



CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

CDL HOSPITALITY BUSINESS TRUST

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

**ANNUAL GENERAL MEETINGS (“AGMs”) TO BE HELD ON 26 JUNE 2020
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

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**”) refers to the CDLHT’s announcement on 4 June 2020 on the alternative arrangements for the AGMs, and in particular, to the invitation for Stapled Securityholders to submit questions in advance of the AGMs. The Managers wish to thank Stapled Securityholders for the questions submitted.

Please refer to the responses to these substantial and relevant questions in the following pages. Mr Vincent Yeo, Chief Executive Officer of the Managers, will deliver a presentation to Stapled Securityholders at the AGMs. Please refer to the AGMs presentation slides released in conjunction with this announcement on SGXNet, which can also be found on CDLHT’s corporate website.

The AGMs will be convened and held by way of electronic means on Friday, 26 June 2020 at 9.30 a.m. (Singapore time). Stapled Securityholders will be able to observe and/or listen to the AGMs proceedings via live audio-visual webcast or audio-only stream.

Q1	Are any hotel management agreements due for renewal in the next 12 months?
A1	<p>CDLHT does not have any hotel management agreements due for renewal in the next 12 months. With regards to leases:</p> <ul style="list-style-type: none">• The lease for Novotel Singapore Clarke Quay will be terminated on 15 July 2020 as part of its divestment. For further details, please refer to the announcement dated 14 May 2020.• The leases for the Australia Hotels (comprising Novotel Brisbane, Mercure & Ibis Perth) will expire on 30 April 2021.
Q2	Are there force majeure clauses that hotel lessees can invoke to attempt to lower the rent they pay to CDLHT?
A2	<p>While CDLHT’s leases contain clauses allowing for rent adjustments when the properties are destroyed and damaged, they mostly do not contain epidemic/pandemic-related force majeure clauses.</p> <p>In fact, only one of our leased hotels has a lease provision which grants rent abatement to the lessee if the lessee is unable to gain access to the premises to fully conduct its business because of safety reasons or to prevent/reduce/overcome any hazard, harm or loss related to an epidemic (e.g. COVID-19). So far there has been no access issue.</p> <p>While we will strive to preserve our contractual rights and commercial interests, this is a difficult period for everyone and it is therefore important that we work closely with our lessees to ride through this pandemic in order to look forward to the recovery of the various markets.</p>

Q3	Aside from the fixed rent from the leases of the Singapore Hotels, are there fixed rent or minimum guaranteed rent from other hotels with leases and managed hotels? If so, please provide the breakdown.
A3	<p>The fixed rent per annum arising from CDLHT's leased hotels are as follow:</p> <ul style="list-style-type: none"> • Singapore Hotels comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Studio M Hotel – S\$31.4 million • Grand Millennium Auckland in New Zealand – NZ\$6.0 million • Australia Hotels comprising Novotel Brisbane, Mercure & Ibis Perth – A\$9.6 million • Pullman Hotel Munich in Germany – €3.6 million¹ • Hotel Cerretani Firenze – MGallery in Italy – €1.3 million¹ <p>Please also refer to Slide 43 of the AGMs presentation slides for information on the fixed rent of CDLHT's hotels.</p>
Q4	Further to CDLHT's Operational Update for the Quarter Ended 31 March 2020, which was announced on 24 April 2020, can the Managers provide the latest operational update given that many countries have since emerged from "lockdown" conditions?
A4	Please refer to Slide 36, 38 and 39 of the AGMs presentation slides for further details on the operational status of CDLHT's hotels and the situation of each market which CDLHT has a presence in.
Q5	Is the occupancy of the Singapore Hotels still supported by demand for foreign workers affected by border closures? In addition, given that returnees entering Singapore should have finished serving their Stay Home Notice by now, is there demand from housing workers from essential sectors such as healthcare/nursing? Are CDLHT's other overseas hotels seeing similar demand as well?
A5	<p>The COVID-19 pandemic has severely affected tourism and hospitality industry in an unprecedented manner. CDLHT has been working with its hotel lessees and operators to pursue alternative revenue channels where possible.</p> <p>In Singapore, the occupancy of our hotels has been and continues to be supported by demand for accommodation facilities which can be used for isolation purposes, which include returnees to Singapore whom need to serve a two-week Stay Home Notice and residents whom need to be quarantined. In addition, there is also demand from foreign workers affected by border closures (e.g. Malaysia's border closure from 18 March to 31 August).</p> <p>In New Zealand, the occupancy of Grand Millennium Auckland is also supported by such similar demand.</p>
Q6	If the current pandemic situation prolongs till the end of the year, can CDLHT service its debt obligations and carry on operations without taking additional loans?
A6	<p>CDLHT's continues to maintain a healthy balance sheet and is able to service its ongoing debt obligations. As at 31 March 2020, CDLHT has low gearing of 37.4%, large debt headroom of S\$747 million (at 50% gearing) and overall cost of debt at 1.9% per annum.</p> <p>Through proactive management of cash reserves and credit facilities, we also have a strong liquidity position. As of 24 June 2020, we have cash reserves of approximately S\$120 million. In addition, we have available credit facilities of about S\$520 million, of which committed revolving credit facilities amount to about S\$120 million that we may draw on for ongoing working capital and capital expenditure needs.</p>

¹ On the basis of a 100% interest before adjusting for non-controlling interests.

	<p>In addition, there will also be approximately S\$26 million of net cash inflow in July upon the completions of the divestment of Novotel Singapore Clarke Quay and acquisition of W Singapore – Sentosa Cove.</p> <p>This year, there is JPY 6.4 billion (equivalent of about S\$83 million) of borrowings due in September. This is only about 7.4% of our total borrowings and we are in active discussions to refinance these borrowings.</p> <p>There are no material concerns over CDLHT’s ability to fulfil its debt obligations and fixed costs.</p>
Q7	The COVID-19 situation has significantly changed the outlook of the hospitality industry. Have the Managers of CDLHT gone back to renegotiate the purchase price of W Singapore – Sentosa Cove? Given that COVID-19 is an adverse event, does the purchase agreement have any clause that allows CDLHT to back out of the transaction or renegotiate the purchase?
A7	The agreements do not have clauses for the purchaser to back out of the acquisition or to renegotiate on pricing due to the COVID-19 pandemic. The completion of the acquisition of W Singapore – Sentosa Cove is expected to be around mid-July 2020.

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).

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C REIT Management Limited
(Company Registration No. 200607091Z)
(as Manager of CDL Hospitality Real Estate Investment Trust)

25 June 2020

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
(as Trustee-Manager of CDL Hospitality Business Trust)

25 June 2020

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 REIT Manager and the Trustee-Manager (together with the REIT Manager, the "Managers") on future events.

The value of the stapled securities in CDLHT (the "Stapled Securities") and the income derived from them, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its 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 Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.