



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

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CDL HOSPITALITY TRUSTS MARKS MAIDEN ENTRY INTO ITALY THROUGH THE ACQUISITION OF HOTEL CERRETANI FLORENCE, MGALLERY BY SOFITEL



Singapore, 16 November 2018 – 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 a 95.0% interest in Hotel Cerretani Florence, MGallery by Sofitel (the “Property”) for €40.6 million (approximately S\$63.6 million¹)² at an annualised net property income yield of 4.6% for the nine months ended 30 September 2018. The purchase consideration will initially be funded either through internal resources or offshore debt or a combination of both. The acquisition is accretive on a pro forma historical basis for FY 2017, assuming CDLHT owned the Property for the period from 1 January 2017 to 31 December 2017. This is CDLHT’s maiden acquisition in the Renaissance city of Florence, Italy.

The freehold Property is a 4-star hotel under the “MGallery by Sofitel” flag with 86 rooms. The hotel has recently undergone an extensive phased refurbishment in 2016 for approximately €5.3 million, including a full renovation of all its guest rooms and public areas. HVS Global Hospitality Services (“HVS”), an independent valuer, has valued the Property (based on 100% basis) at €43.8 million (approximately S\$68.6 million).

Boasting an exceptional location in the heart of the historic city centre, the Property is within walking distance to world famous tourist attractions including the cathedral of Santa Maria del Fiore (Il Duomo), Ponte Vecchio, Galleria dell’Accademia, and the Uffizi Gallery, which houses some of the most important works of the Renaissance, such as those by Leonardo da Vinci, Botticelli and Michelangelo. The main train station is only an 8-minute walk from the Property while Florence International Airport is also easily accessible via a relatively short 25-minute drive. In addition, construction of a new tramway service to

¹ Unless otherwise stated in this press release, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5661

² €40.6 million (approximately S\$63.6 million) is the property price pursuant to H-REIT’s effective interest of 95.0% in the Property



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connect the city centre to the airport has been completed and tests are underway before official service commencement³, which will further enhance the city's connectivity.

Florence ranks amongst Italy's top most visited cities and is famed for its UNESCO protected old town, numerous museums and galleries, as well as its art and architecture. The city also has a strong fashion district where prime luxury brands including Roberto Cavalli, Salvatore Ferragamo, Gucci and Emilio Pucci are based in the greater Florence area⁴. There is also a vibrant exhibition and fair calendar including the "Pitti Immagine Uomo" – a biannual international fashion exhibition which attracted more than 30,000 visitors in June 2018⁵. On the supply side, there is limited future room stock due to high barriers to entry stemming from new urban planning regulations prohibiting new hotel developments in the city centre⁶.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "The acquisition of Hotel Cerretani Florence, MGallery by Sofitel, represents a rare opportunity for CDLHT to penetrate a greatly sought-after hospitality market with high barriers to entry. We have also furthered our strategy of capitalising on the window of opportunity afforded by the low funding environment in Europe while broadening the earnings base of our portfolio. With a robust balance sheet and ample debt headroom, we will continue to seek compelling acquisition opportunities."

Effective on completion, the Property will be leased and operated by the existing lessee based on a new management lease agreement for the next 20 years. The lessee is affiliated to the existing minority shareholder, which is part of the EVENT Hotels group, and will be staying in with a 5.0% (indirect) stake in the Property. EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages more than 80 hotels with approximately 14,100 keys throughout Europe. The lease structure provides both downside protection and upside participation where rent received is around 93% of the net operating profit of the Property, subject to a base rent of €1.3 million (approximately S\$2.0 million). The Property will also continue to be marketed under the "MGallery by Sofitel" brand pursuant to an existing franchise agreement with AccorHotels, a top leading hotel group operating approximately 4,500 hotels in 100 countries.

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³ HVS Valuation Report dated 8 November 2018

⁴ Hospitality Net, "In Focus: Florence, Italy", 13 March 2017

⁵ Pitti Immagine Uomo, "PITTI IMMAGINE UOMO 94: FINAL FIGURES", 14 September 2018

⁶ JLL Hotel Intelligence Florence March 2018



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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\$2.7 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 portfolio of hospitality and/or hospitality-related real estate assets. As at 30 September 2018, CDLHT owns 15 hotels and two resorts comprising a total of 5,002 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

- (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) three hotels in Brisbane and Perth, Australia (Novotel 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);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester);
- (vi) one hotel in Germany’s gateway city of Munich (Pullman Hotel Munich); and
- (vii) two resorts in Maldives (Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi)).