



## CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

9 April 2020

### CDL HOSPITALITY TRUSTS PROVIDES UPDATE ON TRANSACTIONS TIMELINES AND IMPACT OF COVID-19 OUTBREAK ON PORTFOLIO

**Singapore, 9 April 2020** – CDL Hospitality Trusts (“CDLHT” or the “Group”), a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust, today provides an update on the impact to its portfolio in relation to the COVID-19 outbreak.

Since the COVID-19 outbreak reached Singapore shores in late January 2020, the outbreak situation has worsened rapidly around the world, with the epicenter shifting from China to Europe and the US. It has also been declared a global pandemic by the World Health Organization. This has severely affected the global economy with adverse impact on most industries, with the tourism and hospitality industry inevitably being one of the worst hit.

Many countries have responded to the outbreak by imposing measures such as strict restrictions on travel, quarantines and complete lockdown of cities. Accordingly, most of CDLHT’s overseas properties are either closed on a temporary basis or operating at low occupancies. In Singapore, CDLHT’s hotels continue to remain operational with all on-site recreational facilities being closed until 4 May or as determined by the government under the new circuit breaker measures announced on 3 April 2020.

With the temporary closure of some of CDLHT’s hotels and the systemic fall in demand and visitor arrivals across all markets, CDLHT expects a significant drop in the underlying performance of its hotels. Consequently, CDLHT expects its financial performance for the first quarter ended 31 March 2020 and second quarter ending 30 June 2020 to be adversely affected as compared to the same period last year. Considering the rapid fluidity of the situation, lack of visibility on the protraction of the virus outbreak and uncertainty of the recovery trajectory, the full extent of the impact on CDLHT’s operations and financial performance for the rest of FY 2020 or beyond cannot be conclusively determined at this point of time.

Mr Vincent Yeo, Chief Executive Officer of CDLHT’s managers, said, “This global pandemic and the impact on the global tourism market is unprecedented and we are working closely with our lessees and hotel operators to manage the situation. Measures taken to streamline and contain costs to mitigate the decline in performance include temporary closure of hotels or certain floors, shortened working hours, unpaid leave as well as temporary furloughs for hotel employees and review of operational contracts for deferment or cancellation. We are heartened that respective governments of our portfolio markets are providing assistance packages to the hospitality sector such as wage and tax reliefs. We are also utilising this period of low occupancy to carry out critical guests-related asset enhancement works while deferring non-essential capital expenditures.

“In our core Singapore market, we are also doing our part in the fight against the COVID-19 outbreak by providing some of our hotels to house returning Singapore residents for the duration of their two-week isolation, which also helps to increase occupancy in this difficult period where there are virtually no inbound travellers to Singapore.”

Separately, in the announcement dated 21 November 2019 and the Circular to Stapled Security Holders dated 3 January 2020, Stapled Security Holders were informed that, pursuant to the approved redevelopment transaction of Novotel Singapore Clarke Quay, the hotel was expected to cease operations in early April 2020, and the hotel’s lease agreement was to be terminated on 23 April 2020. CDLHT has extended the operations of Novotel Singapore Clarke Quay by another three months due to demand for accommodation which can be used for isolation purposes. The hotel is expected to cease operations in early July 2020 and the completion of the divestment is expected to be sometime in July 2020<sup>1</sup>. The lease agreement with Accor is expected to terminate in July 2020 as well after the hotel ceases operations. The completion of the W

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Singapore – Sentosa Cove (“W Hotel”) acquisition will similarly be postponed to July 2020<sup>1</sup>. Further updates will be provided in due course.

As of 31 March 2020, CDLHT has low gearing of about 37.3% and cash reserves of approximately S\$100 million on the balance sheet, which does not include amounts that can be drawn on under our committed revolving credit facility line. For avoidance of doubt, the cash reserves do not include the net cash inflow expected on the completion of the two transactions (the divestment of Novotel Singapore Clarke Quay and acquisition of W Hotel) targeted in mid-July 2020. In terms of refinancing in 2020, there is 6.4 billion yen (approximately S\$83 million) or equivalent of 7.5% of its total borrowings maturing in September 2020. Discussions are underway for the refinancing and we will update the market in due course.

Mr Yeo concluded: “We are assured that with our current financial position and strong backing of our sponsor, Millennium & Copthorne Hotels Limited, a subsidiary of City Developments Limited, one of the largest property developers in Singapore, we will be able to navigate through this period of turmoil. The fixed rent component in the master leases in our portfolio should provide some downside protection to Stapled Securityholders.”

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### About CDL Hospitality Trusts

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.85 billion. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 31 March 2020, CDLHT owns 16 hotels and two resorts comprising a total of 5,089 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

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

<sup>1</sup> The new timelines supersede the disclosure in CDLHT’s Annual Report 2019, which will be made available to Stapled Securityholders and the public in due course, that both transactions “are expected to complete around the end of first half of 2020”.