> <li>Property consists of Pullman Hotel Munich and its office and retail components and the fixture, furniture and equipment used by the Hotel</li> </ul>
Location	<ul style="list-style-type: none"> <li>Theodor-Dombart-Strasse 4, Munich, 80805, Germany</li> </ul>
Title Details	<ul style="list-style-type: none"> <li>2 freehold land plots</li> </ul>
Year of Opening	<ul style="list-style-type: none"> <li>Opened in 1986</li> <li>Underwent a full renovation and rebranding in 2012</li> </ul>
Rooms	<ul style="list-style-type: none"> <li>337 rooms, including 24 suites</li> <li>Weighted average room size of 34 sq m</li> </ul>
Others Amenities	<ul style="list-style-type: none"> <li>5 Food and Beverage (“F&amp;B”) outlets</li> <li>400 sq m of fitness and spa area</li> <li>2 conference rooms for up to 80 people</li> <li>150 parking lots for Hotel and 48 parking lots for Commercial Components</li> <li>Commercial Components currently leased out to 4 retail and 7 office tenants</li> </ul>

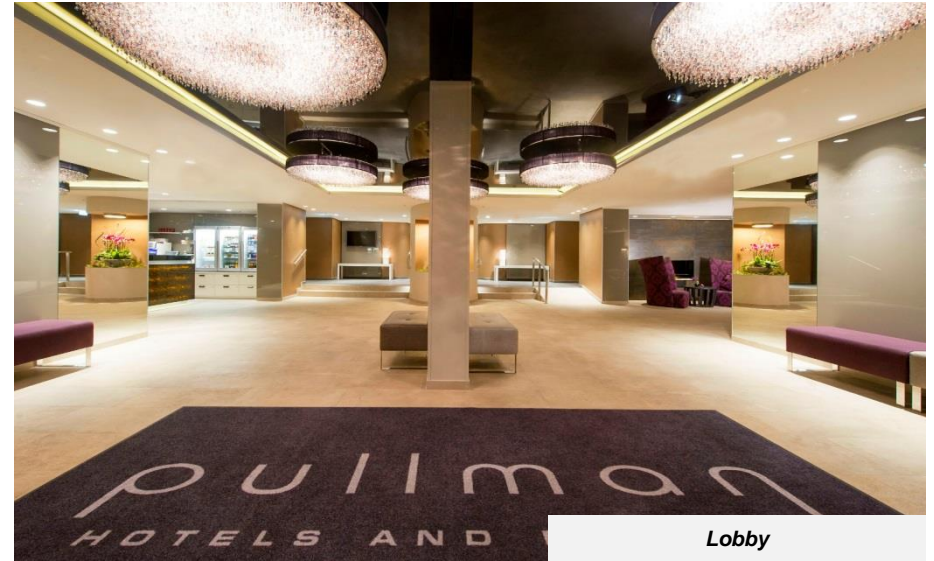
# Details and Description of Property (Con't)



CDL HOSPITALITY TRUSTS



*Meeting Room - Marienplatz*



*Lobby*



*Meeting Room - Königsplatz*



*Executive Room*



## Transaction Summary

Acquisition	<ul style="list-style-type: none"> <li>▪ Acquisition of an effective interest of 94.5% in the Property through the purchase of:             <ol style="list-style-type: none"> <li>i. 94.9% of the issued share capital of NKS Hospitality I B.V. (“<b>NKS</b>”) from Event Hospitality Group B.V. (the “<b>Vendor</b>”); and</li> <li>ii. Acquisition from the Vendor of 94.9% of the issued share capital of Munich Furniture B.V. (“<b>FurnitureCo</b>”, and together with NKS, the “<b>Target Companies</b>”), which is the legal owner of the FF&amp;E used by the Hotel</li> </ol> </li> <li>▪ Upon Completion, 5.1% of the issued share capital of each of the Target Companies will continue to be owned by the Vendor</li> </ul>
Purchaser	<ul style="list-style-type: none"> <li>▪ CDLHT Munich One Pte. Ltd.</li> </ul>
Property Price	<ul style="list-style-type: none"> <li>▪ €98.9 million / (~S\$153.8 million)<sup>(1)</sup> based on a property price of €104.7 million on a 100% interest basis</li> </ul>
Hotel Price per key <sup>(2)</sup>	<ul style="list-style-type: none"> <li>▪ ~€281K (~S\$437K)</li> </ul>
Valuation <sup>(3)</sup>	<ul style="list-style-type: none"> <li>▪ €105.3 million on a 100% interest basis / (~S\$163.7 million)</li> </ul>
Net Working Capital and Cash of Target	<ul style="list-style-type: none"> <li>▪ Apart from the payment of Property Price, the purchase consideration for the Acquisition also comprise the payment of a sum of approximately €1.7 million / (~S\$2.6 million)<sup>(1)</sup> based on the estimated net working capital and cash of the Target Companies</li> </ul>
Encumbrance	<ul style="list-style-type: none"> <li>▪ Franchise Agreement with AccorHotels (~5 years unexpired term)</li> </ul>
Date of Completion	<ul style="list-style-type: none"> <li>▪ On or around 18 July 2017</li> </ul>

(1) Pursuant to H-REIT’s interest in the Property.

(2) Based on a price of €94.8 million (approximately S\$147.3 million) for the Hotel based on a Property price of €104.7 million (approximately S\$162.7 million) on a 100% interest basis.

(3) Valuation report dated 26 May 2017 by CBRE using the discounted cash flow method to arrive at its valuation of the Property.





## Management Lease Summary

Management Lease	<ul style="list-style-type: none"> <li>Upon completion, a new Management Lease Agreement will be entered in relation to the management and operation of the Property</li> </ul>
Lessee	<ul style="list-style-type: none"> <li>UP Hotel Operations GmbH &amp; Co. KG (a wholly-owned subsidiary of EVENT Hotels)</li> </ul>
Term of Lease	<ul style="list-style-type: none"> <li>20 years commencing from completion date</li> </ul>
Rent	<ul style="list-style-type: none"> <li>Lessor will receive rent of around 90% of the Net Operating Profit<sup>(1)</sup> of the Hotel subject to a guaranteed fixed rent of €3.6 million<sup>(2)</sup></li> </ul>
Capital Expenditure Obligations	<ul style="list-style-type: none"> <li>Lessor is responsible for the capital expenditures of the Hotel</li> </ul>

(1) The Net Operating Profit shall mean the gross operating profit of the Hotel less property taxes, premium payable on the Lessor's insurance obligations, fees payable to a hotel manager and an annual contribution to a FF&E replacement reserve.

(2) The guaranteed fixed rent is subject to inflationary adjustments with a floor at €3.6 million.



## 5.1% Shareholder and Lessee



- Upon Completion, the Hotel will continue to operate under the “Pullman” brand pursuant to its existing franchise agreement with AccorHotels
  - AccorHotels is a top leading hotel group operating more than 4,100 hotels in 95 countries <sup>(1)</sup>
- In addition, the Hotel will continue to be leased and operated by EVENT Hotels, which is also the 5.1% shareholder of the Target Companies
  - EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 59 hotels with approximately 11,000 keys throughout Europe, of which 30 hotels with approximately 8,000 keys are in Germany

(1) AccorHotels Website

# Transaction Details (Con't)



Financing	
Total Acquisition Cost	
Property Price	€98.9 million (~S\$153.8 million) <sup>(1)</sup>
Estimated Net Working Capital & Cash of the Target Companies	€1.7 million (~S\$2.6 million) <sup>(1)</sup>
Professional Fees & Expenses	€1.6 million (~S\$2.5 million)
Acquisition Fee <sup>(2)</sup>	€1.0 million (~S\$1.6 million)
<b>Total</b>	<b>€103.2 million (~S\$160.4 million)*</b>

\*Numbers will not add up due to rounding.



- Initially fully funded by 100.0% debt financing through H-REIT's loan facility
- Depending on market conditions, H-REIT's loan could be refinanced by a term loan or other means, as may be determined by the Managers

(1) Pursuant to H-REIT's interest in the Property.

(2) Acquisition fee to be paid by H-REIT is calculated based on 1.0% of the Property Price of €98.9 million and the Estimated Net Working Capital & Cash of the Target Companies of €1.7 million.



# Investment Highlights

---

# Investment Highlights



CDL HOSPITALITY TRUSTS

- 1 Accretive Acquisition
- 2 Maiden Entry into Continental Europe through Presence in Munich, Germany
- 3 Vibrant Hospitality Market with Diversified Demand Drivers
- 4 High Quality Asset with Excellent Location
- 5 Capitalising on Low Funding Environment and Expected Economic Recovery in Europe
- 6 Broaden Earnings Base and Strengthen Portfolio through Diversification

# 1 Accretive Acquisition



CDL HOSPITALITY TRUSTS

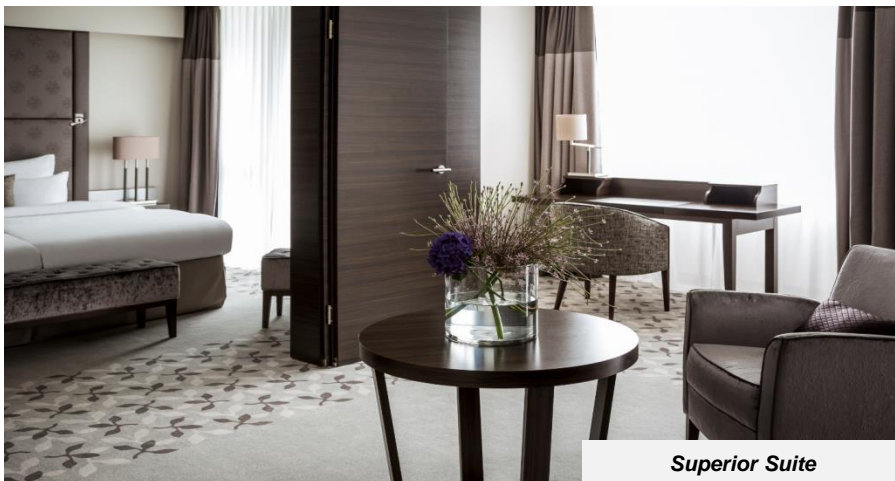
## Pullman Hotel Munich



*THEO's Lounge*



*Junior Suite*



*Superior Suite*

Assuming CDLHT owned the Property from 1 Jan 2016\*

Pro Forma NPI Yield of the Property 5.6% <sup>(1)</sup>

DPS accretion 3.8% <sup>(2)</sup>

\*For the avoidance of doubt, this excludes the acquisition of The Lowry Hotel, which was completed on 4 May 2017.

(1) Pursuant to H-REIT's interest in the Property, based on the pro forma annualised pro rata NPI of the Property for FY 2016 of €5.6 million (approximately S\$8.7 million).

(2) Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT.



## Economy of Germany

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	1.6%	1.8%	1.9%	1.5%

- With a nominal GDP of €3.1 trillion in 2016, Germany is the largest European economy and the fourth largest economy in the world <sup>(3)</sup>
- Its real GDP grew by 1.9% in 2016 (strongest growth in five years), driven by falling unemployment rates and strong growth in private consumption amidst an ultra-low interest rate environment and the outlook into 2017 remains positive
- German business confidence soared in May 2017 to levels not seen in more than a quarter of a century, underpinned by positive data from manufacturing and construction <sup>(4)</sup> while private sector output in Germany also expanded at the sharpest rate in over six years in May 2017 <sup>(5)</sup>
- This continued economic resilience amongst its European counterparts have recently made it a highly sought-after destination for real estate investments <sup>(6)</sup>
- With Brexit underway, Germany could potentially benefit from the relocation of financial firms out of United Kingdom (“UK”) into Europe <sup>(7)</sup>, attributed to speculations on the loss of passporting rights and tighter immigration rules

(1) Federal Statistical Office (Destatis)

(2) World Economic Outlook Update, January 2017

(3) CIA World Factbook

(4) Business Times. “German business confidence hits highest level since 1991”, 23 May 2017

(5) PMI by IHS Markit, IHS Markit Flash Germany PMI, 23 May 2017

(6) JLL Market Intelligence Munich, September 2016

(7) Sky News, “Germany sees rise in relocation queries from UK-based banks”, November 2016



## Economy of Munich

Economic Indicator <sup>(1)</sup>	2014	2015	2016	2017(F) <sup>(2)</sup>
Real GDP Growth (%)	2.6%	2.2%	1.8%	1.5%

- Munich is the capital of Bavaria which has the second largest share of Germany's GDP <sup>(1)</sup>
- It is the third largest city in Germany by population and the second largest employment hub in Germany as of 2016 <sup>(3)</sup>
- It has a well balanced mix of industries across the financial services, healthcare and retail industries, allowing its economy to be relatively resilient against economic shocks
- Rare opportunity to penetrate a highly sought-after market as:
  - The Munich real estate market has strong investor interest from domestic insurance and pension funds, other major European private equity funds as well as sovereign funds from the Middle East, seeking to establish a presence in this key gateway city <sup>(3)</sup>
  - Munich has considerably higher barriers to entry than other German cities, with relatively higher land costs



*City Hall and Church of Our Lady*



*Nymphenburg Castle*

Image Credits: Dorinser (<http://bit.ly/2rzrF0K>), Eric Bauer (<http://bit.ly/2rz6Sdq>)

(1) Federal Statistical Office (Destatis)

(2) Oxford Economics

(3) CBRE Valuation Report dated 26 May 2017

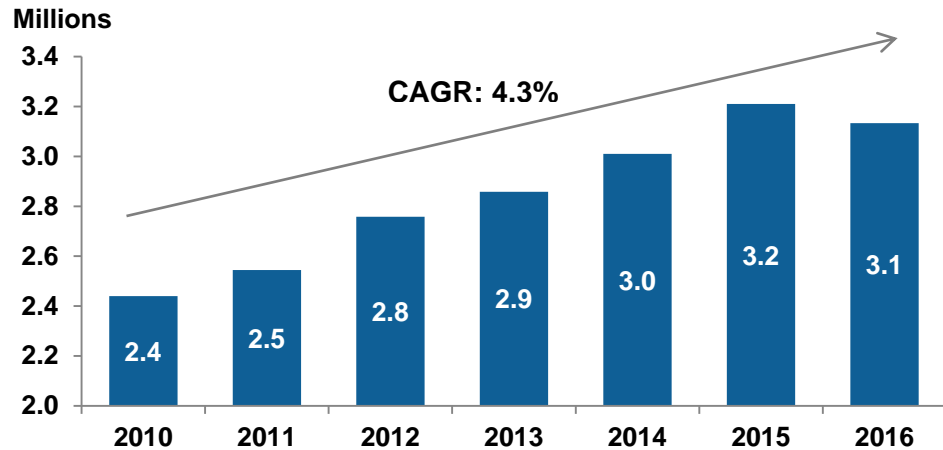




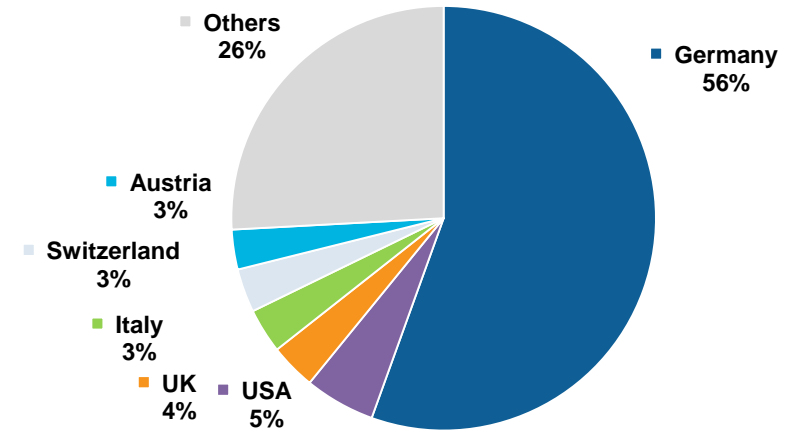


## Healthy Growth in Tourist Arrivals

**Total International Visitor Arrivals to Munich <sup>(1)</sup>**



**Geographical Mix 2016 <sup>(1)</sup>**



- Munich recorded about 7.0 million total arrivals and 14.0 million overnight stays in all accommodation facilities in 2016 <sup>(1)</sup>
- Munich enjoys a good balance of domestic and international visitors – 44% of total arrivals in 2016 were international visitors
- The top three international source markets in 2016 include the United States, UK and Italy
- Whilst the Munich market faced a 2.4% drop in international tourist arrivals in 2016 due to a number of terrorism activities in Europe, Munich is capable of attracting a healthy and stable mix of tourists in 2017 with MICE, international sports events and the annual Oktoberfest lined up throughout the year
- While the expected 5 year CAGR for new hotel rooms supply is slightly above 2%, the city is also one of Germany's top performing hospitality market <sup>(2)</sup> where it posted the highest Average Daily Rate and RevPAR in 2016 amongst the major German cities and RevPAR recorded a CAGR of 4.4% between 2011 and 2016 <sup>(3)</sup>

(1) Muenchen.de

(2) Jones Lang LaSalle, Hotel Intelligence Munich, March 2017

(3) STR Global data

## Important Business Hub within Germany



*BMW Headquarters and BMW World*



*The Linde Group Headquarters*



- Munich is home to high-tech industries, traditional production, information and communication technology, automotive engineering, medical engineering and finance, all of which are strong market drivers
- The city hosts the headquarters of various companies listed on the Frankfurt Stock Exchange, including Siemens AG, Allianz, Linde, Munich RE and BMW
- Munich is also the third largest office location in Europe, with 22.5 million sq m of existing office space <sup>(1)</sup>



## Vibrant Trade Fair Destination more than 70 Trade Shows in 2017-2018 <sup>(1)</sup>

- Munich has well developed trade fair infrastructure including the Messe München and the International Congress Centre Munich (“ICM”), which is ideal for attracting MICE demand <sup>(2)</sup>
- Messe München, with a combined exhibition area of 625,000 sq m indoors and outdoors, recorded around 2.4 million visitors in 2016, a 23.6% growth yoy <sup>(2)</sup>
  - In order to keep up with the growing MICE demand, Messe München has broken ground to construct two new exhibition halls, to be completed by 3Q 2018
- ICM, with a total exhibition area of 7,000 sq m and meeting rooms with a capacity for up to 6,000 participants, hosts more than 100 conferences and events annually with around 110,000 visitors <sup>(2)</sup>

### Major Trade Fairs in Munich

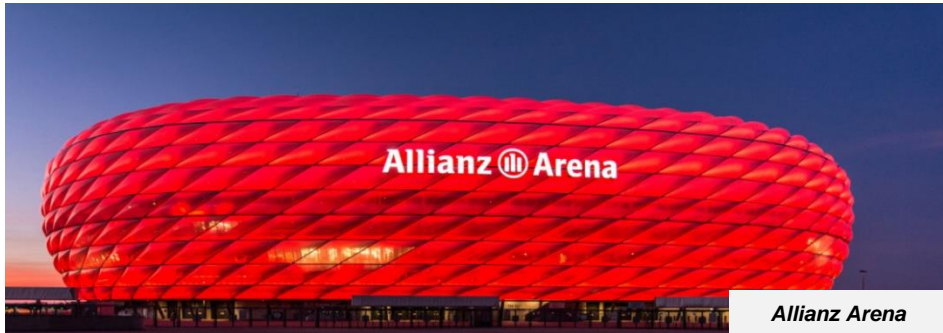
<b>bauma</b>	 APRIL 8-14, 2019 MUNICH	International Trade Fair for Construction Machinery, Building Material and Mining Machines and Construction Vehicles	Triennial	~580,000 attendance
<b>BAU</b>	 January 16-21 - Munich	World's Leading Trade Fair for Architecture, Materials and Systems	Biennial	~254,000 attendance
<b>IFAT</b>		World's Leading Trade Fair for Water, Sewage, Waste and Raw Materials Management	Biennial	~136,000 attendance
<b>Heim+Handwerk</b>		Trade Fair for Building, Furnishing and Living	Annual	~140,000 attendance
<b>Internationale Handwerksmesse</b>		The Leading Trade Fair for Craft Trades, including Munich's indoor garden fair	Annual	~131,000 attendance

(1) Events Eye

(2) CBRE Valuation Report dated 26 May 2017

(3) Messe Munchen

## Leisure Demand Supported by Sporting and Cultural Events



- Munich home to FC Bayern Munich, the dominant football team in Germany
- Allianz Arena, with a capacity of 75,000 <sup>(1)</sup>, is home to FC Bayern Munich, the dominant team in Germany and second highest earning football club (revenue) in the world <sup>(2)</sup>:
  - Draws close to 2 million foreign fans per season to Munich to watch matches and ticket sales for Bundesliga 2016/2017 has 100% attendance for FC Bayern Munich matches <sup>(3)</sup>
  - Fanfare driven by numerous accolades of the club, including a record 27 times Bundesliga champion, 18 times DFB German Cup winner, 5 times Champions League winner and also 1 of 5 clubs in the world to win all 3 major UEFA trophies <sup>(4)</sup>
  - Football-related demand is a significant business driver for Property during match days
  - Allianz Arena is also home to another Bundesliga football club, TSV 1860 Munich

Image Credits: Michael Hofmann (<http://bit.ly/2q2yLcl>), FC Bayern Munich website

(1) Allianz Arena website, Facts, General Information

(2) Deloitte, Football Money League, January 2017

(3) FC Bayern Munich website, Bayern's home

(4) UEFA website



## Leisure Demand Supported by Sporting and Cultural Events (Con't)



*Oktoberfest*



*Tollwood Festival (Winter)*

- Munich is famous internationally for Oktoberfest – the world's largest annual beer festival and funfair held in September:
  - In 2016, Oktoberfest attracted 5.6 million visitors (2015: 5.9 million) <sup>(1)</sup>
  - Strong hotel performance during Oktoberfest as rooms are sold at a premium amidst high industry wide occupancies
- Other famous festivals include the semi-annual Tollwood Festival which takes place in Olympiapark (summer) and Theresienwiese (winter) across 55 days and attracts ~1.5 million visitors <sup>(2)</sup>

Image Credits: Bernd Wackerbauer (Tollwood website), Oktoberfest website

(1) Oktoberfest.de

(2) GO Group Cologne, Tollwood Festival of Culture, April 2016



Marienplatz



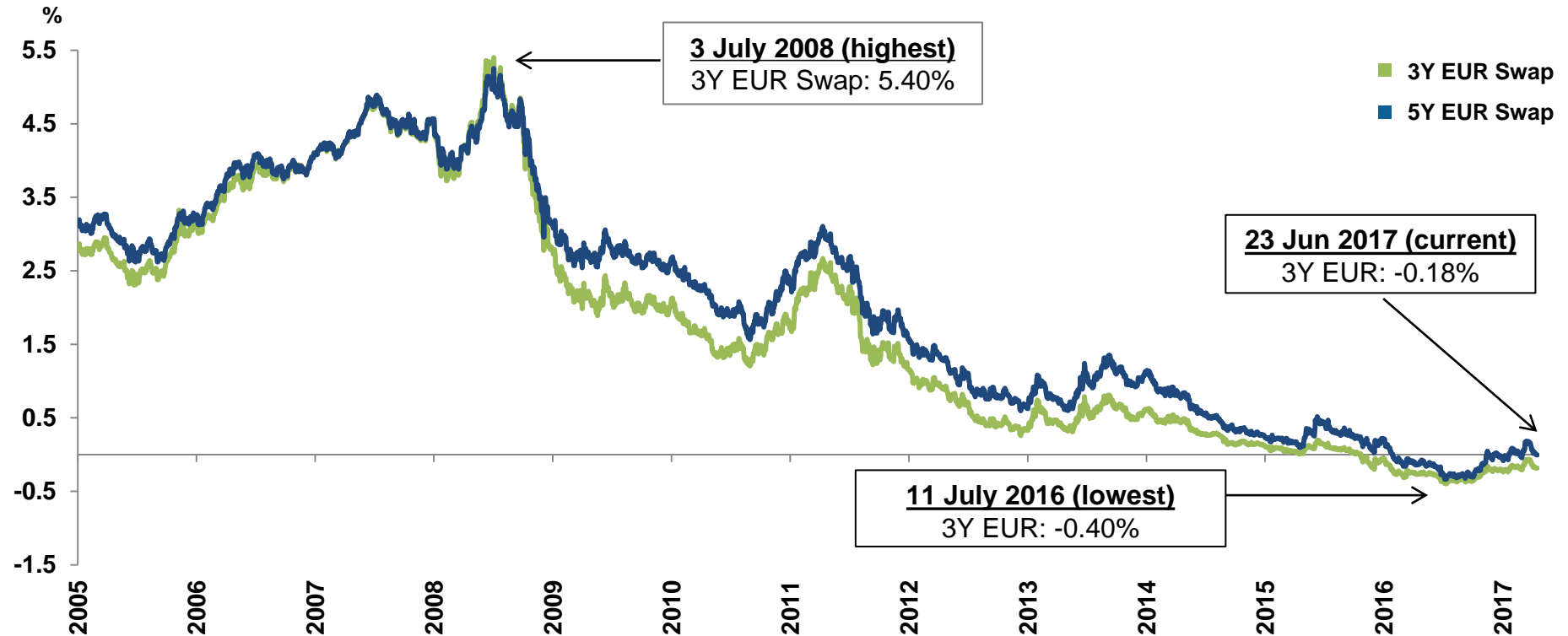
Schwabinger Tor Mixed Development

- Between 2012 and 2016, a total of ~€18 million was invested towards renovation and refurbishment for the Property, including a full renovation of its 337 guest rooms, F&B outlets, spa and lobby areas
- Property is located in close proximity to a major business park, Parkstadt Schwabing, where it is home to industry heavyweights like Accenture, Amazon, MAN Financial Services, and Microsoft
- Property is easy accessible to popular tourism destinations in Munich, with an entrance to the U-bahn (subway) located directly at its rear, connecting its guests within minutes to the main historic city centre, the trendy retail district of Schwabing
- FC Bayern Munich's football stadium – Allianz Arena – is only 5 stops (~8 minutes) away via the U-bahn
- Motorways connecting Munich to Berlin and Frankfurt is within a 2-minute drive from the Property
- New developments in the proximity to the area include Schwabinger Tor, a mixed-use scheme of almost 90,000 sq m consisting of office and residential areas
- Direct access to Munich International Airport via the Lufthansa Express Bus service, which stops diagonally opposite the Property and runs at regular 15 minute intervals, offering significant cost and ease of travel to the airport within 25 minutes

# Capitalising on Low Funding Environment and Expected Economic Recovery in Europe



## EUR Swap <sup>(1)</sup>



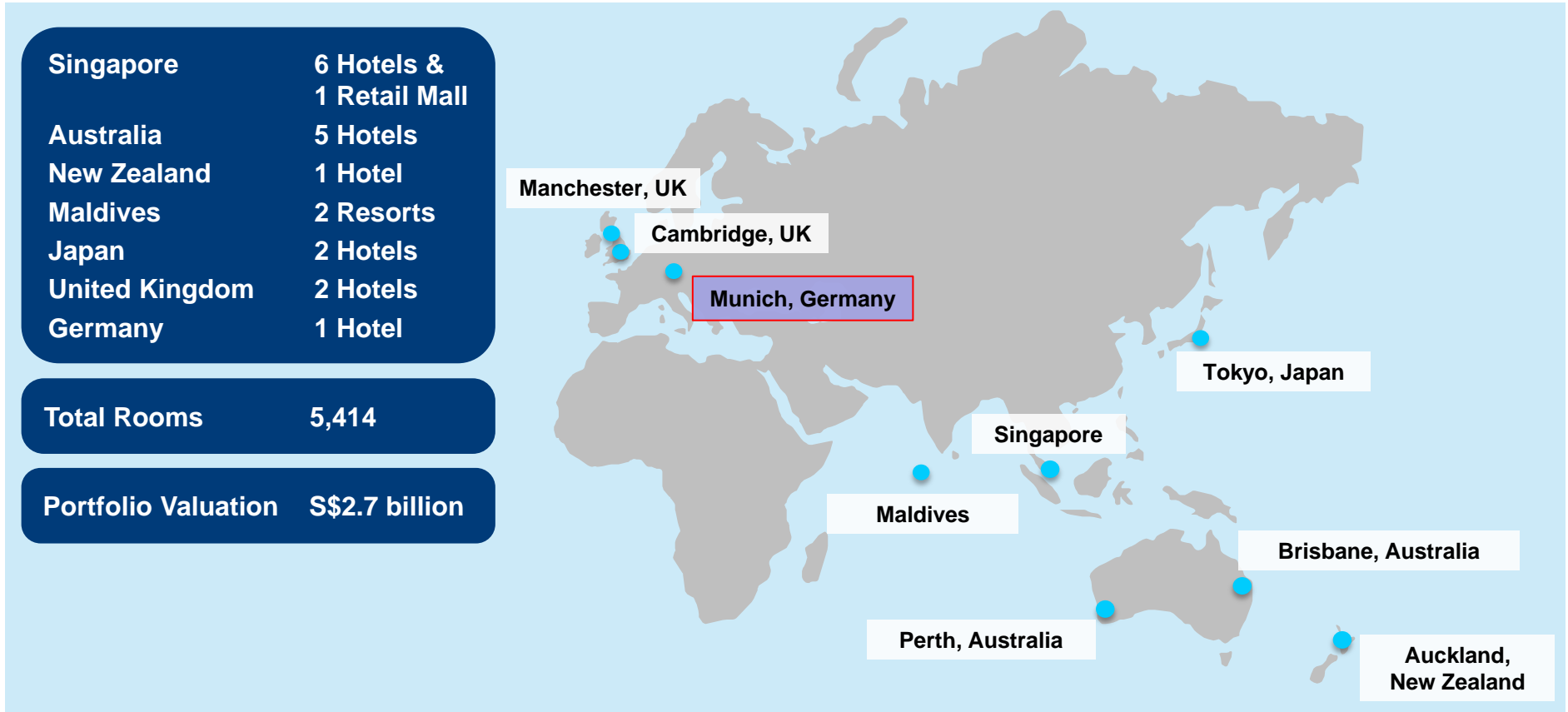
- Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates
- A European economic recovery is expected given the recent strong economic indicators with the Eurozone recording its lowest unemployment rate in 8 years and with factories reporting their highest levels of activity since 2011 <sup>(2)</sup>

(1) Bloomberg

(2) Financial Times, "Eurozone unemployment falls to its lowest rate in 8 years", 3 April 2017



# Broaden Earnings Base and Strengthen Portfolio through Diversification



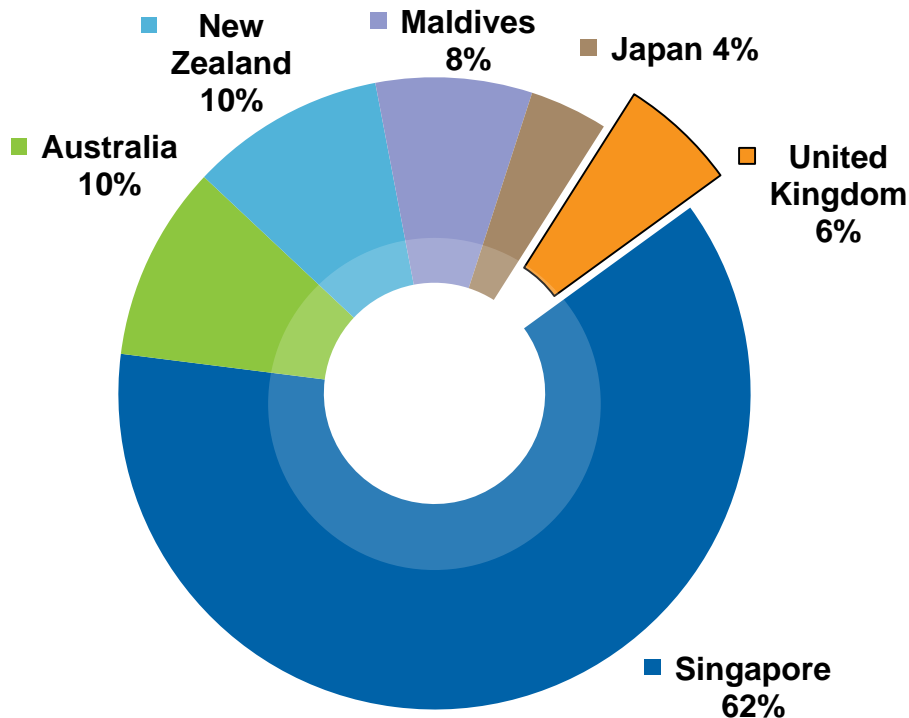
- Upon completion, total number of properties will increase to 20

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)

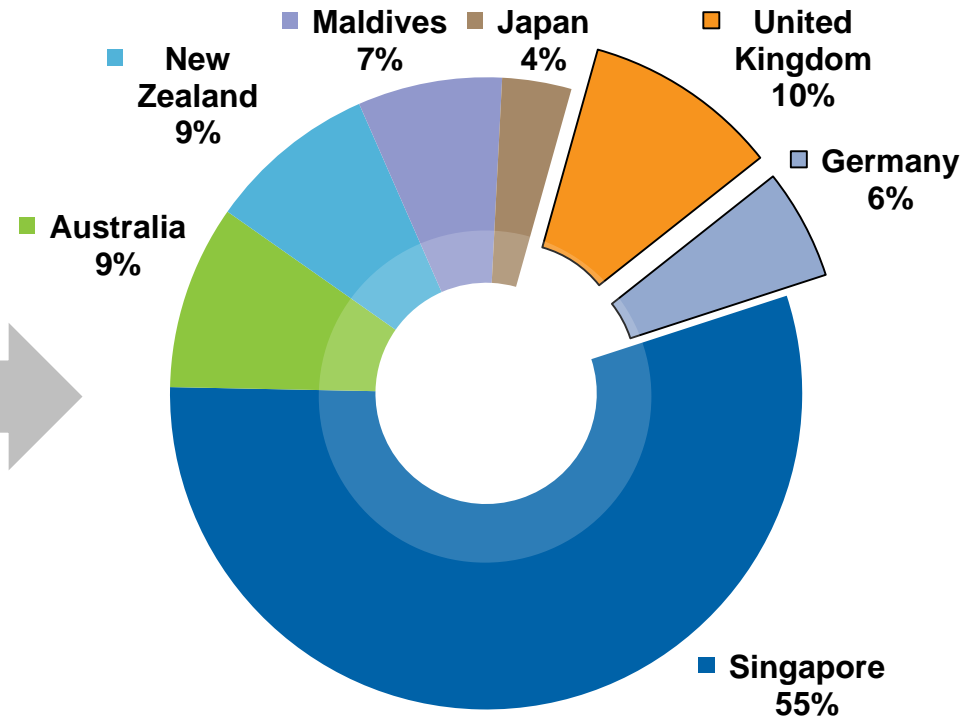


## Pro Forma NPI Contribution for FY 2016<sup>(1)</sup>

### Pre-Acquisitions\*



### Post-Acquisitions\*



- Assuming CDLHT owned The Lowry Hotel and the Property from 1 January 2016, the Property would have accounted for 5.7% of CDLHT's total NPI on a pro forma basis for FY 2016

\*For the avoidance of doubt, the Pre-Acquisitions NPI excludes the The Lowry Hotel and the Post-Acquisitions Pro Forma NPI Contribution for FY 2016 assumes CDLHT owned The Lowry Hotel and Pullman Hotel Munich from 1 January 2016.

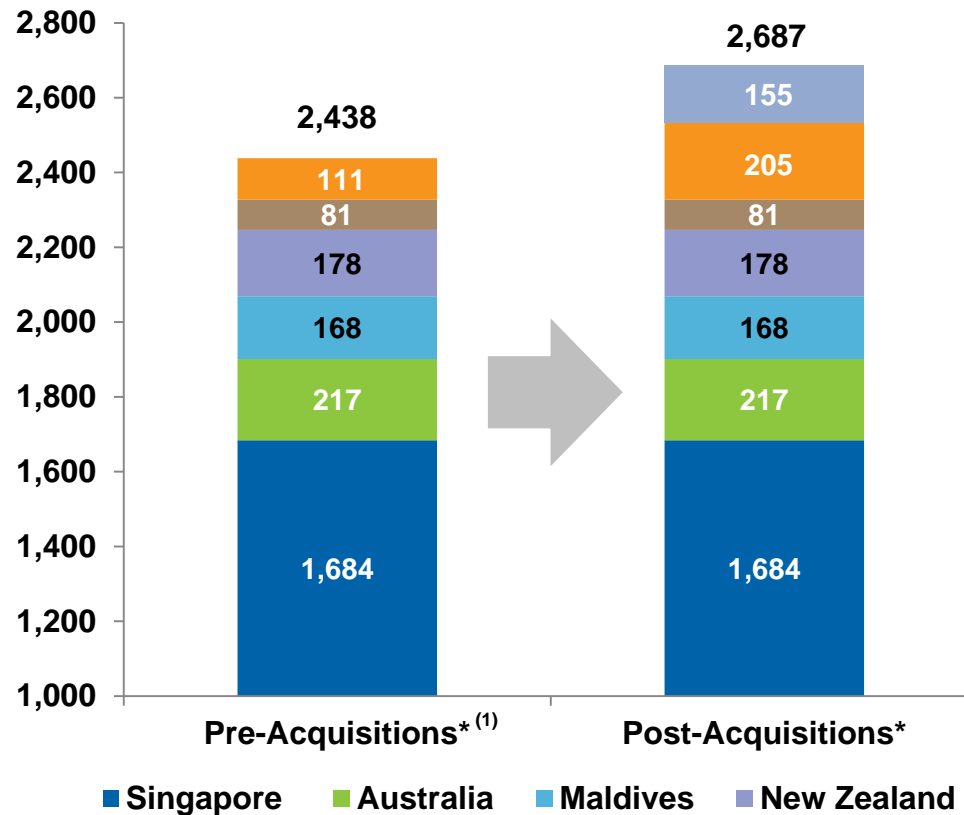
(1) Percentages may not add up due to rounding.

# Broaden Earnings Base and Strengthen Portfolio through Diversification (Con't)



## Valuation of CDLHT's Properties

S\$ Million

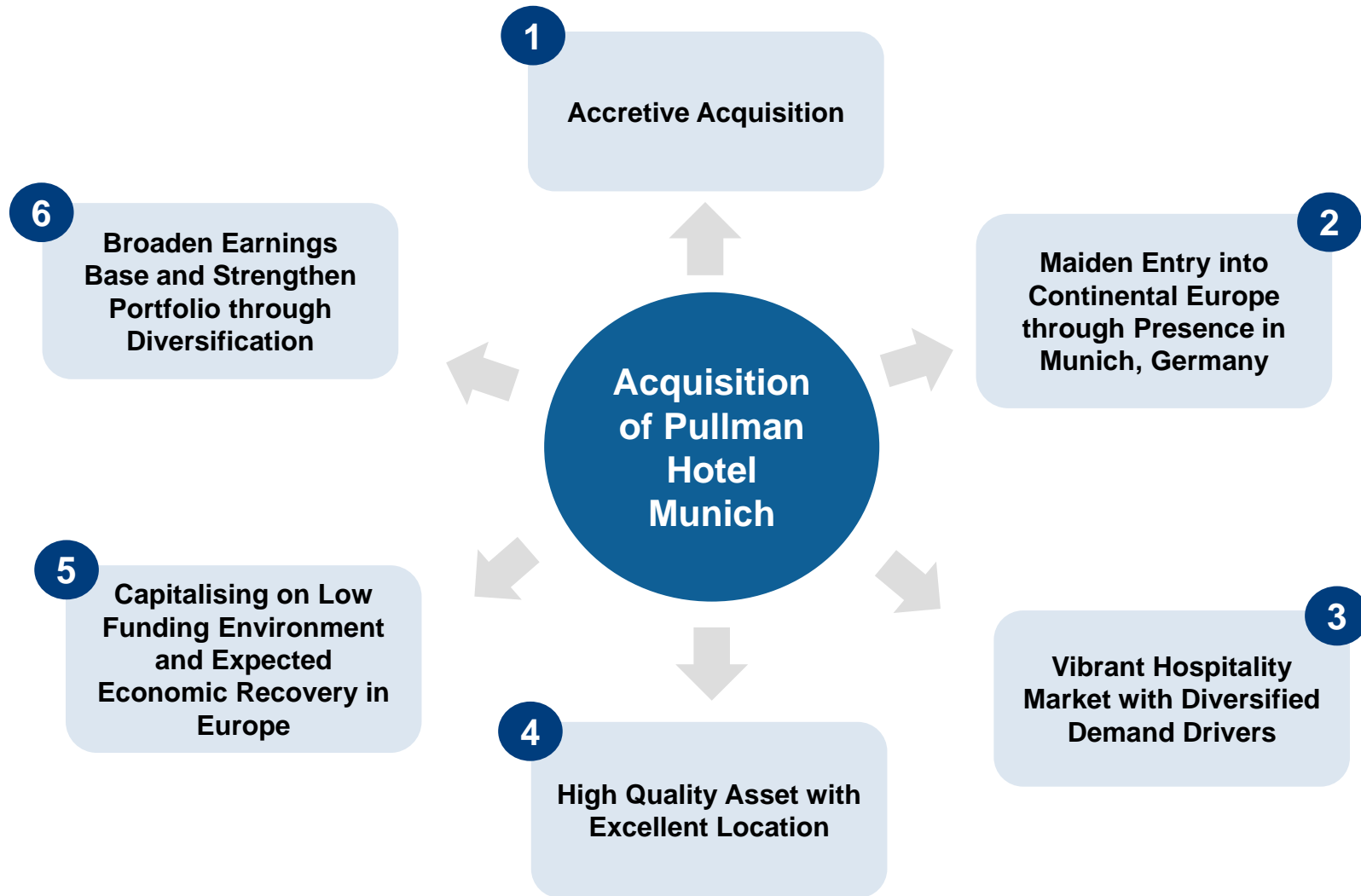


Country	Pre-Acquisitions <sup>(1)</sup>	Post-Acquisitions
Singapore	69.1%	62.7%
Australia	8.9%	8.1%
Maldives	6.9%	6.2%
New Zealand	7.3%	6.6%
Japan	3.3%	3.0%
United Kingdom	4.5%	7.6%
Germany	-	5.8%

\*For the avoidance of doubt, the Pre-Acquisitions valuation excludes The Lowry Hotel and the Post-Acquisitions valuation takes into account The Lowry Hotel and Pullman Hotel Munich.

(1) Valuations as reflected in CDLHT Annual Report 2016.

# Summary of Investment Highlights



CDLHT is poised to benefit from the rare opportunity to secure a presence in the largest economy in Europe and a city with well-diversified demand drivers while capitalising on low funding cost



# Rights Issue

---

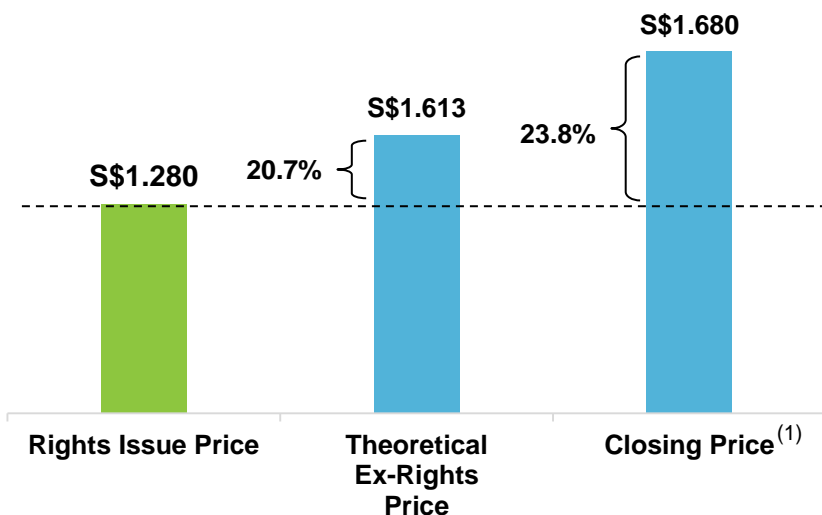
# Details of Rights Issue



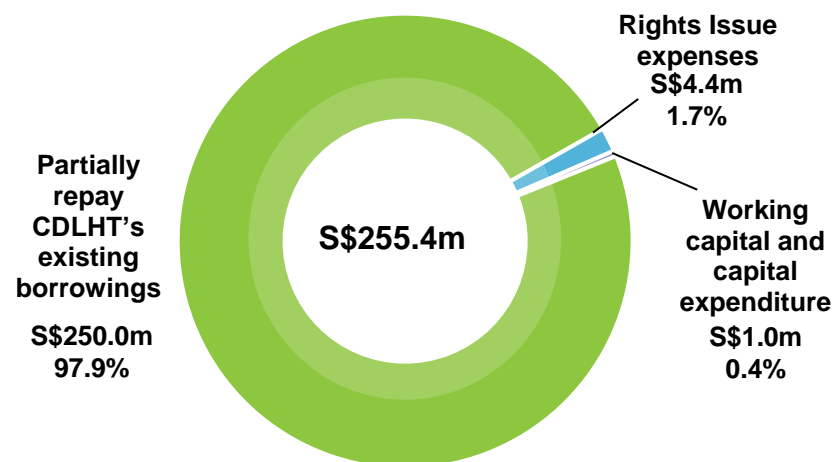
## Renounceable and fully underwritten Rights Issue to raise gross proceeds of S\$255.4 million

- Rights ratio of 20 Rights Stapled Securities for every 100 Existing Stapled Securities
- Irrevocable undertaking by CDLHT's Sponsor, Millennium & Copthorne Hotels plc (the "Sponsor"), to subscribe fully for the pro rata rights entitlements of its wholly-owned subsidiaries, aggregating c.36.98% of the Rights Issue
- Remaining rights Stapled Securities are underwritten by DBS Bank Ltd.

### Rights Issue Price (in S\$ per Stapled Security)



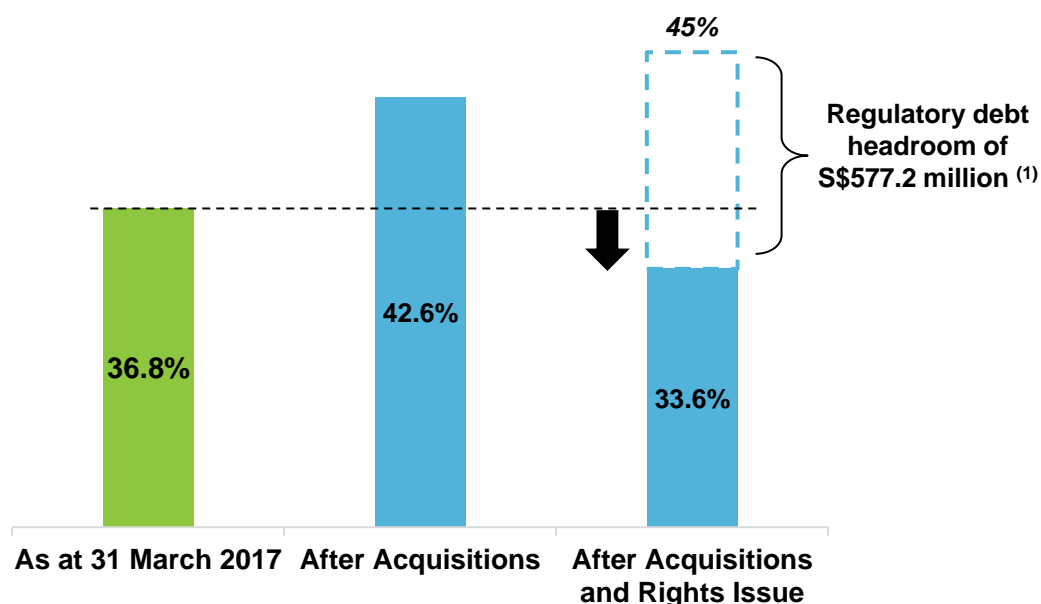
### Use of Gross Proceeds of Rights Issue



(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue

## 1 Enhanced Financial Flexibility from Lower Gearing and Increased Debt Headroom

### Gearing



- Strengthen balance sheet and enhance credit profile of CDLHT
- Realignment of capital structure through partial repayment of existing higher interest-bearing borrowings
- Gearing of CDLHT is expected to be lowered to approximately 33.6% on a pro forma basis as at 31 March 2017
- Regulatory debt headroom will increase to approximately S\$577.2 million <sup>(1)</sup>, increasing CDLHT's ability to pursue future growth opportunities via acquisitions and/or asset enhancement initiatives
- Lower CDLHT's weighted average cost of debt and improve interest coverage ratio

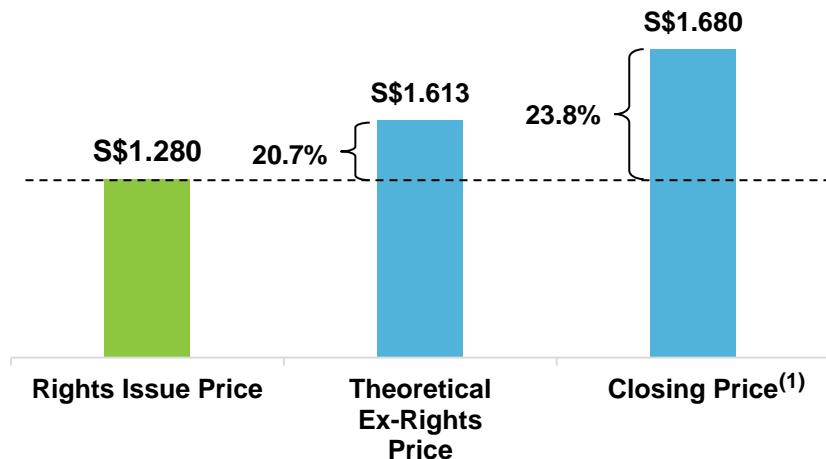
(1) Based on gearing of 45.0%.

# Rationale and Benefits of Rights Issue (Con't)



## 2 Provides Existing Stapled Securityholders with Pro Rata Opportunity to Participate in Equity Fund Raising

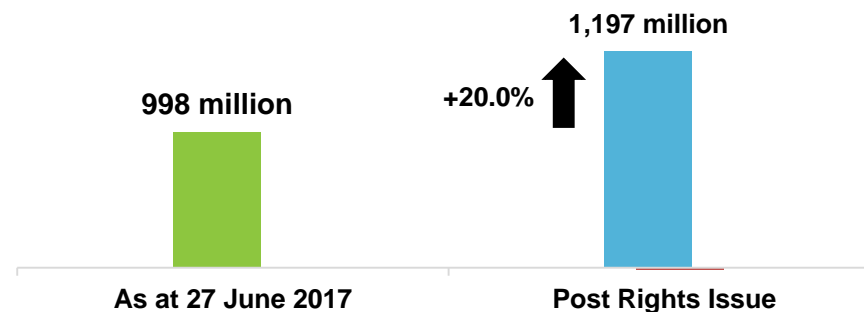
Rights Issue Price (in S\$ per Stapled Security)



- Rights Stapled Securities offered at discount to TERP and Closing Price
- Stapled Securityholders may sell their Rights Entitlements to crystallise the value of their Rights Entitlements and may apply for Excess Rights Stapled Securities

## 3 Potential Increase in Trading Liquidity of Stapled Securities

Number of Stapled Securities



- Rights Issue will increase the number of Stapled Securities in issue by 199,545,741 Stapled Securities
- Stapled Securityholders may potentially enjoy an improvement in trading liquidity of Stapled Securities after the Rights Issue

(1) Based on the closing price of S\$1.680 per Stapled Security on the SGX-ST on 27 June 2017, being the last trading day of the Stapled Securities prior to the announcement of the Rights Issue.





# Pro forma Financial Information

---

# Pro forma Financial Information



CDL HOSPITALITY TRUSTS

	FY 2016 Audited Financial Statements	Pro forma Financial Effects for FY 2016 After acquisition of The Lowry Hotel and Pullman Hotel Munich and Rights Issue
<b>DPS (cents)</b> <sup>(1) (2)</sup>	10.00 <sup>(3)</sup>	9.43 <sup>(4)</sup>
<b>DPS yield (%)</b>	5.95 <sup>(5)</sup>	5.85 <sup>(6)</sup>
<b>NAV per Stapled Security (S\$)</b> <sup>(1)</sup>	1.55 <sup>(3)</sup>	1.49 <sup>(7)</sup>

(1) Figures rounded to two decimal places.

(2) Based on the distributable income of CDLHT (before deducting income retained for working capital) which comprises the aggregate of distributions by H-REIT and HBT, divided by the number of Stapled Securities entitled for distributions as at 31 December 2016.

(3) Based on the audited consolidated financial statements of CDLHT for FY 2016.

(4) Includes (i) pro forma income contribution from The Lowry Hotel and Pullman Hotel Munich as if they were acquired on 1 January 2016, (ii) deduction of additional property expenses in connection with the Acquisitions for the period from 1 January 2016 to 31 December 2016 (iii) pro forma effects of the Rights Issue, as if it was completed on 1 January 2016.

(5) Based on the Stapled Securities' closing market price of S\$1.680 as at 27 June 2017.

(6) Based on TERP of S\$1.613.

(7) Adjusted for the acquisitions of The Lowry Hotel and Pullman Hotel Munich, as well as the Rights Issue, assuming the aforementioned were completed on 31 December 2016.



---

# Indicative Rights Issue Timetable

---

# Indicative Rights Issue Timetable



Event	Dates and Times
Last day of Stapled Securities traded “cum-rights” for the Rights Issue	30 June 2017
First day of Stapled Securities traded “ex-rights” for the Rights Issue	3 July 2017
Lodgement of Offer Information Statement	5 July 2017
Rights Issue Books Closure Date	5 July 2017 at 5.00pm
Despatch of Offer Information Statement	10 July 2017
Commence trading of Rights Entitlement	10 July 2017 from 9.00am
Last day of trading of Rights Entitlement	18 July 2017 at 5.00pm
Closing date of the Rights Issue	24 July 2017 at 5.00pm <sup>(1)</sup> (9.30pm for Electronic Application through ATMs of Participating Banks)
Expected listing of the Rights Stapled Securities	2 August 2017 from 9.00am

**NOTE: The above timetable is indicative only and is subject to change. Any changes to the dates and times will be announced on SGXNet.**

(1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Stapled Securities, as the case may be, are made through CDP.



THANK YOU

