CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **4 MAY 2017**

CDL HOSPITALITY TRUSTS EXPANDS THROUGH ACQUISITION OF LUXURY HOTEL IN THE HIGH GROWTH CITY OF MANCHESTER, UNITED KINGDOM

- **Acquisition of a 5-star luxury hotel which is located in proximity to the heart of Manchester city centre**
- **Property price of £52.5 million with a net property income yield of 7.3% for FY 2016**
- **DPS accretion of 2.7%[1]**
- **Rare opportunity to acquire an iconic hotel in Manchester and gain exposure to a key beneficiary city of the Northern Powerhouse proposal**
- **Strengthens portfolio and earnings base through diversification**

***Singapore, 4 May 2017* –** 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 HBT Trustee-Manager, has today through its indirect wholly owned subsidiary, CDL HBT North Ltd, entered into a share purchase agreement and completed the indirect acquisition of The Lowry Hotel (the "Property") by way of acquiring 100% of the issued share capital of The Lowry Hotel Limited (the "Target", and the acquisition of the Target, the "Acquisition") from North Low S.Á R.L. (the "Vendor").

The purchase consideration for the Acquisition is based on the property price of £52.5 million (approximately S$94.1 million)[2], and payment of approximately £0.4 million (approximately S$0.7 million) based on the estimated net working capital and cash of the Target, as at the time of completion with the aggregate amount being approximately £52.9 million (approximately S$94.7 million)[3].

Upon completion of the Acquisition, the Target continues to hold and operate the Property.

DESCRIPTION OF PROPERTY

The Property is a purpose-built 5-star luxury hotel offering 165 rooms and a comprehensive suite of facilities. It is located in proximity to the heart of Manchester city centre, and approximately 16.0 km from Manchester Airport, United Kingdom's ("UK") best airport for the third year in a row by Globe Awards[4]. It is also within the vicinity of top office developments such as Spinningfields, prominent retail establishments such as Arndale Shopping Centre, one of the busiest retail malls in UK[5], and entertainment hubs such as Royal Theatre Exchange, the Manchester Opera House and the Manchester Arena.

In 2015 and 2016, refurbishment was implemented for the guest rooms, public areas, hotel spa and six luxurious suites.

1 Based on the change of the pro forma distribution per Stapled Security of CDLHT ("DPS") for the financial year ended 31 December 2016 ("FY 2016") of the enlarged portfolio over the DPS for FY 2016 of CDLHT. For the purpose of the computations, the Total Acquisition Cost is assumed to be 100.0% British pound ("GBP") debt-funded.
2 Unless otherwise stated, all currency conversions are based on an assumed exchange rate of £1.00 = S$1.7915.
3 The purchase consideration will be subject to post-completion adjustments based on payment of outstanding debt of the Target owed to the Vendor, the actual net working capital and cash of the Target as at completion ("Post-completion Adjustments").
4 The Chester Chronicle, "Manchester Airport crowned best UK airport for third year in a row", 18 January 2017
5 Intu Group, Manchester Arndale

Mr Vincent Yeo, Chief Executive Officer of the Managers, commented on the Acquisition, "This acquisition in Manchester reinforces our strategy to invest in markets with robust medium to long-term growth potential. Manchester is one of the most important cities outside of London with a buoyant economic outlook, and the hospitality market is supported by a strong mix of corporate and leisure demand, particularly in football-related and entertainment demand, which features prominently for the Property. The acquisition of The Lowry Hotel is a unique opportunity for us to acquire an iconic asset while capitalising on a low funding environment."

FUNDING

The Acquisition will be fully funded initially by GBP-denominated debt by HBT[6]. Upon completion of the Acquisition, CDLHT's gearing will increase from 36.8% to 39.1%[7].

INVESTMENT HIGHLIGHTS

Accretive Acquisition

The Acquisition is expected to be accretive to Stapled Securityholders. For the year 2016, the Property recorded a Revenue per Available Room ("RevPAR") growth of 6.9% year-on-year ("yoy") due to the strong demand for hotel accommodation in Manchester in both the corporate and leisure segments, benefitting also from the refurbishment of its guest rooms in 2015 and second half of 2016. The Manchester hotel market is expected to remain buoyant this year.

Assuming CDLHT owned the Property from 1 January 2016, the pro forma net property income yield of the Property for FY 2016 would be 7.3%, based on the property price of £52.5 million. On a pro forma basis for FY 2016, this translates to a DPS accretion of 2.7%[8].

Positioned to Benefit from Buoyant Economic Outlook in Manchester, UK

This Acquisition marks CDLHT's second investment in UK and in the high growth region of Manchester, further diversifying its portfolio. Manchester is one of the key beneficiary cities of the Northern Powerhouse proposal[9] by the UK government to boost economic growth in the North of England, particularly in major northern cities such as Manchester.

Accordingly, significant amount of investment is being ploughed into Manchester as it is in the process of regenerating key areas, creating new employment opportunities and bolstering the local economy[10]. Manchester's economy is also well-balanced across all sectors[11] and is less prominently exposed to the financial sector which is expected to be the industry most affected by UK's withdrawal from the European Union ("Brexit").

With the Spinningfields and Victoria Station developments having just been completed successfully and in the nearby vicinity of the Property, Manchester's growth trajectory is set to continue with a number of ongoing large scale developments such as N.O.M.A. (an £800 million, 20.0-acre mixed-use redevelopment scheme) and the £1 billion expansion of MediaCityUK (a 200-acre mixed-use property development with media organisations as principal tenants such as BBC).

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6 In April 2017, HBT secured a S$200.0 million uncommitted multi-currency unsecured loan facility with a bank.
7 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.
8 Based on the change of the pro forma DPS for FY 2016 of the enlarged portfolio over the DPS for FY 2016 of CDLHT. For the purpose of the computations, the Total Acquisition Cost is assumed to be 100.0% GBP debt-funded.
9 Government of UK, "Chancellor on building a Northern Powerhouse", 14 May 2015
10 The Telegraph, "How Manchester's revival is leading the Northern Powerhouse", 5 December 2016
11 Savills, Manchester Office Market Report, March 2017

The Property is well positioned to benefit from the healthy pipeline of projects, which will continue to raise Manchester's profile as a business hub and destination for UK's media industry.

Strong Mix of Corporate and Leisure Demand

Manchester is a market with robust corporate demand drivers. In 2016, Manchester was identified as one of the cities with the lowest cost of doing business across 10 major European cities. In comparison to London, Manchester's business costs are estimated to be 23.8% lower due to substantially lower facility and labour costs[12]. Given the economic uncertainty due to Brexit, there is a compelling case going forward to support further "North-Shoring" – the relocation of businesses away from London and the South East to reduce operating costs.

Besides having strong corporate demand, sporting demand – in particular, football-related demand – is well associated with the Property. Manchester is home to two world-famous football clubs – Manchester United and Manchester City. Fans from all over the world travel to Manchester to watch football matches and take part in stadium tours.

Additionally, with the Manchester Arena being one of the largest concert venues in Europe[13], high profile concerts are frequently held in Manchester which draws large crowds to stay in the city. Overall, the high tourism demand is evident from the 20.0% yoy growth in international visitor arrivals to 1.4 million[14] in 2016 and 10.8% yoy growth in total passenger volume in 2016. In the first two months of 2017, total passenger volume grew 14.3% yoy[15].

These strong demand drivers in Manchester are well-supported by transport infrastructure developments in both aviation and rail. These include the £800 million Airport City development, which will bring on-site logistics, manufacturing, office and leisure facilities to Manchester Airport when completed in the late 2020s; and the £600 million Northern Hub rail project, which is part of the Northern Powerhouse proposal to enhance connectivity between major cities and towns in Northern England and is expected to complete by 2022.

The growth momentum of international arrivals to Manchester is expected to remain healthy with an increase in international air services from Beijing, Singapore, Phuket, Los Angeles and Houston in 2016, as well as San Francisco, Boston, and Muscat in 2017.

Iconic Hotel in Manchester

As one of two 5-star hotels in Manchester[16], the Property is one of only 11 hotels in England to be part of The Leading Hotels of the World, one of the largest collection of luxury hotels in the world with over 375 hotels in 75 countries[17]. While there is some upcoming increase in hotel rooms supply in the market, the Property leads Manchester with the highest Average Daily Rate[18] and strong demand drivers are expected to support its performance in the medium term.

The Property is also well known throughout UK and since its opening in 2001, the Property has hosted many notable celebrities including Beyoncé and Lady Gaga, prominent foreign dignitaries, sports stars such as the late Muhammad Ali as well as prestigious football teams.

12 KPMG Competitive Alternatives Survey 2016
13 Manchester Evening News, Manchester Arena
14 VisitBritain, Statistics on Inbound Tourism to Britain by Area
15 Manchester Airport Traffic Statistics
16 Knight Frank Valuation Report dated 28 April 2017
17 The Leading Hotels of the World, Hotel List
18 CBRE Information Memorandum

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Broadening Earnings Base and Strengthening Portfolio through Diversification

The Acquisition is expected to benefit Stapled Securityholders by broadening CDLHT's earnings base. Assuming CDLHT owned the Property from 1 January 2016, the Property would contribute approximately 4.7%[19] of CDLHT's total net property income on a pro forma basis for FY 2016. The Acquisition will also have the additional benefit of improving the geographical diversification of CDLHT's portfolio.

Mr Yeo concluded, "Our latest acquisition provides further diversification of our income sources and augments our portfolio by further expanding our reach beyond Asia-Pacific. We believe our Stapled Securityholders will benefit from both this opportune entry at a low point of the currency cycle as well as the exposure to the fast-growing Manchester hospitality market."

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About CDL Hospitality Trusts

CDL Hospitality Trusts ("CDLHT") is one of Asia's leading hospitality trusts with assets valued at S$2.4 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 31 March 2017, CDLHT owns 15 hotels and two resorts comprising a total of 4,912 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) one hotel in Cambridge, United Kingdom (Hilton Cambridge City Centre); and
(vi) two resorts in Maldives (Angsana Velavaru and Jumeirah Dhevanafushi).

19 Based on the pro forma net property income of CDLHT's enlarged portfolio for FY 2016.