



**CDL HOSPITALITY TRUSTS**

A stapled group comprising:

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

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

**CDL HOSPITALITY BUSINESS TRUST**

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

**ANNOUNCEMENT**

**UPDATE ON THE REDEVELOPMENT TRANSACTION WHICH INVOLVES THE DIVESTMENT OF NOVOTEL SINGAPORE CLARKE QUAY AND THE FORWARD PURCHASE OF A HOTEL TO BE DEVELOPED AS PART OF AN INTEGRATED DEVELOPMENT**

**1. INTRODUCTION**

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”) (the “**H-REIT Manager**”), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”) (the “**HBT Trustee-Manager**” and together with the H-REIT Manager, the “**Managers**” and H-REIT and HBT together, “**CDLHT**”) refer to:

- (a) the announcement dated 21 November 2019 in relation to, among others, the Redevelopment Transaction which involves the divestment of Novotel Singapore Clarke Quay (the “**Divestment**”) and the forward purchase of a hotel to be developed as part of an integrated development (the “**Forward Purchase**”, and together with the Divestment, the “**Novotel Redevelopment Transaction**”);
- (b) the Circular to stapled security holders of CDLHT (“**Security Holders**”) dated 3 January 2020 in respect of, among others, the Novotel Redevelopment Transaction;
- (c) the announcement dated 23 January 2020 in relation to the resolutions passed at the extraordinary general meetings of Security Holders held on 23 January 2020 approving, among others, the Novotel Redevelopment Transaction;
- (d) the press release dated 9 April 2020 in relation to the update on transaction timelines and impact of the COVID-19 outbreak on portfolio of CDLHT;
- (e) the operational update dated 24 April 2020 in relation to the quarter ended 31 March 2020; and
- (f) the announcement dated 14 May 2020 in relation to the update on the Novotel Redevelopment Transaction.

## 2. COMPLETION OF THE DIVESTMENT OF NOVOTEL SINGAPORE CLARKE QUAY

The Managers are pleased to announce that DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”) has today completed the Divestment to Gemini One Trust, Legend Quay Pte. Ltd. and Legend Commercial Trust (collectively, the “**Redevelopment Entities**”) for a total consideration of approximately S\$375.9 million.

The completion of the Divestment took place after the satisfaction of all the conditions precedent under the conditional put and call option agreement entered into between the H-REIT Trustee (the “**Vendor**”) and the Redevelopment Entities (the “**Purchasers**”) dated 21 November 2019 (as amended by an amendment and restated agreement dated 14 May 2020) (the “**Amended and Restated PCOA**”). The Purchasers have today exercised the call option pursuant to the Amended and Restated PCOA.

## 3. TOTAL COST OF THE DIVESTMENT AND USE OF NET DIVESTMENT PROCEEDS

The total cost of the Divestment was approximately S\$5.5 million comprising:

- (a) the winding down related costs in connection with the closure of the Novotel Singapore Clarke Quay, which includes, amongst others, payments and settlements with third parties for the termination of contracts, employees’ redundancy related payments, costs associated with relocation of events and bookings and other closing related fees and costs for removal of assets, which amounted to approximately S\$5.0 million; and
- (b) the professional fees and other expenses in connection with the Proposed Divestment which amounts to approximately S\$0.5 million.

As stated at paragraph 4.1.4 of the Circular to Security Holders dated 3 January 2020, the H-REIT Manager has elected to voluntarily waive the divestment fee for the Divestment of approximately S\$1.9 million.

The Managers intend to use the net proceeds of the Divestment of approximately S\$370.3 million in the following manner:

- (i) approximately S\$342.2 million to fund the acquisition of the hotel known as W Singapore – Sentosa Cove (by paying down the short term borrowings);
- (ii) approximately S\$1.4 million to pay the professional fees and other expenses in connection with the Forward Purchase; and
- (iii) approximately S\$26.8 million to repay existing debt and/or to make distributions to Security Holders.

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng  
Chief Executive Officer  
M&C REIT Management Limited  
(Company Registration Number 200607091Z)  
as manager of CDL Hospitality Real Estate Investment Trust

**BY ORDER OF THE BOARD**

Vincent Yeo Wee Eng  
Chief Executive Officer  
M&C Business Trust Management Limited  
(Company Registration Number 200607118H)  
as trustee-manager of CDL Hospitality Business Trust

15 July 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 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.

Any discrepancies in the figures included in this announcement between the listed amounts and total thereof are due to rounding.