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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 borrowings¹;

¹ 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%¹, 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.

¹ 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 ⁽¹⁾ (S\$'000)	109,677	124,028 ⁽²⁾
Stapled Securities entitled for distribution ('000)	992,696	1,192,476 ⁽³⁾
DPS (cents)	10.00	9.43
DPS yield (%)	5.95 ⁽⁴⁾	5.85 ⁽⁵⁾

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 ⁽¹⁾
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
Short-term debt:		
Secured	-	-
Unsecured	-	-
Total short-term debt	-	-
Long-term debt:		
Secured	38.3	108.6
Unsecured	894.4	835.1
Total long-term debt	932.6	943.7
Total Debt	932.6	943.7
Stapled Securityholders' funds	1,546.4	1,787.4
Non-controlling interests ⁽¹⁾	-	4.9
Total Capitalisation	2,479.0	2,736.0

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 Days¹ 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 ARE² and the ARS³) 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 Securityholders⁴. 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):

Event	Date and Time
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.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Stapled Securities	: 24 July 2017 at 5.00 p.m. ⁽¹⁾ (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. ⁽¹⁾ (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.