



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

15 OCTOBER 2024

CDL HOSPITALITY TRUSTS EXPANDS FOOTPRINT IN THE UNITED KINGDOM WITH THE ACQUISITION OF HOTEL INDIGO EXETER

- Acquisition of a freehold, upscale lifestyle boutique hotel with brand new interiors and two retail units along Exeter's High Street
- Attractive purchase price of £19.4 million, significantly below replacement cost
- Acquisition is expected to be accretive when stabilised
- Prime location in the heart of Exeter city centre, gateway to the wider South West England region and home to the University of Exeter



Hotel Indigo Exeter, UK

Singapore, 15 October 2024 – CDL Hospitality Trusts¹ (“**CDLHT**”) is pleased to announce that its indirect wholly owned subsidiaries, CDL HBT Investments (III) Property Limited (“**UK HoldCo**”) and CDL HBT Investments (III) Retail Limited, have entered into an asset and business purchase agreement, to acquire Hotel Indigo Exeter (the “**Hotel**”) and two retail units (collectively known as the “**Property**”, and the acquisition of the Property, the “**Acquisition**”) from Hotel Exe Limited, Plaza Properties (Holdings) Limited and Plaza Retail (Holdings) Limited (collectively, the “**Vendor**”) at a purchase price of £19.4 million (approximately S\$33.2 million)². The Acquisition is expected to complete once the relevant conditions are met. The Managers are of the view that the Acquisition is in the ordinary course of CDLHT’s business³.

¹ 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.

² Unless otherwise stated in this press release, all conversions between £ and S\$ are based on an assumed exchange rate of £1.00 = S\$1.7062.

³ The thresholds under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited do not apply when a transaction is in the ordinary course of business. In any event, the size of the Acquisition falls below the threshold of a discloseable transaction, and is therefore non-discloseable.

M&C REIT Management Limited and M&C Business Trust Management Limited
390 Havelock Road • #02-06 King's Centre • Singapore 169662 • Tel (65) 6664 8888 • www.cdllht.com

Registered Address: 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619 • Company Registration No: 200607091Z
A member of Hong Leong Group (Singapore)



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The freehold Property is an upscale lifestyle boutique hotel offering 104 rooms, with luxurious spa and gym facilities as well as two retail units. After undergoing an extensive conversion from a House of Fraser department store, the Hotel fully opened in October 2023. The newly converted Hotel boasts modern design elements and high-quality finishes, positioning it as a more contemporary alternative to its competitors. The existing leases of the two retail units will continue until 2033 on a fixed rent basis with tenant break options in June 2028 and March 2029 respectively.

The Property is situated on the doorstep of the main retail high street, the Princesshay Shopping Centre, which is the pre-eminent shopping destination in Exeter and attracts significant footfall. It is also close to the commercial district, major transport nodes and iconic attractions.

Exeter is located along the M5, a major motorway linking the Midlands to the South West of England and serves as a gateway to the wider South West region, offering easy accessibility to tourist destinations such as Cornwall and South Devon. The city is supported by a strong transportation network, with direct train services to major cities and an international airport.

Exeter houses a growing number of national and regional businesses, particularly, leading professional services firms, and the United Kingdom (UK)'s fastest growing research university⁴, the University of Exeter. The University of Exeter attracts leisure travellers from visiting parents and guests during university graduation months.

The estimated total cost of the Acquisition is approximately £21.5 million (the “**Total Acquisition Cost**”), which comprises the purchase price of £19.4 million and transaction costs (such as stamp duty, HBT Trustee Manager’s acquisition fee, professional due diligence and advisory fees) related to the Acquisition that amount to around £2.0 million. The Acquisition will be fully funded through debt. Post-acquisition, CDLHT’s pro forma gearing as of 30 June 2024 will increase from 37.7% to 38.4%. The Acquisition is expected to be accretive on stabilisation.

CBRE Limited, as independent External⁵ valuer, has valued the Property at £19.5 million on the basis of Market Value⁵ as at the valuation date of 30 September 2024, which is in line with the purchase price. The valuation comprises the Hotel component at £15.5 million and the retail component at £4.0 million.

Mr Vincent Yeo, CEO of CDLHT’s Managers, commented on the Acquisition, “We are delighted to acquire a high quality asset with brand new interiors in the best location in the heart of Exeter. This is a continuation of our strategy to pursue accretive acquisitions that augment our income streams. This acquisition also increases our exposure to the burgeoning lifestyle hotel market⁶.”

Hotel Indigo Exeter is a compelling opportunity to acquire a hotel with top tier design and build specifications, at a significant discount to the current replacement cost. There are areas we have identified in the operations where we could potentially drive better performance befitting of the quality of the product and its excellent location. In addition, there is a limited new supply of rooms within the city centre for the next few years.

We believe our Stapled Securityholders will benefit from this opportune acquisition, especially at a point when the interest rate cycle is expected to turn.”

The UK HoldCo has entered into a franchise agreement with IHG Hotels Limited which will come into effect upon the completion of the Acquisition. The Hotel will continue to operate under the “Hotel Indigo” brand name, which is part of the collection of brands under the InterContinental Hotels Group, one of the premier hotel chains worldwide.

⁴ <https://www.exeter.ac.uk/research/about/aboutus/>

⁵ As defined by the Royal Institution of Chartered Surveyors’ (“RICS”) Valuation – Global Standards

⁶ CDLHT’s other lifestyle hotels include W Singapore – Sentosa Cove, Studio M Hotel and the forward purchase of Moxy Singapore Clarke Quay (expected to achieve TOP in 2026 - date subject to change).



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Copies of the asset and business purchase agreement and valuation report on the Property issued by CBRE Limited are available for inspection during normal business hours at the registered office of the Managers⁷ at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619 from the date of this press release up to and including the date falling three months after the date of this press release.

– ENDS –

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⁷ Prior appointment with the Managers is required.



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About the Property

A freehold, upscale lifestyle boutique hotel with 104 keys, and two tenanted retail units, in Exeter, UK, located in the heart of Exeter's city centre. The Property has dual frontage with the retail units at the centre of the High Street and food and beverage ("F&B") outlets adjacently situated to attract footfall.

The Hotel underwent conversion from a department store and fully opened in October 2023. Facilities within the Hotel includes three F&B outlets (a restaurant, sports bar and rooftop bar), a meeting room, gymnasium, spa and sauna.

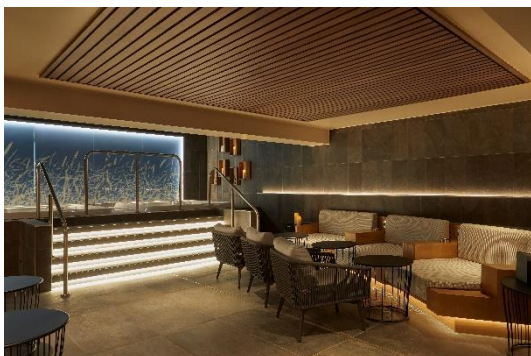
Hotel Rooms





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Public Areas



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About CDL Hospitality Trusts

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$3.3 billion as at 30 June 2024. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT’s principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. CDLHT’s portfolio comprises 20 properties (total of 4,820 hotel rooms, 352 Build-to-Rent apartment units and a retail mall). The properties under the portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel and W Singapore – Sentosa Cove, as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland;
- (iii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth;
- (iv) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata;
- (v) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo;
- (vi) three hotels and a residential Build-to-Rent property in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and voco Manchester – City Centre, and The Castings in Manchester;
- (vii) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich; and
- (viii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze – MGallery.