GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY CDL HOSPITALITY TRUSTS

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

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General Announcement

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Announcement Sub Title

Announcement by CDL Hospitality Trusts

Announcement Reference

SG210901OTHRPCET

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

CDL Hospitality Trusts has on 31 August 2021, released the announcement on Investment Into Residential Build-To-Rent Forward-Funding Scheme In Manchester, United Kingdom.

For details, please refer to the announcement released by CDL Hospitality Trusts on the SGX website, www.sgx.com

ASSET ACQUISITIONS AND DISPOSALS::INVESTMENT INTO RESIDENTIAL BUILD-TO-RENT FORWARD-FUNDING SCHEME IN MANCHESTER, UNITED KINGDOM

Issuer & Securities

Issuer/ Manager
M&C REIT MANAGEMENT LIMITED

Securities
CDL HOSPITALITY TRUSTS - SG1T66931158 - J85

Stapled Security
Yes

Other Issuer(s) for Stapled Security

Name
DBS TRUSTEE LIMITED

Announcement Details

Announcement Title
Asset Acquisitions and Disposals

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Announcement Sub Title
Investment Into Residential Build-To-Rent Forward-Funding Scheme In Manchester, United Kingdom

Announcement Reference
SG210831OTHR9M73

Submitted By (Co./ Ind. Name)
Soo Lai Sun

Designation
Company Secretary

Description (Please provide a detailed description of the event in the box below)
Please see the attached documents on Investment Into Residential Build-To-Rent Forward-Funding Scheme In Manchester, United Kingdom:

1) Announcement;
2) Press Release on "CDL Hospitality Trusts Makes Maiden Entry Into The Build-To-Rent Sector In Manchester, UK"; and
3) Presentation Slides.

Attachments

CDLHT-Investment_into_UK_BTR-Announcement.20210831.pdf

CDLHT-Investment_into_UK_BTR-Press_Release.20210831.pdf

CDLHT-Investment_into_UK_BTR-Presentation_Sides.20210831.pdf

Total size =3081K MB

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

INVESTMENT INTO RESIDENTIAL BUILD-TO-RENT FORWARD-FUNDING SCHEME IN MANCHESTER, UNITED KINGDOM

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**", and H-REIT and HBT together, "**CDLHT**") are pleased to announce that CDL HBT Investments (I) Property Limited ("**HBT PropCo**"), an indirectly wholly-owned subsidiary of the HBT Trustee-Manager, has today:

(a) entered into a land purchase agreement with Packaged Living (FREOF V Heyrod) LLP (the "**Vendor**") and acquired certain land and buildings located on the south east side of Longacre Street, Ancoats Manchester, United Kingdom from the Vendor (the "**Land**", the agreement for the acquisition of the Land, the "**Land Purchase Agreement**" and the acquisition of the Land, the "**Land Acquisition**") for a total consideration of £9.5 million (S$17.6 million[1]) (the "**Land Consideration**"); and

(b) in connection with the Land Acquisition and together with CDL HBT Cambridge City Pte. Ltd. (a wholly-owned subsidiary of the HBT Trustee-Manager) (the "**Guarantor**"), entered into a development funding agreement with the Vendor (the "**Development Funding Agreement**"), pursuant to which the Vendor will redevelop the Land into a residential build-to-rent ("**BTR**") building to be known as "The Castings" (the "**New Property**" and the redevelopment of the Land into the New Property, the "**Property Development**") for a price of £63.8 million (S$118.4 million) (the "**Development Contract Price**"),

(the Land Acquisition and the Property Development collectively, the "**Transaction**").

The aggregate Land Consideration and Development Contract Price is £73.3 million (S$136.0 million) (the "**Purchase Consideration**") to deliver the New Property on a white-box basis. Taking into account the estimated furnishing and fit-out expenses of £3.1 million (S$5.8 million) to be incurred by HBT PropCo following the delivery of the New Property (the "**Additional**

1 Unless otherwise stated in this announcement, all conversions between £ and S$ are based on an assumed exchange rate of £1.00 = S$1.857.

Budget"), the aggregate cost of the forward-funding scheme is estimated to be £76.4 million (S$141.9 million) (the "**Total Project Cost**").

The Transaction is a forward-funding arrangement that allows CDLHT to acquire a BTR property at a fixed-cost, with cash flows managed over the duration of the Property Development (the "**Development Period**") in the following manner:

(i) an upfront payment of £9.5 million (S$17.6 million) as the Land Consideration to acquire the Land (paid today);

(ii) approximately £58.2 million (S$108.1 million) (the "**Progressive Payments**") to be paid periodically over the Development Period, based on the progressive construction costs incurred under the Development Funding Agreement; and

(iii) approximately £5.6 million (S$10.4 million) (the "**Balancing Payment**") to be paid as soon as reasonably practicable after the date of practical completion of the New Property under the Development Funding Agreement.

The fixed-cost model allows HBT PropCo to limit the development risk associated with the Transaction. Further, the forward-funding scheme is structured with payment mechanisms to safeguard the interest of CDLHT in the following manner:

(1) the Development Contract Price will be paid periodically during the Development Period based on the progressive construction costs incurred;

(2) the Progressive Payments to be paid will be net of a 3.0% construction retention, which will amount to about £1.6 million (S$3.0 million) over the course of the Development Period (the "**Construction Retention**");

(3) the Balancing Payment and 50.0% of the Construction Retention will only be paid after the completion of the Property Development; and

(4) the balance 50.0% of the Construction Retention will be released after the expiry of the 24 month defects rectification period following practical completion of the New Property, subject to any applicable deductions arising from the costs incurred by HBT PropCo to rectify defects in the New Property.

The date of practical completion of the New Property is targeted to be around May 2024, 140 weeks from today, subject to such extensions:

(A) as permitted under the building contract (excluding any extension caused by an act or default of the Vendor); and/or

(B) caused by HBT PropCo and permitted under the Development Funding Agreement.

2. OVERVIEW OF THE NEW PROPERTY

2.1 Property Information

A summary of the indicative specifications of the New Property is as follows:

<table>
<tr><td>Location</td><td>Piccadilly East, Manchester, UK
Bounded by Longacre Street, and the Metrolink line, to the north and Heyrod Street to the south in Manchester</td></tr>
<tr><td>Land Title</td><td>Freehold</td></tr>
<tr><td>Total Area</td><td>Approximately 236,900 sq ft</td></tr>
<tr><td>Residential Apartments</td><td>Net internal area: Approximately 219,600 sq ft
<table>
<tr><th>Unit Type</th><th>No. of Units</th></tr>
<tr><td>Studio</td><td>39</td></tr>
<tr><td>One Bedroom</td><td>77</td></tr>
<tr><td>Two Bedroom</td><td>227</td></tr>
<tr><td>Three Bedroom</td><td>9</td></tr>
<tr><td>Total Units</td><td>352</td></tr>
</table></td></tr>
<tr><td>Amenities Spaces and Other Common Areas</td><td>Internal and external common amenity spaces which may include a gym, a cinema, resident lounge areas, a roof terrace and ground floor retail spaces (subject to design and changes)
Approximately 350 bicycle storage
20 parking spaces</td></tr>
</table>

2.2 Location and Accessibility

The New Property is located in Piccadilly East, a developing neighbourhood situated close to the Manchester Piccadilly train station and the tram stop. The site is located within 2 kilometres from the Manchester CBD and boasts convenient accessibility, being within a 9-minute walk to Manchester Piccadilly Station, the main train station in Manchester which has direct access to the airport and links Manchester to London and other major cities across the UK.

Piccadilly East is a rapidly emerging mixed-use neighbourhood focused on providing a high quality public realm, vibrant ground floor activity and some of the best connectivity, working and living environments in the city. The Piccadilly East neighbourhood, which is currently undergoing a large scale rejuvenation as part of the Portugal Street East Strategic Redevelopment Framework[2], will be transformed into a new vibrant mixed-use, pedestrian community, which complements the arrival of High Speed 2 railway ("**HS2**") (est. 2035 to 2040)[3].

2 Source: Manchester City Council, Portugal Street East SRF April 2017
3 Source: BBC, "HS2: When will the line open and how much will it cost?", 11 February 2020

The future integration of HS2 and the Northern Powerhouse Rail (est. 2040)[4] into the existing Manchester Piccadilly Station is expected to transform the station into a world class intermodal transport facility. In addition, the strategic framework proposals for HS2 include comprehensive redevelopment of the railway station and plans to add almost 2.9 million sq ft of office space, 261,000 sq ft of retail space, 5,000 apartments and 250 hotel rooms[5]. HS2 line will provide high speed connectivity between Manchester, London, Birmingham and other key cities. When completed, the journey time from Manchester to London will be reduced by more than half to 1 hour and 7 minutes, from the current journey time of approximately 2 hours and 20 minutes.

In addition, the New Property is minutes from the highly popular districts of Ancoats, The Northern Quarter and New Islington. Ancoats is renowned for its distinct heritage and character, eclectic bars, food and coffee and public realm. The Northern Quarter has long been known as the ‘creative quarter’ of Manchester and is home to a variety of bars, restaurants, cafés, creative agencies, art galleries and independent businesses, while New Islington is another emerging mixed-use district, which will comprise residential apartments, town houses and office space.

By 2023, key developments to be completed around the New Property include the 4-star Leonardo Hotel (expected completion by the first half of 2022), one million sq ft of offices in New Islington and a new 23,500 pax capacity arena (7-minute drive from the New Property), Co-op Live Arena - making it the largest in the UK[6], close to the Etihad Stadium, and exceeding the current capacity of 21,000 pax of the Manchester Arena.

3. RATIONALE FOR THE TRANSACTION

The Managers believe that the Transaction will bring the following key benefits to CDLHT and holders of Stapled Securities[7] (“**Security Holders**”):

3.1 Strategic Pivot to Position for Growth

CDLHT’s hospitality-only strategy was revised to cover other adjacent accommodation/lodging space including the rental housing sector. While the hospitality sector is expected to recover, the devastation to the transient accommodation industry caused by the COVID-19 pandemic has underscored the need for CDLHT to go beyond geographical diversification of the hospitality asset class. The strategic pivot in CDLHT’s principal investment strategy is aimed at promoting growth in the coming years through the revision of mandate which will also bring about asset class diversification, and enhanced income stability, thereby lowering its portfolio risk. With the revised strategy, the total addressable market can also be increased.

This Transaction in the BTR space is CDLHT’s first investment in the adjacent accommodation/lodging space under the revised principal investment strategy announced on 26 July 2021.

Following the targeted completion of the development of the New Property in 2024, the New Property will be contributing incremental base rental income to the portfolio. The New Property is expected to be leased out to a mix of individual residential tenants or families for periods of typically about one year or more. Tenant concentration risk is reduced with multiple tenants

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4 Source: Transport For The North, Northern Powerhouse Rail
5 Source: Place North West, “Alternative HS2 Piccadilly hub ‘could save billions’”, 29 June 2020
6 Source: Manchester Evening News, “First images of how huge Co-Op Live stadium will look inside”, 19 July 2021
7 Each “Stapled Security” comprises one unit in H-REIT and one unit in HBT stapled together under the terms of the stapling deed dated 12 June 2006 (as amended, varied and supplemented from time to time) entered into between the H-REIT Manager, H-REIT Trustee, and the HBT Trustee-Manager.

leasing the apartments. In addition, BTR assets rely on different demand drivers to hospitality and may respond differently to macro risk events. These factors will lend more stability to CDLHT's income with the longer underlying tenant lengths of stay.

Following its gestation period, the New Property is expected to provide CDLHT with a more diversified, balanced and stable revenue stream, in-line with the objectives of the revised principal investment strategy. With the favourable demand-supply dynamics of the BTR market in Manchester and across many other markets globally, and the increased institutional investment interest in the BTR sector, the Managers believe that the New Property will experience steady annual income growth and capital appreciation.

The New Property will also complement the expected recovery in the performance of CDLHT's hospitality assets which will continue to make up the majority of the portfolio. The New Property, together with any other assets CDLHT may acquire in the adjacent accommodation/lodging space, will provide CDLHT with more stability in the portfolio's income stream as well as additional income growth.

3.2 The New Property is expected to provide stable and resilient income

After its gestation period, the New Property will strengthen CDLHT's rental income base, supported by longer underlying average length of stay, and provide meaningful diversification, meeting the objectives of the Managers' principal investment strategy. Rent collection rates of BTR properties in the UK averaged 97% between April 2020 to September 2020, even during the COVID-19 pandemic, and this demonstrates the resilience of rent collectability of the BTR sector[8].

3.3 Good economic fundamentals

Manchester is a major employment centre, home to a growing number of global, European and national headquarters and the largest economic hub in the north of England. In terms of venture capital and corporate finance activity, Greater Manchester has the largest financial centre next to London[9]. In terms of gross value added, Greater Manchester is second only to London[10]. The city has undergone rapid population and employment growth in recent years, and is a globally recognised city boasting a very strong local economy with an ever-expanding workforce and numerous infrastructure investment projects.

Key employers are from a varied base of public and private sectors including law, banking, finance, insurance, public services, manufacturing, engineering as well as a thriving media presence and rapidly expanding life science and technology-based industries. The city is also recognised as one of Europe's largest creative, digital and technology clusters with a growing £5 billion digital ecosystem[11]. MediaCityUK, the city's creative hub and home to a dynamic mix of over 250 businesses[12], is a 15-minute drive from the New Property.

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8 Source: UK CBRE market research report commissioned by the HBT Trustee-Manager
9 Source: UK CBRE market research report commissioned by the HBT Trustee-Manager
10 Source: Invest in Manchester, accessed 30 August 2021 (https://www.investinmanchester.com/why-manchester/economic-overview)
11 Source: Invest in Manchester, accessed 30 August 2021 (https://www.investinmanchester.com/sectors/digital-and-technology)
12 Source: MediaCityUK, accessed 30 August 2021 (https://www.mediacityuk.co.uk/whos-here/#:~:text=An%20eclectic%20and%20exciting%20mix,up%2Dand%2Dcoming%20names)

3.4 Strong demand and supply dynamics

Young population which aligns with the main renter cohort age group

According to the 2017/18 English Housing Survey, the main renter cohort remains those aged between 25 to 34 years old[13]. The Manchester and Salford region has a relatively young population with 56% of people under the age of 35[14]. This is higher than that of the North West region of 43%. In 2024, the Manchester and Salford region is still expected to have the highest proportion of the population in the 25 to 34 years age group as compared to other key cities in the UK such as Leeds, London, and Birmingham.

Good employment opportunities coupled with a high graduate retention rate

Manchester is currently home to 80 of the FTSE 100 companies and is well-known for its media and digital sector and thriving technology community[15]. More than 100,000 students are enrolled across Greater Manchester's five universities[16], including the University of Manchester, which is a leading university and part of the Russell Group's 24 world-class universities. There is therefore an increasing supply of highly skilled residents in the city which continues to attract global businesses to the city. Good employment opportunities, coupled with a high graduate retention rate in Manchester, have driven demand for rental housing as these young workers make up a large proportion of the local renter demographic[17].

Increase in house price-to-income ratios and persistent housing shortage

Since 2002, house price-to-income ratios have trended upwards[18]. As houses become relatively unaffordable, the demand for rental housing will continue to increase. Affordability constraints in the sales market will also result in tenants staying longer in the rental sector as they save for a deposit.

Manchester also has the fastest population growth in England for 2019[19]. A housing shortage situation is created with the rapid increase in net additional households, but delivery of new homes falling short of the housing requirements[20].

Driven by the strong demand and supply dynamics, Manchester is likely to have continued demand for the rental housing sector.

3.5 Growth potential for BTR market

In the UK, existing and pipeline BTR inventory makes up only 2% of the existing residential rental stock, with private or buy-to-let ("**BTL**") landlords dominating most of the supply[21]. With the BTL mortgage market facing serious headwinds due to the 3% stamp duty surcharge, the reduction of mortgage interest tax relief and increased mortgage regulation[22], there is a growing

13 Source: Gov.uk, "English Housing Survey, Private rented sector 2017-18", 17 July 2019
14 Source: UK CBRE market research report commissioned by the HBT Trustee-Manager
15 Source: Select Property, "Why Manchester is such a high-demand location for investors and tenants", 23 June 2021
16 Source: Invest in Manchester, accessed 30 August 2021 (https://www.investinmanchester.com/why-manchester/talent/universities)
17 Source: Centre for Cities, "The Great British Brain Drain: An analysis of migration to and from Manchester", 22 March 2019
18 Source: Office for National Statistics, UK
19 Source: Office for National Statistics, UK
20 Source: Manchester Evening News, "Manchester council to set out new strategy to tackle 'major wealth and housing inequalities' in the city up to 2030", 23 June 2021
21 Source: Knight Frank Multihousing 2020
22 Source: Deloitte, "The Buy-to-Let Sector", 21 April 2021

opportunity for large-scale professional investors to enter the residential market and fill the gap through BTR properties as private BTL investors exit the market.

Moreover, BTR products are generally a better proposition for renters as they tend to have better amenities and are built with tenants in mind to promote a sense of community within the building. BTR products are therefore poised to take over some market share from the traditional BTL sector in the residential rental space.

3.6 Brand new property with great accessibility

As a newly constructed building, the New Property is not expected to require significant capital expenditure or repair & maintenance expenses in its initial years.

The site is within a 9-minute walk from Manchester Piccadilly Station which is served by the local Manchester Metrolink and bus lines, offering ease of travel to Spinningfields (a 6-minute tram ride), the biggest commercial district in the city, the prominent Manchester Arndale shopping centre (a 5-minute tram ride) and the famous Old Trafford football stadium (a 14-minute tram ride).

The Manchester Piccadilly Station provides direct access to the airport and other key cities across the UK. Future integration of HS2 (est. 2035 to 2040) and Northern Powerhouse Rail (est. 2040) into the existing Manchester Piccadilly Station is expected to create a world class intermodal transport facility, increasing capacity, reliability and significantly reducing travel time.

3.7 Potential income and capital upside from significant rejuvenation

Piccadilly is divided into distinct neighbourhoods featuring a wide mix of office, residential, hotel and commercial uses, creating much needed housing as well as major employment centres at Mayfield, North Campus and Piccadilly Place. Piccadilly East, where the New Property is located, is undergoing a large scale rejuvenation as part of the Portugal Street East Strategic Redevelopment Framework.

Public and private sectors are investing heavily into Piccadilly, which is being transformed into a new transport, leisure and employment hub within Manchester City Centre. Several projects within the redevelopment framework have been completed and others will progressively complete over the course of the coming years. The completion of the New Property is timely as it coincides with the completion of the other projects near the New Property.

In the UK, BTR is a burgeoning institutional investor asset class that has seen a strong influx of funds from 2016 to 2020[23]. This growing interest is likely to keep capital values well supported with strong upside potential. The constant augmentation of the Piccadilly area will also serve to enhance capital value over time as it builds out.

3.8 The Transaction is expected to be accretive on a pro forma basis

As the UK BTR market is a relatively young market, there are limited completed BTR products available for sale. Consequently, participation in a forward-funding scheme is required to secure exposure to this asset class in Manchester at a good price and in a very promising location.

23 Source: Savills UK, Build to Rent Market Update, Q4 2020

The Transaction is expected to be accretive to Security Holders based on the pro forma financial effects of the Transaction on the DPS of CDLHT when the New Property is stabilized.

Based on the Total Transaction Cost of £78.9 million (S$146.5 million) and assuming the Transaction and the development of the New Property had been completed and stabilized on 1 January 2020, the Transaction is expected, on a pro forma basis, to have contributed an annual stabilized net property income of £3.9 million (S$7.3 million), translating to a DPS accretion of 2.2%[24] for FY2020. The pro forma stabilized net property income yield of the New Property would have been approximately 5.1%[25].

4. VALUATION

The HBT Trustee-Manager and HBT PropCo has commissioned Savills (UK) Limited (the "**Independent Valuer**") to value the New Property on a forward-funding basis.

The Independent Valuer has valued the New Property on a forward-funding basis at £76.1 million (S$141.3 million) as at 27 August 2021, using the capitalisation method for the residential and car park components and the direct comparison method for the retail component (the "**New Property Independent Valuation**"). The New Property Independent Valuation is higher than the Purchase Consideration of £73.3 million (S$136.0 million).

For the information of Security Holders, the Independent Valuer has also valued the New Property on a stabilized basis at £88.0 million (S$163.3 million) as at 27 August 2021, using the capitalisation method for the residential and car park components and the direct comparison method for the retail component.

5. DETAILS OF THE TRANSACTION

5.1 The Land Acquisition

5.1.1 Details of the Land

The Land comprises the land and buildings on the south east side of Longacre Street, Ancoats Manchester, being the whole of the property registered at HM Land Registry under Title Numbers GM211492, GM410710, GM184940 and adjoining parcels of unregistered land. HBT PropCo has today completed the Land Acquisition and acquired the title to the Land.

5.1.2 Certain principal terms of the Land Purchase Agreement

The principal terms of the Land Purchase Agreement include, among others:

(i) the completion of the Land Acquisition on the date of the Land Purchase Agreement (the "**Land Completion Date**");

(ii) the payment of the Land Consideration by HBT PropCo in cash to the Vendor on the Land Completion Date; and

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24 Based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded.

25 Computed based on the pro forma annual stabilized net property income of £3.9 million (S$7.3 million) and Total Project Cost of £76.4 million (S$141.9 million).

(iii) the requirement for HBT PropCo, the Guarantor and the Vendor to enter into the Development Funding Agreement on the Land Completion Date.

5.2 The Property Development

5.2.1 Details of the Property Development

In connection with the Land Acquisition, the Vendor has agreed to undertake the Property Development.

The Vendor is a joint venture between FREOF V (General Partner) LLP and Packaged Living (FREOF V Heyrod PM) LLP, ultimately owned by Fiera Capital Corporation ("**Fiera Capital**") and Packaged Living Ltd ("**PL**") respectively. PL is a vertically integrated business, established for the direct investment and development of BTR assets across the UK. Since its inception in 2017, PL has secured a number of development sites across the UK, providing a pipeline of over 4,000 BTR homes[26]. The senior management team of the Vendor has been heavily involved in the BTR sector in the UK and has a collective track record of bringing forward approximately 5,000 BTR homes, investing in excess of £1 billion into the sector. PL is backed by Fiera Real Estate UK Limited ("**Fiera Real Estate**"), a leading investment management company managing over US$5.3 billion of commercial real estate through a range of investment funds and accounts as at 30 June 2021. Fiera Real Estate is wholly owned by Fiera Capital.

The Vendor has appointed Midgard Limited ("**Midgard**") as the main contractor for the Property Development. Midgard was formed in 2006 and has been providing main contractor services, as the turnkey contracting division of JRL Group Limited ("**JRL Group**"), with a specific focus towards residential. It was awarded Contractor of the Year in the Building Awards 2018[27]. As a wholly owned subsidiary of JRL Group, a managed integrated construction solutions company with an annual turnover in excess of over £500 million, Midgard is able to leverage on JRL Group's resources and offer real value engineering opportunities and certainty of delivery of the New Property.

The Property Development is expected to complete around May 2024.

5.2.2 Certain principal terms of the Development Funding Agreement

The principal terms of the Development Funding Agreement for the Property Development include, among others:

(i) the Property Development being made in connection with the transfer of the Land to HBT PropCo pursuant to the Land Purchase Agreement;

(ii) the Vendor being responsible for applying for (or procuring the application for) and taking all necessary steps to obtain and maintain statutory consents necessary to commence the Property Development or obtain lawful relaxations or waiver of such statutory consents so that at all times the necessary statutory consents in connection with the development are obtained and maintained,

26 Source: Packaged Living Ltd
27 Source: Building.co.uk, "Building Awards 2018: Contractor of the Year (up to £300m)", 15 November 2018

with HBT PropCo assisting the Vendor in obtaining and maintaining such statutory consents where required to do so as the owner of the Land;

(iii) the appointment of the contractor and other professionals by the Vendor, such appointment to include such terms and warranties as may be specified in the Development Funding Agreement;

(iv) the right for HBT PropCo's representatives to access the site at all reasonable times and the right for HBT PropCo and its representatives to attend site meetings between the Vendor, the contractor and other professionals and receive copies of the minutes of all such site meetings;

(v) the obligation for the Vendor to insure or cause to be insured with an insurer approved by HBT PropCo (acting reasonably) the works and the development and all fixtures, chattels and materials thereon against loss or damage by such risks as specified by HBT PropCo in the Development Funding Agreement for the full reinstatement costs (and other incidental costs and expenses for the reinstatement) together with insurance for loss of anticipated rent, such insurance policy to include, amongst others, a waiver of the rights of subrogation of the insurer as against each of the Vendor, the contractor, HBT PropCo and the Guarantor;

(vi) the obligation for HBT PropCo to pay for the development costs and the construction costs of the Property Development, such obligation being capped at the Development Contract Price, with the Vendor being liable for any remaining development costs, construction costs and any other costs and expenses required to complete the Property Development (provided further, where HBT PropCo instructs the Vendor to proceed with certain variations to the Property Development and/or additional fit-out works, the Development Contract Price shall be increased by a sum equal to the additional costs incurred by such variations and/or additional fit-out works);

(vii) the obligation for the Vendor to provide HBT PropCo with periodic payment notices certifying the constructions costs incurred, such payment notices to be accompanied by:

(1) a breakdown of the amount applied for in respect of construction costs under the payment notice including:

(a) in the case of the construction costs, an analysis against the relevant cost cap; and

(b) a copy of the proposed costs of the works done under the building contract (prepared by the employer's agent appointed under the building contract);

(2) copies of invoices and demands for payment, only to the extent that the same are available in respect of the relevant payment notice,

and the Vendor shall procure that any payment notice takes into proper account any retention sums under the building contract;

(viii) the obligation of the Vendor to provide HBT PropCo with a written cash flow statement within 5 business days of the end of each calendar month showing:

(1) the total of all development costs and construction costs then incurred by or on behalf of the developer including the categories in which those development costs and construction costs were incurred;

(2) the development costs and construction costs that the developer reasonably anticipates will be incurred before the next cash flow statement; and

(3) except in the case of the first cash flow statement, the development costs and construction costs incurred by the developer since the previous cash flow statement, indicating details of any variances between the costs previously anticipated and the costs actually incurred;

(ix) the Development Contract Price being paid in cash in the following manner:

(1) periodic payments over the course of the Property Development in respect of the development costs and construction costs incurred;

(2) a balancing payment to be made by HBT PropCo to the Vendor after the completion of the Property Development, being the balance of the Development Contract Price less:

(a) 50.0% of the Construction Retention;

(b) such other retention sums (if applicable);

(c) such sums in dispute or owed by the Vendor under the Development Funding Agreement, including any compensation or damages payable by the Vendor due to a delay in the completion of the Property Development and/or a shortfall in the aggregate gross internal area of the New Property (if applicable); and

(d) such sums as outstanding or to be paid under any planning agreement or community infrastructure levy;

(3) a payment equivalent to the remaining construction retention (being 50.0% of the Construction Retention, less any applicable deductions arising from the costs incurred by HBT PropCo to rectify defects in the New Property) after the expiry of the 24 month defects rectification period following the date of practical completion of the New Property;

(x) the Guarantor providing a guarantee to the Vendor that whenever the Vendor does not receive any payments due under the Development Funding Agreement in the manner and at the times specified in the Development Funding Agreement, the Guarantor shall pay within 10 business days of the Guarantor's receipt of written demand therefor the sums due as if the Guarantor was the principal debtor;

(xi) the right for HBT PropCo to terminate the Development Funding Agreement upon the occurrence of one or more of the following events (each an "**Event of Default**"):

(1) the Vendor becoming insolvent;

(2) the failure for the Vendor to procure the issuance of the practical completion certificate for the New Property on or before the date falling 244 weeks from and including the date of the Development Funding Agreement (or in the event of damage by an insured risk, 280 weeks from and including the date of the Development Funding Agreement);

(3) the gross internal area of the New Property being less than or equal to 95.0% of the area agreed upon;

(4) the Vendor failing to perform its obligations under the Development Funding Agreement in any material respect which (a) is not capable of remedy or (b) if the failure is capable of remedy, has not been remedied within the periods specified under the Development Funding Agreement; and

(5) the Vendor failing to appoint the contractor and other professionals in accordance with the Development Funding Agreement; and

(xii) in the event the Development Funding Agreement is terminated due to the occurrence of an Event of Default, the right for HBT PropCo to require the Vendor to assign agreements and materials (to the extent such matters are assignable) to allow HBT PropCo to procure the completion of the Property Development.

6. ESTIMATED COST OF THE TRANSACTION AND SOURCE OF FUNDS

The total cost of the Transaction (the "**Total Transaction Cost**") is estimated to be £78.9 million (S$146.5 million) comprising:

(a) the Land Consideration of £9.5 million (S$17.6 million);

(b) the Development Contract Price of £63.8 million (S$118.4 million);

(c) the estimated Additional Budget of £3.1 million (S$5.8 million);

(d) the acquisition fee payable to the HBT Trustee-Manager under the Trust Deed of HBT for the Transaction (the "**Acquisition Fee**") of approximately £0.7 million (S$1.4 million); and

(e) other transaction expenses and professional fees in connection with the Transaction of approximately £1.8 million (S$3.3 million) incurred[28].

The Managers intend to fund the Land Consideration through the use of offshore debt.

The remaining Total Transaction Cost (excluding the Land Consideration and including the Acquisition Fee) will be paid wholly in cash through the use of internal resources, offshore debt or a combination of both or other means, as may be determined by the Managers at the appropriate time. The Development Contract Price will be paid out periodically over the Development Period as described under paragraph 5.2.1(ix).

For the avoidance of doubt, the Acquisition Fee will only be paid after the completion of the Transaction (after the development of the New Property is completed).

7. *PRO FORMA* FINANCIAL EFFECTS

7.1 *Pro Forma* Financial Effects for FY2020

The *pro forma* financial effects of the Transaction on the DPS and NAV per Stapled Security presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of CDLHT for the financial year ended 31 December 2020 (the "**CDLHT FY2020 Audited Financial Statements**") and the matters and assumptions as stated under the respective sections, taking into account the Total Transaction Cost and assuming the Transaction is 100% financed through GBP borrowings.

7.1.1 *Pro Forma* Distribution per Stapled Security for FY2020

The following table sets forth the *pro forma* financial effects of the Transaction on the distribution per Stapled Security ("**DPS**") of CDLHT for FY2020, as if the Transaction and the development of the New Property had been completed on 1 January 2020 and CDLHT had operated the New Property on a stabilized basis through to 31 December 2020.

***Pro forma* financial effects of the Transaction for FY2020**		
	Before the Transaction(1)	**After the Transaction**
Net Property Income of CDLHT (S$'000)	69,325	76,597**(2)**
Distributable Income of CDLHT (S$'000)(3)	60,408	61,812
Stapled Securities entitled for distribution ('000)	1,222,632	1,224,067
DPS (cents)(4)	4.95	5.06
Distribution Yield (%)(5)	4.27	4.36

Notes:

(1) Based on the CDLHT FY2020 Audited Financial Statements.

(2) Includes the annual stabilized net property income of the New Property of S$7.3 million which is calculated based on the Managers' assumptions, as if the New Property had been fully operational and stabilized since 1 January 2020.

(3) The distributable income of CDLHT (after deducting income retained for working capital and including capital distribution) represents the aggregate of distributions by H-REIT and HBT.

28 This includes approximately £0.1 million (S$0.2 million) to be paid to Alphagate Holdings Limited ("**Alphagate**"), an indirect wholly owned subsidiary of City Developments Limited ("**CDL**"). CDL is a controlling shareholder of each of the Managers and a controlling unitholder of CDLHT. HBT PropCo will enter into a service agreement with Alphagate for certain personnel to provide technical advisory and development monitoring services for the Property Development on behalf of HBT PropCo (the "**CDL Services**"). The CDL Services are to be provided over the term of the Property Development and throughout the 24-month defects rectification period.

(4) DPS is derived based on the distributable income of CDLHT (after deducting income retained for working capital and including capital distribution) over the number of Stapled Securities entitled for distribution.
(5) Based on the closing market price of the Stapled Securities of S$1.16 as at 30 August 2021.

7.1.2 *Pro Forma* Net Asset Value per Stapled Security for FY2020

The following table sets forth the *pro forma* financial effects of the Transaction on the net asset value per Stapled Security as at 31 December 2020, as if the Transaction and the development of the New Property had been completed on 31 December 2020.

***Pro forma* financial effects of the Transaction as at 31 December 2020**		
	Before the Transaction(1)	**After the Transaction**
Net Asset Value of CDLHT (S$'000)	1,619,908	1,630,596(2)
Stapled Securities issued and to be issued ('000)	1,226,495	1,227,212
Net Asset Value per Stapled Security (S$)	1.32	1.33

Notes:
(1) Based on the CDLHT FY2020 Audited Financial Statements.
(2) Includes the valuation of the New Property as valued on a stabilized basis by the Independent Valuer.

7.1.3 *Pro Forma* Capitalisation for FY2020

The following table sets forth the *pro forma* financial effects of the Transaction on the capitalisation of CDLHT as at 31 December 2020, as if the Transaction and the development of the New Property had been completed on 31 December 2020.

***Pro forma* financial effects of the Transaction as at 31 December 2020**		
	Before the Transaction(1)	**After the Transaction**
Total Assets (S$'000)	2,854,459	3,012,189(2)
Total Gross Borrowings (S$'000)(3)	1,032,449	1,179,038
Total Security Holders' Funds (S$'000)	1,619,908	1,630,596
Total Capitalisation (S$'000)	2,652,357	2,809,634
Gearing Ratio (%)(4)	37.5	40.6

Notes:
(1) Based on the CDLHT FY2020 Audited Financial Statements.
(2) Includes the valuation of the New Property, valued on a stabilized basis by the Independent Valuer.
(3) Excluded from total gross borrowings are lease liabilities which are secured over the finance lease receivables and right-of-use assets.
(4) Gearing ratio is derived based on the total assets (excluding the effect of FRS 116/SFRS(I) Leases (adopted with effect from 1 January 2019)) and total gross borrowings, aggregated on a proportionate basis based on CDLHT's share of each subsidiary.

8. DISCLOSEABLE TRANSACTION

8.1 Discloseable Transactions – Chapter 10 of the Listing Manual

Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by CDLHT. Such transactions are classified into the following categories:

(i) non-discloseable transactions;

(ii) discloseable transactions;

(iii) major transactions; and

(iv) very substantial acquisitions or reverse take-overs.

A proposed transaction by CDLHT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(a) the net profits attributable to the assets to be acquired or disposed of, compared with CDLHT's net profits pursuant to Rule 1006(b) of the Listing Manual; and

(b) the aggregate value of the consideration given or received, compared with CDLHT's market capitalisation based on the total number of issued Stapled Securities pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(a) of the Listing Manual is not applicable to the Transaction as CDLHT will not be disposing of any assets under the Transaction.

Rule 1006(d) of the Listing Manual is not applicable to the Transaction as CDLHT will not be issuing any Stapled Securities as consideration for the Transaction.

8.2 The Transaction

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual in respect of the Transaction are as follows:

	The Transaction (S$ millions)	**CDLHT (S$ millions)**	**Relative Figures (%)**
Rule 1006(b) Net profits attributable to the assets to be acquired or disposed of, compared with CDLHT's net profits	3.6(1)	37.0(2)	9.7
Rule 1006(c) Aggregate value of the consideration given or received, compared with CDLHT's market capitalisation based on the total number of issued Stapled Securities	141.9(3)	1,425.3(4)	10.0

Notes:
(1) Based on the net property income ascribed to the New Property for year-to-date ("**YTD**") June 2021.
(2) Based on the net property income of CDLHT for YTD 30 June 2021.
(3) Based on the Total Project Cost of £76.4 million (S$141.9 million).
(4) Based on the closing market price of the Stapled Securities of S$1.16 per Stapled Security as at 30 August 2021 which is the market date preceding the date of the Land Purchase Agreement and the Development Funding Agreement.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the Transaction is regarded as being a discloseable transaction.

9. OTHER INFORMATION

9.1 Interests of Directors and Substantial Security Holders

Based on the information available to the Managers as at the date of this announcement, none of the directors of the Managers and the Substantial Security Holders have any interest, direct or indirect, in relation to the Transaction.

9.2 Directors' Service Contracts

No person is or is proposed to be appointed as a director of the Managers in connection with the Transaction.

9.3 Incorporation of Subsidiaries

In connection with the Transaction, the following subsidiaries have been incorporated:

Name	Country of Incorporation	Remarks
CDL HBT Investments (I) Pte. Ltd.	Singapore	Wholly-owned subsidiary of the HBT Trustee-Manager
CDL HBT Investments (I) Limited	United Kingdom	Wholly-owned subsidiary of CDL HBT Investments (I) Pte. Ltd.
CDL HBT Investments (I) Property Limited	United Kingdom	Wholly-owned subsidiary of CDL HBT Investments (I) Limited
CDL HBT Investments (I) Operations Limited	United Kingdom	Wholly-owned subsidiary of CDL HBT Investments (I) Limited

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619[29] from the date of this announcement up to and including the date falling three months thereafter:

(a) the Land Purchase Agreement;

(b) the Development Funding Agreement; and

(c) the report by the Independent Valuer setting out the New Property Independent Valuation.

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

29 Subject to measures taken by the Managers to minimise the spread of COVID-19. Prior appointment with the Managers will be appreciated.

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

31 August 2021

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 Security Holders 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.

Due to rounding, numbers presented throughout this announcement may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

FOR IMMEDIATE RELEASE **31 AUG 2021**

CDL HOSPITALITY TRUSTS MAKES MAIDEN ENTRY INTO THE BUILD-TO-RENT SECTOR IN MANCHESTER, UK

- **First investment in the adjacent lodging space under the revised principal investment strategy**
- **Strategic pivot aimed at promoting growth through the revision of mandate which will also bring about asset class diversification and enhanced income stability**
- **Forward-funding deal with project completion expected in 2024**
- **New Property expected to experience annual income growth and capital appreciation, supported by favourable demand-supply dynamics and increasing institutional investment interest in the build-to-rent sector**
- **Transaction expected to deliver pro forma FY2020 DPS accretion of 2.2%**

The Castings, Manchester, UK
(Concept drawing – subject to change)

Singapore, 31 August 2021 – CDL Hospitality Trusts[1] ("**CDLHT**") have today entered into a land purchase agreement and a development funding agreement to invest into a residential build-to-rent ("**BTR**") forward-funding scheme in Manchester, UK for a purchase consideration of £73.3 million (S$136.0 million[2]) (the "**Transaction**").

TRANSACTION PARAMETERS

This Transaction is a forward-funding arrangement which allows CDLHT to invest in a residential BTR property at a fixed-cost, with cash flows managed over the duration of development. Pursuant to the land purchase agreement, CDLHT has today acquired certain land and buildings located on the south east side of Longacre Street, Ancoats, Manchester, UK, from Packaged Living (FREOF V Heyrod) LLP (the "**Vendor**"), for a consideration of £9.5 million (S$17.6 million). In connection with the land acquisition and under a development funding agreement, the Vendor will redevelop the land into a residential BTR building

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[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$1.857.

to be known as "The Castings" (the "**New Property**"), for a price of £63.8 million (S$118.4 million), of which £58.2 million (S$108.1 million) will be paid out periodically over the development period and the remaining £5.6 million (S$10.4 million) will be paid shortly after practical completion of the New Property. The fixed-cost model under the forward-funding scheme allows CDLHT to limit the development risk associated with the Transaction as it is structured with payment mechanisms to safeguard the interest of CDLHT *(please refer to Section 1 of the Announcement on the structuring details)*.

Savills (UK) Limited, an independent valuer, has valued the New Property on a forward-funding basis at £76.1 million (S$141.3 million), which is higher than the purchase consideration of £73.3 million (S$136.0 million).

Practical completion is expected to be around May 2024, subject to extensions permitted under the development funding agreement. The New Property will be ready to welcome residential tenants shortly after the building development and furnishing and fit-out are completed. Including the estimated furnishing and fit-out expenses of £3.1 million (S$5.8 million) to be funded by CDLHT, the total project cost is estimated to be £76.4 million (S$141.9 million) ("**Total Project Cost**"). The total transaction cost including all other transaction expenses and professional fees is £78.9 million (S$146.5 million)[3] ("**Total Transaction Cost**"). The post-Transaction pro forma gearing ratio of 42.3% as of 30 June 2021 assumes that the Transaction was completed on 30 June 2021 and the Total Transaction Cost was 100% GBP debt-funded. As debt will be progressively drawn down to meet payment obligations during the development period, the actual gearing ratio will not reach 42.3% immediately.

The pro forma stabilised net property income yield of the New Property is estimated to be 5.1% and this translates to a 2.2% accretion on the FY2020 DPS on a pro forma basis[4].

Mr Vincent Yeo, Chief Executive Officer of CDLHT's Managers, commented on the investment, "The Castings marks our maiden foray into an adjacent lodging space. We are executing on our revised principal investment strategy whereby we are pivoting to amplify our growth by increasing our addressable market. We aim to both achieve enhanced income stability and asset class diversification, which takes us beyond geographical diversification of hospitality assets."

KEY PARTIES TO THE TRANSACTION

The Vendor is a joint venture between FREOF V (General Partner) LLP and Packaged Living (FREOF V Heyrod PM) LLP, ultimately owned by Fiera Capital Corporation ("**Fiera Capital**") and Packaged Living Ltd ("**PL**") respectively. PL is a vertically integrated business established for the direct investment and development of BTR assets across the UK, with a development pipeline of over 4,000 BTR homes[5]. PL's senior management team has a collective track record of bringing forward approximately 5,000 BTR homes, investing more than £1 billion into the sector. PL is backed by Fiera Real Estate UK Limited ("**Fiera Real Estate**"), which manages over US$5.3 billion of commercial real estate. Fiera Real Estate is wholly owned by Fiera Capital.

The main contractor for the development, Midgard Limited ("**Midgard**"), was formed in 2006 and provides main contractor services with a specific focus towards residential properties. Midgard, who has been appointed by the Vendor under a fixed-sum building contract, is a wholly owned subsidiary of JRL Group Limited ("**JRL Group**"), a managed integrated construction solutions company with an annual turnover in excess of over £500 million. Midgard is the turnkey contracting division of JRL Group and is able to leverage on JRL Group's resources and offer real value engineering opportunities and certainty of delivery of the New Property.

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[3] Total Transaction Cost includes the Total Project Cost and other transaction expenses and professional fees of £2.5 million (S$4.6 million).
[4] Based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded.
[5] Packaged Living Ltd

ABOUT THE NEW PROPERTY

The freehold 352-unit BTR block will comprise a mix of studios, one, two and three bedroom units, with a total residential floor area of approximately 219,600 sq ft. The New Property will also comprise internal and external common amenity spaces, which may include a gym, a cinema, resident lounge areas, a roof terrace and ground floor retail spaces (subject to design and changes), spanning approximately 17,300 sq ft. In addition, there will also be 20 car parking spaces and approximately 350 bicycle storage spaces.

PROMISING LOCATION WITH GREAT ACCESSIBILITY

The Castings is located in Piccadilly East, a developing neighbourhood situated close to the Manchester Piccadilly Station and the tram stop. The site is located within 2 kilometres from the Manchester CBD and boasts convenient accessibility, being within a 9-minute walk to Manchester Piccadilly Station, the main train station in Manchester which has direct access to the airport and links Manchester to London and other major cities across the UK. The Manchester Piccadilly Station is served by the local Manchester Metrolink and bus lines, offering ease of travel to Spinningfields (a 6-minute tram ride), the biggest commercial district in the city, Manchester Arndale shopping centre (a 5-minute tram ride) and the Old Trafford football stadium (a 14-minute tram ride).

Piccadilly East is a rapidly emerging mixed-use neighbourhood focused on providing a high quality public realm, vibrant ground floor activity and some of the best connectivity, working and living environments in the city. The Piccadilly East neighbourhood, which is currently undergoing large scale rejuvenation as part of the Portugal Street East Strategic Redevelopment Framework[6], will be transformed into a new vibrant mixed-use, pedestrian community, which complements the arrival of High Speed 2 railway ("**HS2**") (est. 2035 to 2040)[7].

The future integration of HS2 and the Northern Powerhouse Rail (est. 2040)[8] into the existing Manchester Piccadilly Station is expected to transform the station into a world class intermodal transport facility. HS2 line will provide high-speed connectivity between Manchester, London, Birmingham and other key cities. When completed, the journey time from Manchester to London will be reduced by more than half to 1 hour and 7 minutes from the current journey time of approximately 2 hours and 20 minutes.

In addition, the New Property is minutes from the highly popular districts of Ancoats, The Northern Quarter and New Islington. Ancoats is renowned for its distinct heritage and character, eclectic bars, food and coffee and public realm. The Northern Quarter has long been known as the 'creative quarter' of Manchester and is home to a variety of bars, restaurants, cafés, creative agencies, art galleries and independent businesses, while New Islington is another emerging mixed-use district, which will comprise residential apartments, town houses and office space.

RATIONALE AND INVESTMENT HIGHLIGHTS

This Transaction in the BTR space marks CDLHT's first investment in the adjacent accommodation/lodging space under the revised principal investment strategy. On completion of the development, The Castings is expected to be leased out to a mix of individual residential tenants or families for periods of typically about one year or more. Tenant concentration risk is reduced with multiple tenants leasing the apartments. The New Property is expected to provide stable and resilient income following gestation with longer underlying average length of stay, high rent collection and lease renewal rates that are typical of BTR assets. Furthermore, BTR assets rely on different demand drivers to hospitality and may respond differently to macro risk events. The New Property will hence strengthen CDLHT's rental income base and provide meaningful portfolio diversification, meeting the objectives of CDLHT's revised principal investment strategy.

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[6] Manchester City Council, Portugal Street East SRF April 2017
[7] BBC, "HS2: When will the line open and how much will it cost?", 11 February 2020
[8] Transport For The North, Northern Powerhouse Rail

Manchester is a major employment centre, home to a growing number of global, European and national headquarters, including 80 of the FTSE 100 companies, and the largest economic hub in the north of England. Key employers in Manchester are from a varied base of public and private sectors including law, banking, finance, insurance, public services, manufacturing, engineering as well as a thriving media presence and rapidly expanding life science and technology-based industries. The city has undergone rapid population and employment growth in recent years, and is a globally recognised city boasting a very strong local economy with an ever-expanding workforce and numerous infrastructure investment projects.

According to the 2017/18 English Housing Survey, the main renter cohort remains those aged between 25 to 34 years old[9]. The Manchester and Salford region has a relatively young population with 56% of people under the age of 35 and is still expected to have the highest proportion of the population in the 25 to 34 years age group in 2024, as compared to other key cities in the UK such as Leeds, London, and Birmingham[10].

Over 100,000 students are enrolled across Greater Manchester's five universities, including the University of Manchester, which is a leading university and one of the Russell Group's 24 world-class universities[11]. The increasing supply of highly skilled residents continues to attract global businesses to the city. Good employment opportunities, coupled with a high graduate retention rate in Manchester, will continue to drive demand for rental housing as these young workers make up a large proportion of the local renter demographic.

Mr Yeo concluded "Build-to-rent markets in Manchester and across many cities globally are very resilient, backed by macro trends such as persistent housing shortage and increases in the house price-to-income ratio, which result in affordability becoming an impediment to home ownership. Growth in rental housing demand is a trend that we see continuing and especially for build-to-rent offerings, which are purpose-built with tenants in mind to promote a sense of community and with better amenities.

"We see a positive growth trajectory for this promising sector in the UK and believe that build-to-rent assets will gain market share from traditional landlords. Supported by strong demand and supply dynamics and the asset's superior location, we expect The Castings to achieve steady rental growth over time. Our attractive entry price will also position the asset for capital appreciation in the future, amidst voracious institutional investment demand."

– ENDS –

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[9] Gov.uk, "English Housing Survey, Private rented sector 2017-18", 17 July 2019
[10] UK CBRE market research report commissioned by the HBT Trustee-Manager
[11] Invest in Manchester, accessed 30 August 2021 (https://www.investinmanchester.com/why-manchester/talent/universities)

CDL HOSPITALITY TRUSTS

About CDL Hospitality Trusts

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$2.9 billion as at 30 June 2021. 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.

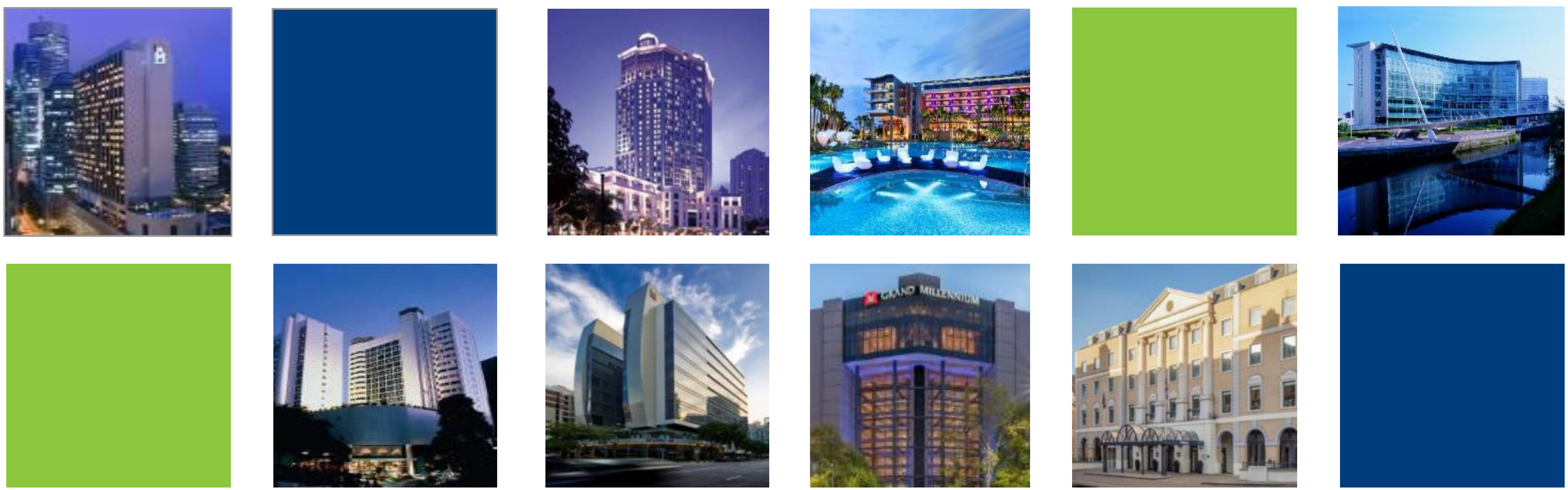
CDLHT's principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes (including, without limitation, hotels, serviced apartments, resorts, motels, other lodging facilities and properties used for rental housing, co-living, student accommodation and senior housing).

As at 30 June 2021, CDLHT owns 15 hotels and two resorts comprising a total of 4,631 rooms as well as a retail mall. The properties under CDLHT's 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) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth;
(iii) two hotels in Japan's gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata;
(iv) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland;
(v) two hotels in United Kingdom, comprising Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester;
(vi) one hotel in Germany's gateway of Munich, namely Pullman Hotel Munich;
(vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery; and
(viii) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo.

CDL HOSPITALITY TRUSTS

Investment into Residential Build-to-Rent Property Forward-Funding Scheme
Manchester, UK
31 August 2021



Important Notice

This document may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CDL Hospitality Trusts.

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 M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (the "**H-REIT Manager**") or M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (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/or the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the 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.

This presentation contains certain tables and other statistical analyses (the "**Statistical Information**") which have been prepared by the H-REIT Manager and the HBT Trustee-Manager. Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

Market data and certain industry forecasts used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by the H-REIT Manager or the HBT Trustee-Manager and neither the H-REIT Manager nor the HBT Trustee-Manager makes any representations as to the accuracy or completeness of such information.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the H-REIT Manager or the HBT Trustee-Manager on future events.

This document and its contents shall not be disclosed without the prior written permission of the H-REIT Manager or the HBT Trustee-Manager.

Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Strategic Pivot to Position for Growth

CDL HOSPITALITY TRUSTS

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2 **<u>Maiden investment</u>** in the adjacent accommodation/lodging space, expected to provide CDLHT with a **<u>more diversified, balanced and stable revenue stream</u>**

3 **<u>Favourable demand-supply dynamics of the Build-to-Rent ("BTR") market</u>** in Manchester and across many other markets globally, and the **<u>increased institutional investment interest</u>** in the sector, positive for income growth and capital appreciation

4 **<u>Complement the expected recovery in performance of CDLHT's hospitality assets</u>**, which will continue to make up the majority of CDLHT's portfolio

Overview of Property

Property Details

CDL HOSPITALITY TRUSTS


Concept drawing – subject to change

Details of the Property	
The Transaction	▪ The Castings ("**New Property**"), a residential Build-to-Rent property ▪ Investment into a forward-funding scheme
Location	▪ Piccadilly East, Manchester, UK
Target Completion	▪ Around May 2024 ▪ ~140-week build period ("**Development Period**")
Land Title	▪ Freehold
Total Area	▪ Approximately 236,900 sq ft
Residential Apartments	▪ Net internal area of approximately 219,600 sq ft ▪ 352 apartments
Amenities Spaces and Other Common Areas	▪ Internal and external common amenity spaces which may include a gym, a cinema, resident lounge areas, a roof terrace and ground floor retail spaces (subject to design and changes) ▪ Approximately 350 bicycle storage ▪ 20 parking spaces

Unit Type	Number of Units
Studio	39
One Bedroom	77
Two Bedroom	227
Three Bedroom	9

Overview of Location

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Manchester, United Kingdom

- Greater Manchester is the largest regional economy in the UK outside London
- Manchester Piccadilly Station is well-connected to the rail network (approximately 2hr 20 min from London, 3 services per hour)
- Manchester Airport is the UK's third largest Airport (largest outside of London) and is a 20-min drive from the city centre
- Continued investments in infrastructure include:
  - Expansion of Manchester Airport
  - High Speed 2 railway ("**HS2**")
- Strategic framework proposals for HS2 include comprehensive redevelopment of the railway station, ~2.9 million sq ft of office space, 261,000 sq ft of retail space, 5,000 apartments and 250 hotel rooms [(1)]

(1) Place North West, "Alternative HS2 Piccadilly hub 'could save billions'", 29 Jun 2020

Prime Location within Manchester City Centre

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Location of The Castings

- Piccadilly East is a neighbourhood situated close to Manchester Piccadilly train station and the tram stop and minutes from highly popular districts of Northern Quarter, Ancoats and New Islington
- Currently undergoing a large scale rejuvenation as part of the Portugal Street East Strategic Redevelopment Framework ("**SRF**") to be transformed into a new vibrant mixed-use, pedestrian community

Good Accessibility

- Within 2km from the Manchester CBD
- 9-min walk from Manchester Piccadilly Station (Manchester's main train station) which has direct access to the airport and major cities in UK
- Upcoming HS2 (est. 2035 to 2040) [1] at the Piccadilly station will provide high speed connectivity between Manchester, London, Birmingham and other key cities
- When completed, the HS2 will reduce the journey time from Manchester to London to approximately 1hr 7min (from 2hr 20min)

(1) BBC, "HS2: When will the line open and how much will it cost?", 11 Feb 2020

Concept Drawings

Concept drawing – subject to change

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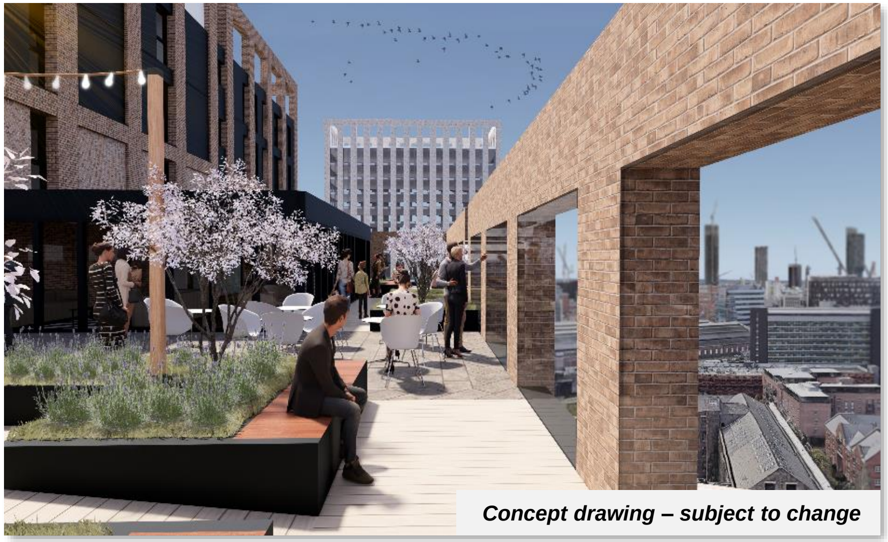

Concept drawing – subject to change

Transaction Structure and Details

Transaction Parameters

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Transaction Parameters	
Purchase Price	**Maximum Commitment Sum of £73.3 million (S$136.0 million [1])**, comprising: ▪ Land Consideration: £9.5 million (S$17.6 million) ▪ Progressive Payments: £58.2 million (S$108.1 million) ▪ Balancing Payment: £5.6 million (S$10.4 million)
Valuation on Forward-Funding Basis [2]	£76.1 million (S$141.3 million)
Additional Budget	Estimated £3.1 million (S$5.8 million) to be funded by CDLHT for furnishing and fit-out expenses
Total Project Cost (Including Additional Budget)	**£76.4 million (S$141.9 million)** ▪ £217.0k (S$403.0k) per unit ▪ £322 (S$599) psf
Other Transaction Cost	£2.5 million (S$4.6 million)
Total Transaction Cost	**£78.9 million (S$146.5 million)**
Pro Forma Stabilized NPI Yields	▪ 5.1% [3] (on Total Project Cost) ▪ 5.0% [3] (on Total Transaction Cost)
Pro Forma DPS Accretion	▪ 2.2% [4]

(1) Unless otherwise stated, all conversions between £ and S$ are based on an assumed exchange rate of £1.00 = S$1.857.

(2) Savills (UK) Limited (the "**Independent Valuer**") has valued the New Property **on a forward-funding basis** as at 27 Aug 2021 using the capitalisation method for the residential and car park components and the direct comparison method for the retail component (the "**New Property Independent Valuation**").

(3) Based on the annual stabilized NPI of the New Property.

(4) Based on the Total Transaction Cost of £78.9 million (S$146.5 million) and assuming development was completed and the New Property was stabilized on 1 Jan 2020, pro forma accretion is based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded and annual stabilized NPI is £3.9 million (S$7.3 million).

Transaction Parameters (Con't)

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Key Parties to the Transaction	
Purchaser	▪ CDL HBT Investments (I) Property Limited, an indirectly wholly-owned subsidiary of HBT (the "**HBT PropCo**")
Vendor & Developer	▪ Packaged Living (FREOF V Heyrod) LLP (the "**Vendor**") (1) will redevelop the land into the residential BTR building to be known as "The Castings" for a fixed price of £63.8 million (S$118.4 million) – this excludes the Land Consideration of £9.5 million (S$17.6 million) for the land
Main Contractor	▪ Midgard Limited ("**Midgard**") ▪ Appointed by the Vendor as the main contractor under a fixed-price building contract

Packaged Living Ltd

PACKAGED LIVING

Backed by FIERA REAL ESTATE

- Vertically integrated business, established for the direct investment and development of BTR assets across the UK
- Pipeline of over 4,000 BTR homes
- Senior management team has a collective track record of bringing forward approximately 5,000 BTR homes, investing more than £1 billion into the sector
- Backed by Fiera Real Estate UK Limited (a Fiera Capital Corporation subsidiary) which manages over US$5.3 billion of commercial real estate

Midgard Limited

JRL MIDGARD

- Formed in 2006 and provides main contractor services with a specific focus towards residential
- Contractor of the Year in the Building Awards 2018
- Wholly owned subsidiary of JRL Group Limited ("**JRL Group**"), a managed integrated construction solutions company with an annual turnover in excess of £500 million
- Midgard is the turnkey contracting division of the JRL Group

(1) The Vendor is a joint venture between FREOF V (General Partner) LLP and Packaged Living (FREOF V Heyrod PM) LLP, ultimately owned by Fiera Capital Corporation and Packaged Living Ltd respectively.

Transaction Parameters (Con't)

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Structure of the Forward-Funding Scheme	
Land Purchase	▪ Upfront payment of £9.5 million as Land Consideration to the Vendor on completion of land purchase on 31 Aug 2021
Progressive Payments during Development Period	▪ £58.2 million to be paid periodically to the Vendor, based on progressive construction costs incurred under the Development Funding Agreement
Balancing Payment	▪ Approximately £5.6 million to be paid to Vendor shortly after practical completion
Limited Development Risk	▪ Maximum Commitment Sum of **£73.3 million (S$136.0 million)** → Fixed-cost model limits development risk. Scheme structured with payment mechanisms to safeguard interest of HBT PropCo in the following manner: ▪ Development Contract Price will be paid periodically during the Development Period based on the construction costs incurred ▪ The progressive payments will be net of a 3% construction retention, which will amount to about £1.6 million (S$3.0 million) over the course of Development Period (the "**Construction Retention**") ▪ Balancing Payment and 50% of the Construction Retention will only be paid after the completion of the Property Development ▪ Balance 50% of Construction Retention will be released after expiry of 24-month defects rectification period following practical completion, subject to any applicable deductions arising from the costs incurred by HBT PropCo to rectify defects

Transaction Costs and Gearing

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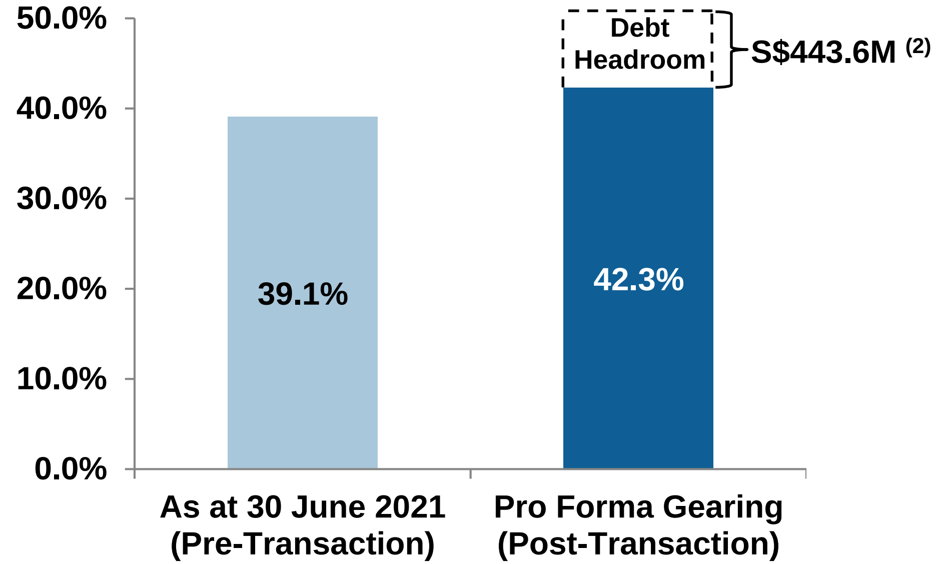
Financing

Total Transaction Cost	
Total Project Cost	£76.4 million (S$141.9 million)
Acquisition Fee [(1)]	£0.7 million (S$1.4 million)
Other Transaction Expenses and Professional Fees	£1.8 million (S$3.3 million)
Total Transaction Cost	**£78.9 million (S$146.5 million)**

Pro Forma Financial Effects on Gearing

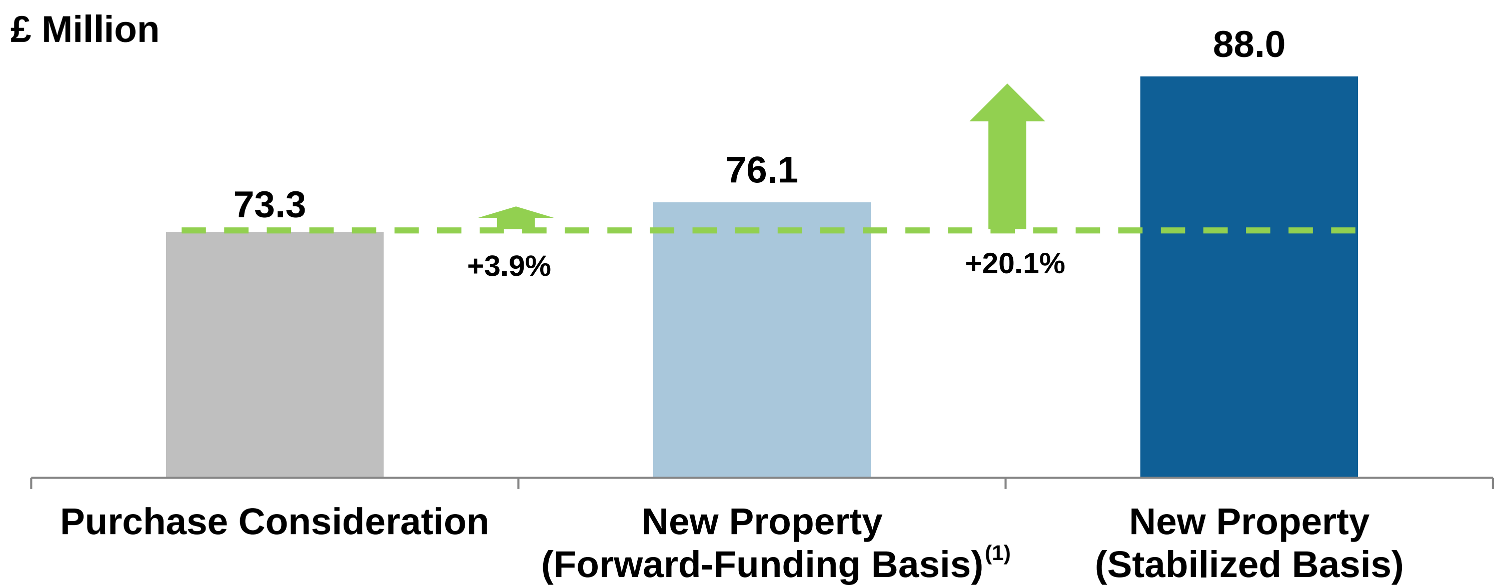


- Construction will be progressively funded on a monthly basis
- Pro forma gearing of 42.3% as at 30 Jun 2021 assumes that the Transaction was completed on **30 Jun 2021** and that the Total Transaction Cost was 100% debt-funded upfront, on a pro forma basis
- As the development progresses, debt will be progressively drawn down to meet payment obligations, hence the initial actual gearing will be lower than 42.3%, and will gradually increase over time

(1) Acquisition Fee of approximately S$1.4 million will only be paid after the completion of the Transaction.
(2) Assuming gearing limit of 50.0%.

Independent Valuation

Comparison of Purchase Consideration versus Independent Valuation



- New Property Independent Valuation on a forward-funding basis is £76.1 million, 3.9% higher than Purchase Consideration of £73.3 million
- For reference, the New Property Independent Valuation on a stabilized basis (assuming New Property has stabilized) is £88.0 million

(1) Independent Valuer has valued the New Property at £76.1 million (approximately S$141.3 million) as at 27 Aug 2021 on a forward-funding basis using the capitalisation method for the residential and car park components and the direct comparison method for the retail component.

Investment Highlights

Investment Highlights

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1. New Property is Expected to Provide Stable and Resilient Income
2. Good Economic Fundamentals
3. Strong Demand and Supply Dynamics
4. Growth Potential for BTR Market
5. Brand New Property With Great Accessibility
6. Potential Income and Capital Upside From Significant Rejuvenation
7. Transaction Expected to be Accretive on a Pro Forma Basis

1 New Property is Expected to Provide Stable and Resilient Income

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After its gestation period, the New Property will strengthen CDLHT's rental income base, supported by longer underlying average length of stay

Provide meaningful diversification which meets one of the objectives of the revised principal investment strategy

Rent collection rates of BTR properties in the UK remained high even during the COVID-19 pandemic and this demonstrates the resilience of rent collectability of the BTR sector (1)

Manchester, UK

(1) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager, rent collection rates of BTR properties in the UK averaged 97% between Apr 2020 to Sep 2020 during the pandemic.

Credits: Photo by Matthew Waring on Unsplash. Icons: Flaticon.com.

2 Good Economic Fundamentals

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Greater Manchester – The Largest Regional Economy in the UK Outside London

- Major employment centre and the largest economic hub in the north of England
- Home to a growing number of global, European and national headquarters

Greater Manchester is the largest regional economy and has the largest financial centre (in terms of venture capital and corporate finance activity) in the UK outside London [1] [2]

Rapid population and employment growth in recent years

Ever-expanding workforce and numerous infrastructure investment projects

Manchester is recognized as one of Europe's largest creative, digital and technology clusters with a growing £5 billion digital ecosystem[3] - MediaCityUK is the city's creative hub and is home to a dynamic mix of over 250 businesses[4]

MediaCityUK, Salford, Greater Manchester

(1) Invest in Manchester, accessed 19 Aug 2021 (https://www.investinmanchester.com/why-manchester/economic-overview)

(2) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager

(3) Invest in Manchester, accessed 30 Aug 2021 (https://www.investinmanchester.com/sectors/digital-and-technology)

(4) MediaCityUK, accessed 30 Aug 2021 (https://www.mediacityuk.co.uk/whos-here/#:~:text=An%20eclectic%20and%20exciting%20mix,up%2Dand%2Dcoming%20names)

Credits: Photo by Orry Verducci on Unsplash. Icons: Flaticon.com.

3 Strong Demand and Supply Dynamics

Positive Demand & Supply Dynamics for BTR Market

Main renter cohort aged between 25-34 years old (1)

Good employment opportunities coupled with a high graduate retention rate (2)

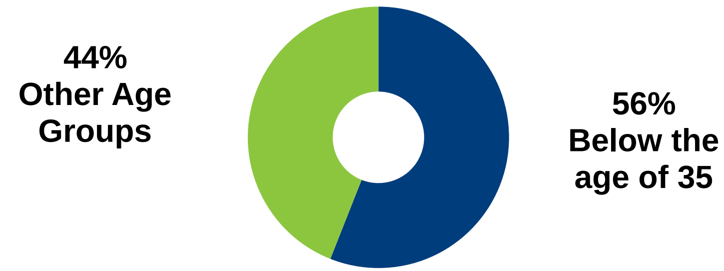
Manchester is home to 80 of the FTSE 100 companies (3)

Well-known media and digital sector and thriving technology community (3)

Rising house price-to-income ratios since 2002 (4)

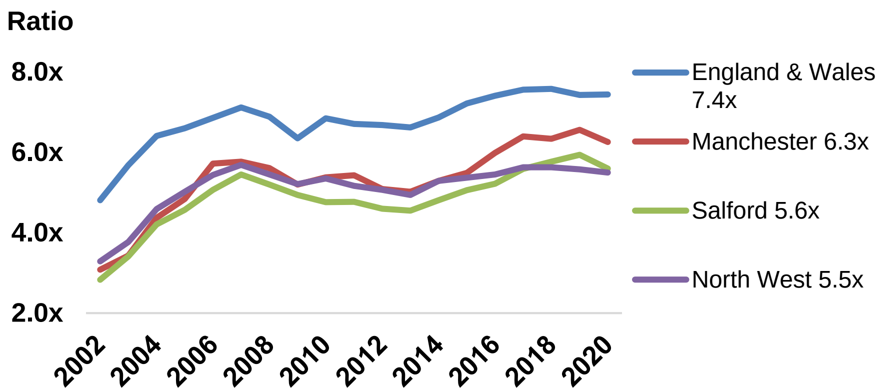
Delivery of new housing has been falling short of the housing target requirement (5)

Manchester and Salford Population in 2019 (6)



In 2024, Manchester and Salford region is still expected to have the highest proportion of the population in the 25 to 34 years age group as compared to other key cities in the UK

House Price-to-Income Ratio (4)



(1) Gov.uk, "English Housing Survey, Private rented sector 2017-18", 31 Jul 2019
(2) Centre for Cities, "The Great British Brain Drain: An analysis of migration to and from Manchester", 22 Mar 2019
(3) Select Property, "Why Manchester is such a high-demand location for investors and tenants", 23 Jun 2021
(4) Office for National Statistics, UK
(5) Manchester Evening News, "Manchester council to set out new strategy to tackle 'major wealth and housing inequalities' in the city up to 2030", 23 Jun 2021
(6) Based on a UK CBRE market research report commissioned by the HBT Trustee-Manager.

4 Growth Potential for BTR Market

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BTR Poised to Gain Some Market Share from the Traditional BTL Sector

- In the UK, existing and pipeline BTR inventory makes up only 2% of the existing residential rental stock, with private or Buy-to-Let ("**BTL**") landlords dominating most of the supply [(1)]
- BTL mortgage market facing serious headwinds [(2)]:
  - 3% stamp duty surcharge
  - Reduction of mortgage interest tax relief
  - Increased mortgage regulation
- Growing opportunity for large-scale professional investors to enter the residential market and fill the gap through BTR offerings as private investors exit the market
- BTRs are generally a better proposition for renters:
  - Better amenities
  - Built with tenants in mind
  - Promote a sense of community within the building

Concept drawing – subject to change

(1) Knight Frank Multihousing 2020

(2) Deloitte, "The Buy-to-Let Sector", 21 Apr 2021

5 Brand New Property With Great Accessibility

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Purpose-built Property to be Completed in 2024

- Low capital expenditure and repair & maintenance expenses expected in the initial years
- 9-min walk from Manchester Piccadilly Station, which provides direct access to the airport and other key cities across the UK
- Manchester Piccadilly Station also provides access to the local Manchester Metrolink and bus lines, offering ease of travel to Spinningfields, the biggest commercial district in the city, Manchester Arndale shopping centre and the Old Trafford football stadium

Concept drawing – subject to change

UK's HS2 Network (1)

(1) High Speed Two Ltd

6 Potential Income and Capital Upside From Significant Rejuvenation

Significant Rejuvenation in a Rapidly Developing Neighbourhood

- Distinct neighbourhoods featuring a wide mix of office, residential, hotel and commercial uses
- Significant rejuvenation of Piccadilly East (where the New Property is located) as part of the Portugal Street East Strategic Regeneration Framework [(1)]
- Heavy investment from public and private sectors into Piccadilly, which is being transformed into a new transport, leisure and employment hub within Manchester City Centre
- Timely completion of the New Property coinciding with the completion of the other projects in the vicinity
- Growing interest in the BTR market is likely to keep capital values well supported with strong upside potential
- Constant augmentation of the area will also serve to enhance capital value over time

(1) Manchester City Council, Portugal Street East SRF April 2017

7 Transaction Expected to be Accretive on a Pro Forma Basis

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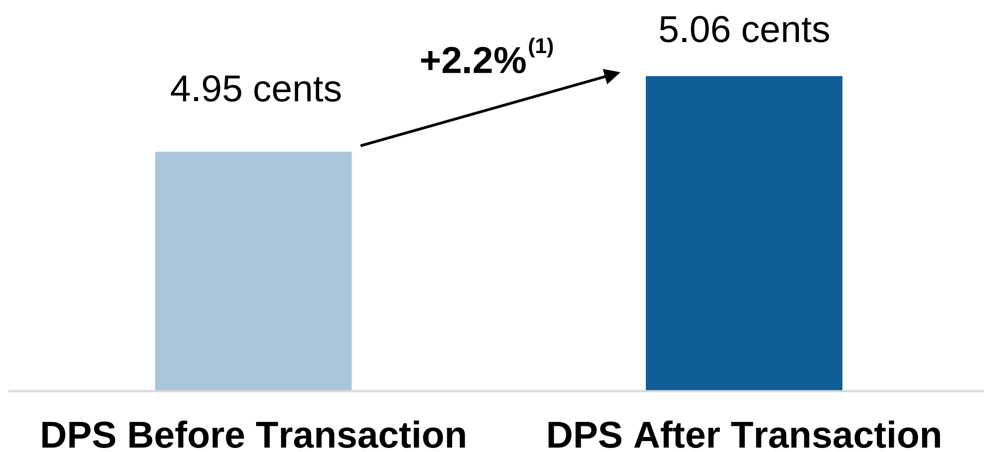
FY2020 Pro Forma DPS



- UK BTR market is a relatively young market, hence there are limited completed BTR products available for sale
- Participation in a forward-funding scheme is required to secure exposure to BTR market in Manchester at a good price and in a very promising location
- Transaction is expected to have been accretive to Security Holders based on the pro forma financial effects of the Transaction on the FY2020 DPS of CDLHT when the New Property is stabilized
- Based on the Total Transaction Cost of £78.9 million (S$146.5 million) and assuming the Transaction and the development of the New Property had been completed and stabilized on 1 Jan 2020, the Transaction is expected to have contributed to a DPS accretion of 2.2%[1] for FY2020 on a pro forma basis
- Assuming annual stabilized NPI of £3.9 million (S$7.3 million), stabilized pro forma NPI yield would have been ~5.1% (on Total Project Cost)

(1) Based on the change of the pro forma FY2020 DPS of the enlarged portfolio over the FY2020 DPS of CDLHT. For purpose of the computations, the Total Transaction Cost is assumed to be 100% GBP debt-funded.

Summary of Investment Highlights

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Poised to Benefit from a More Diversified, Balanced and Stable Revenue Stream

1. **New Property is Expected to Provide Stable and Resilient Income**
2. **Good Economic Fundamentals**
3. **Strong Demand and Supply Dynamics**
4. **Growth Potential for BTR Market**
5. **Brand New Property With Great Accessibility**
6. **Potential Income and Capital Upside From Significant Rejuvenation**
7. **Transaction Expected to be Accretive on a Pro Forma Basis**

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THANK YOU

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