



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

**COMPLETION OF THE ACQUISITION AND LEASE OF
HOTEL CERRETANI FLORENCE, MGALLERY BY SOFITEL IN ITALY**

Further to the announcement dated 16 November 2018 in relation to the acquisition and lease of Hotel Cerretani Florence, MGallery by Sofitel, 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**”, and H-REIT and HBT together, “**CDLHT**”), are pleased to announce that DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”), has today through its wholly-owned subsidiaries, CDLHT CFM One Pte. Ltd. (“**CFM1**”) and CDLHT CFM Two Pte. Ltd. (“**CFM2**”) and together with CFM1, the “**Purchasers**”), completed the acquisition of an effective interest of 95.0% in Hotel Cerretani Florence, MGallery by Sofitel (along with the fixtures, furniture and equipment therein, the “**Property**”) through the following acquisitions:

- (i) 90.0% of the issued share capital of Event Hospitality Group III B.V., a Dutch company registered in the Netherlands (“**FI Dutch HoldCo**”) and the shares of FI Dutch HoldCo the “**FI Dutch HoldCo Shares**”) from Cooperative Redwood Grove International U.A. (“**Vendor One**”) by CFM1;
- (ii) 5.0% of the issued share capital of FI Dutch HoldCo from Galaren Invest B.V. (“**Vendor Two**”) and together with Vendor One, the “**Vendors**”) by CFM1;
- (iii) the shareholder loan (including the accrued interest) which was granted to FI Dutch HoldCo by Vendor One (the “**Vendor One Loan**”) by CFM2; and
- (iv) 50.0% of the shareholder loan (including the accrued interest) which was granted to FI Dutch HoldCo by Vendor Two (the “**Vendor Two Loan**”) by CFM2.

(collectively, the “**Acquisition**”).

CFM1 currently owns 95.0% of the issued share capital of FI Dutch HoldCo¹ and Vendor Two continues to own the remaining 5.0% of the issued share capital of FI Dutch HoldCo; and CFM2 currently owns the Vendor One Loan and the Vendor Two Loan. For the avoidance of doubt, H-REIT, through its indirect wholly-owned subsidiaries CFM1 and CFM2, therefore effectively owns 95.0% of FI Dutch HoldCo and 95.0% of the total shareholder loans granted to FI Dutch HoldCo by the Vendors.

In addition, the Managers are pleased to announce that in conjunction with the completion of the Acquisition, the following agreements between the respective parties have come into effect:

- (i) a shareholders' agreement between CFM1 and Vendor Two, which sets out the parties' respective rights and obligations as shareholders of the FI Dutch HoldCo;
- (ii) a management lease agreement between NKS Hospitality III SRL ("**FI PropCo**"), an indirect subsidiary of FI Dutch HoldCo and the legal owner of the Property, and FC Operations Hotel SRL (the "**Lessee**"), in relation to the management and operation of the Property by the Lessee; and
- (iii) a management services agreement between FI PropCo, the Lessee, and the existing manager of the Property, Art Management GmbH in relation to the management and operation of the Property.

The completion of the Acquisition took place after the satisfaction of all the conditions precedent under the sale and purchase agreement which was entered into on 16 November 2018.

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 November 2018

¹ FI Dutch HoldCo wholly-owns Event Hospitality Group III Italy SRL ("**FI HoldCo**"). FI HoldCo in turn wholly-owns FI PropCo, which is the legal owner of the Property. Accordingly, CFM1's (and by extension, the H-REIT's) 95.0% interest in the FI Dutch HoldCo Shares gives it an effective 95.0% interest in the Property.

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.