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 21 APRIL 2023
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 23 March 2023 on the alternative arrangements for the AGMs, and in particular, to the invitation for Stapled Security Holders to submit questions in advance of the AGMs. The Managers wish to thank Stapled Security Holders for the questions submitted.

CDLHT also received some questions from the Securities Investors Association (Singapore) ("**SIAS**"). The following pages set out the Managers' responses to these substantial and relevant questions received from SIAS and Stapled Security Holders in relation to CDLHT's FY 2022 Annual Report and the AGMs.

The AGMs will be convened and held by way of electronic means on Friday, 21 April 2023 at 9.30 a.m. (Singapore time). To facilitate engagement with Stapled Security Holders, CDLHT will implement real-time remote electronic voting (live voting) and real-time electronic communications (live Q&A) at the AGMs.

Questions from the Securities Investors Association (Singapore)	
Q1	**As noted in the Chairman's Statement, CDLHT achieved robust revenue per available room ("RevPAR") growth across most portfolio hotels, except for Grand Millennium Auckland. As of the fourth quarter of 2022, the majority of hotels had surpassed the pre-pandemic RevPAR levels in 4Q 2019.** **Net property income (NPI) increased significantly by 43.7% to $123.7 million for the year, up from $86.1 million in FY 2021. Distribution per stapled security for FY 2022 was 31.9% higher at 5.63 cents.**
Q1(i)	**Chinese visitors: How is CDLHT positioning its properties to capture the pent-up demand from Chinese travellers?**
A1(i)	CDLHT's hotels are well-positioned amongst corporate bookers, travel agents and tour operators to capture inbound demand from Chinese travellers whereby an active outreach programme to the bookers has been activated. Our sales teams in Singapore have observed a rise in inquiries for future bookings, indicating a growing interest in travel. However, our partners have reported that visa procurement and passport renewals for Mainland Chinese travellers, as well as the restoration of international flights, are key determinants in the recovery trajectory.
Q1(ii)	**Operational efficiency: Can the Managers provide more specific examples of the operational efficiency measures implemented and their impact on the bottom line?**
A1(ii)	Over the years, our hotels have implemented initiatives on various fronts including improving energy efficiency by capitalising on building automation technologies, job redesign and leveraging technology to effect payroll cost efficiencies. These initiatives have delivered positive results in the current environment, especially in our core market, Singapore. As a result, our Singapore Hotels' payroll costs for FY 2022 (in terms of percentage of revenue) were lower than pre-pandemic FY 2019. Across our assets, we could see varying rates of increases in payroll attributed to higher occupancy levels as well as government-mandated wage increments. To alleviate payroll pressures, our portfolio of hotels continues to seek operational synergies in cluster functions particularly in Sales and Marketing and Finance. The implementation of AI Robotics for the night audit and reservations checking tasks at the Perth Hotels is expected to result in payroll savings and revenue loss mitigation (with improved work accuracy). In 2022, The Lowry Hotel embarked on several energy-saving initiatives, which included a Building Management System (BMS) upgrade commissioned in May 2022, Voltage Optimisation implementation in October 2022, the Power Factor Corrector completed at the end of March 2023, as well as solar film installation (to be completed in 3Q 2023). These measures have and are expected to mitigate increases in utility costs. Copthorne King's Hotel upgraded its rooms with an innovative technology system to improve the efficient management of power, lighting, and air-conditioning. This system monitors the occupancy status of the room and adjusts energy consumption accordingly. This has reduced the hotel's total energy consumption by 13%. Angsana Velavaru completed the first phase of solar panel installation in March 2023, which saw diesel consumption decline by approximately 20%. The resort is currently planning for further solar panel expansion over other land and overwater areas. At Raffles Maldives Meradhoo, the first phase of solar panels is scheduled to be installed in mid-April 2023 and to be operational within 2Q 2023.

Q1(iii)	**Acquisitions: Given the current economic conditions such as high inflation, increased interest rates, and the possibility of a global recession, what measures are the Managers taking to adjust the pace of CDLHT's acquisitions?**
A1(iii)	Even prior to the pandemic and onset of current economic conditions, we have always practised financial discipline. Following the pandemic, we prefer properties with leases and/or some degree of stability. When we consider the acquisition of hotels on pure management contracts, we are looking for pricing that is very attractive. By expanding our mandate in 2021 to include adjacent lodging segments such as rental housing or PBSAs, we have opened up a broader spectrum of acquisition opportunities which allows us to be more circumspect in selecting deals. These assets have a longer underlying length of stay compared to hotels and can increase the proportion of the fixed rent base of CDLHT's portfolio. We also take a long-term view of all investments and besides historical trading data, the growth potential and real estate value are also closely reviewed. The elevated interest rate environment has raised the bar for acquisitions whereby DPU accretive opportunities (on a proforma historical performance) are scarce. Notwithstanding the current economic conditions, we do believe that these conditions such as the elevated interest rate levels will not be a permanent feature and they should normalise once global inflation abates. Overall, the Managers are continuing to scour the marketplace actively with a more stringent approach but recognising that a window of opportunity may also be presenting itself.
Q1(iv)	**Maldives: The valuation of Angsana Velavaru and Raffles Maldives Meradhoo has decreased from the purchase price by US$11.2 million (from US$71.0 million to US$59.8 million) and US$10.6 million (US$59.6 million to US$49.0 million), respectively.** **CDLHT entered into a new 10-year master lease with Banyan Tree Holdings Limited for Angsana Velavaru, effective 1 February 2023. Did the Managers negotiate for an increase in the minimum rent under the new lease? If not, what are the reasons? What factors contributed to the decrease in property valuation for both properties? What steps are the Managers taking to address the relatively weak performance of Angsana Velavaru and Raffles Maldives Meradhoo?**
A1(iv)	Under the new 10-year lease from 1 February 2023, there will be a minimum rent of US$6.0 million per year guaranteed by Banyan Tree Holdings Limited, subject to maximum rent reserve of US$6.0 million for the lease term. For Angsana Velavaru, an operator selection was carried out with several potential operators. During the COVID-19 environment, most operators would not underwrite leases and the terms with Banyan Tree were the best offer amongst those solicited, as it is our preference to have a lease with minimum rent protection. The terms, including the minimum rent level, were the outcome of arm's length, commercial negotiations between the parties. In terms of the property valuation for the Maldives Resorts, the weaker cashflow projections are driven by factors such as an increase in resort supply, inflationary pressures and an uncertain economic outlook in 2023 amid the challenging macro-economic environment. At Angsana Velavaru, the resort performed strongly in FY 2022 and achieved its highest full year RevPAR since FY 2015. Notwithstanding the achievement in FY 2022, the resort continues to actively pursue various opportunities, including optimising the larger villas, investing in upgrading its product to achieve higher rates, sourcing new markets, launching a family campaign, increasing the ancillary spend of guests who choose all-inclusive packages, as well as various other asset enhancements initiatives. At Raffles Maldives Meradhoo, the resort was rebranded into a 'Raffles' resort just before the pandemic which affected its gestation period. It continues to be affected by changes to domestic flight schedules, which were altered during the pandemic and have yet to be fully restored. We continue to work with the resort operator to improve domestic transfer by engaging with different carriers to find alternative access solutions. The resort is also targeting more distant but lucrative markets such as North America and Brazil. Expanded

<table>
<tr><td></td><td>sales and marketing emphasis on the luxury travel segment worldwide will help to drive performance. In FY 2022, the resort was able to achieve a year-on-year RevPAR improvement.

Both resorts are investing heavily in harnessing solar energy to achieve energy savings and promote CDLHT's sustainability objectives.</td></tr>
<tr><td>Q1(v)</td><td>Moxy Singapore Clarke Quay: Can the Managers provide an update on the construction progress of Moxy Singapore Clarke Quay? Is CDLHT still on track to open the hotel as planned in 2025?</td></tr>
<tr><td>A1(v)</td><td>The construction of Moxy Singapore Clarke Quay is in progress and the completion (i.e. TOP) is estimated to be in 2025.</td></tr>
<tr><td>Q1(vi)</td><td>The Castings: With the recent uncertainties in the United Kingdom, how has it affected the business case for The Castings project? Have the Managers considered any other Build-to-Rent ("BTR") projects?</td></tr>
<tr><td>A1(vi)</td><td>Notwithstanding the macro uncertainties in the United Kingdom, there has been strong demand for residential rental properties in Manchester, which resulted in low vacancies throughout the year. High interest rates have made mortgage payments prohibitive and have forced many to turn towards the rental market. Overall residential rents have continued to grow in 2022 with December 2022 recording a growth of 20.4% yoy. BTR assets pricing and cap rates remain firm as the investment demand for BTR assets is strongly backed by the robust housing demand and rental growth.

BTR projects continue to be on our radar. However, low cap rates and much higher borrowing costs have made it challenging to achieve acceptable DPU accretion for acquisitions in this sector.</td></tr>
<tr><td>Q2</td><td>Gross rental revenue for Grand Millennium Auckland decreased by 51.6% to $10.48 million and RevPAR declined by 26.8% to NZ$128. Grand Millennium Auckland is the largest asset held by the trust outside of Singapore.

Overseas
<table>
<tr><th>CDLHT's Overseas Hotels RevPAR</th><th>FY 2022</th><th>FY 2021</th><th>Better / (Worse)</th></tr>
<tr><td>NZ Hotel (NZ$)</td><td>128</td><td>175</td><td>(26.8)%</td></tr>
<tr><td>Perth Hotels (A$)</td><td>87</td><td>49</td><td>75.6%</td></tr>
<tr><td>Japan Hotels (¥)</td><td>4,393</td><td>2,729</td><td>61.0%</td></tr>
<tr><td>Maldives Resorts (US$)</td><td>322</td><td>256</td><td>25.9%</td></tr>
<tr><td>UK Hotels (£) [8]</td><td>123</td><td>72</td><td>70.2%</td></tr>
<tr><td>Germany Hotel (€)</td><td>86</td><td>28</td><td>207.3%</td></tr>
<tr><td>Italy Hotel (€)</td><td>152</td><td>35</td><td>339.3%</td></tr>
</table>
(Source: annual report)</td></tr>
<tr><td>Q2(i)</td><td>Besides labour constraints, can the Managers provide additional insights into why the Grand Millennium Auckland underperformed in 2022?</td></tr>
<tr><td>A2(i)</td><td>The weaker performance of Grand Millennium Auckland in FY 2022 was mainly due to the transition from a managed government isolation facility throughout FY 2021 and the first half of 2022. When the hotel exited the program in June 2022, it had to rebuild its businesses from scratch, which requires a gestation period.

Despite the full border reopening from 31 July 2022, the hotel faced various challenges, such as citywide supply growth, labour constraints and the gradual restoration of international flights which limited inbound arrivals. Additionally, there was a high base effect in FY 2021, due to the consistent income earned from the government isolation contract during the pandemic period.</td></tr>
<tr><td>Q2(ii)</td><td>To what extent does the hotel rely on foreign travellers?</td></tr>
</table>

A2(ii)	Pre-pandemic in 2019, there were approximately 87% of international travellers (by room nights) at Grand Millennium Auckland.
Q2(iii)	**Has the master lessee resolved the labour constraints at the hotel? What was the impact of labour constraints on room availability/capacity?**
A2(iii)	When the hotel first reopened to public trading in June 2022, occupancy levels had to be capped at approximately 60-70% due to labour shortages. This persisted for a few months before the hotel was able to lift its volume cap by November 2022. Hence, the labour constraints have largely been resolved.
Q2(iv)	**The lease for the hotel was renewed for a third 3-year term starting from 7 September 2022.** **What are the reasons for reducing the annual base rent to zero (from NZ$6.0 million) for the first two years of the lease? Was this approved by the Boards, considering that the lease renewal constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual?**
A2(iv)	The terms were negotiated on an arm's length basis. An operator selection was carried out and no other credible operator offered leases, which was our preference for downside risk protection, especially coming out of the pandemic. Only Millennium & Copthorne New Zealand Limited ("**MCK**") responded with a lease. The arrangements offered by other credible operators are that of hotel management agreements, which offer little downside protection, whereas a lease with an annual base rent set at zero effectively means there is a rent floor, i.e. rent cannot be less than zero. Further, for a new operator to be engaged, higher capital expenditure, as compared to keeping the hotel under the same flag, would be required to renovate the hotel to fulfil the operator's brand standards. This was not preferred at that point in time after the pandemic when there were still substantial uncertainties of a positive return on capital expenditure (in order to reflag) based on the visibility we had then. Moreover, a three-year term allows CDLHT the flexibility to consider options post the pandemic, as opposed to being locked into a 10- to 15-year term with other established hotel operators. Yes, this lease renewal was carefully considered and approved by the ARCs and the Boards.
Q2(v)	**Have the Boards evaluated the performance of the master lessee, and is it satisfied with it?**
A2(v)	The master lessee has significant track record, network and geographical spread in New Zealand. MCK is an experienced operator with brand recognition. Despite the inbound travel restrictions due to the pandemic, MCK managed to maintain rents from NZ$18.1 million in FY 2019 (pre-pandemic) to NZ$18.4 million in FY 2020 and a 24% yoy improvement to NZ$22.8 million in FY 2021, due to securing the managed isolation business. Note that Grand Millennium Auckland was an outperformer during the pandemic. The Boards have always been kept apprised of the hotel's performance through its periodic reporting, which reflects on the performance of the master lessee. The Boards are satisfied with the master lessee, and this is amongst factors assessed in the operator selection process. Renewing the lease with MCK is in the best interest of CDLHT's Stapled Security Holders for reasons mentioned above in A2(iv) and A2(v).
Q3	**The key financial indicators are shown on page 6 of the annual report (Financial highlights; reproduced below).**

KEY FINANCIAL INDICATORS

	As at 31 Dec 2022	As at 31 Dec 2021	Better/ (Worse)
Gearing (6)	36.6%	39.1%	(2.5) pp
Weighted average cost of debt	3.5%	2.0%	1.5 pp
Weighted average debt to maturity (years)	2.0	2.1	(0.1)
Interest coverage ratio (7)	3.7x	3.3x	0.4x
Adjusted interest coverage ratio (8)	3.7x	3.3x	0.4x
Net asset value per unit (9)	S$1.44	S$1.33	8.3%

(Source: annual report)

Q3(i) **How did the weighted average cost of debt increase from 2.0% as at 31 December 2021 to 3.5% as at 31 December 2022?**

A3(i) In 2022, the global interest rates were significantly higher due to the US Federal Reserve interest rate hikes. This higher interest rate environment resulted in increased funding costs mainly arising from CDLHT's floating rate loans as well as from the re-financing of its maturing loans.

Q3(ii) **As at 31 December 2022, the interest coverage ratio ("ICR") stood at 3.7 times. ICR was calculated using the trailing 12 months interest expense and borrowing-related fees.**

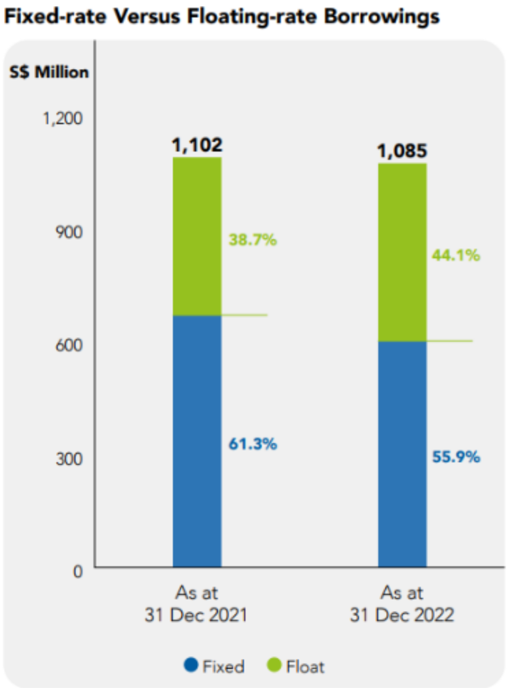
Going forward, would the ICR be under severe pressure due to the significant increase in the cost of debt?

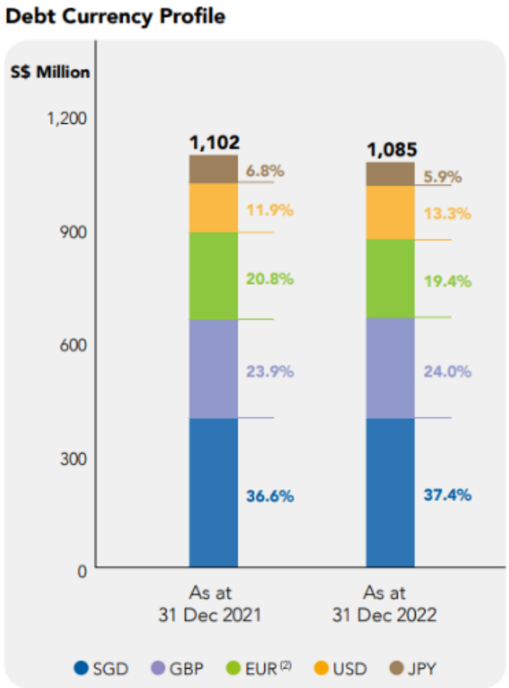
A3(ii) The Managers will continue to strengthen CDLHT's performance through active portfolio management, and the improved EBITDA will help to mitigate the increase in the cost of debt. On the interest rates front, we have been watching the market closely and may take the opportunity to hedge more fixed-rate borrowings during windows when the rates ease.

On the back of improved cashflows from rebuilding of the current portfolio performance back to pre-pandemic levels, the Managers are of the view that the pressure on ICR is manageable. Furthermore, CDLHT has downside protection from the receipt of minimum rent from some of its leases. These factors, together with a strong balance sheet (and a gearing ratio of 36.6% as at 31 December 2022), should enable CDLHT to meet its operating and trust expenses, absorb the higher interest costs and pay distributions to its Stapled Security Holders.

Q3(iii) **As at 31 December 2022, CDLHT has a gearing ratio of 36.6% and debt headroom of approximately $790.4 million.**

In FY 2022, CDLHT entered into three fixed-rate interest rate swaps and a cross currency swap to hedge against the interest rate volatility on some of its borrowings.





(Source: annual report)

With ~60% in fixed-rate borrowings, a 100 basis point increase in interest rate would led to a $4.8 million decrease to CDLHT's cash flow (page 255; Note 25 Financial instruments: Market risk: Interest rate risk).

For the benefit of Stapled Security Holders, what discussions have the Boards had regarding the balance of fixed-rate versus floating-rate borrowings? What is the cost of hedging CDLHT's interest rate exposure, and is the current balance considered optimal?

A3(iii)

The Boards adopt a prudent capital management strategy over the level of fixed rate borrowings and consider CDLHT's gearing, interest rate risk exposure, liquidity, and debt maturity profile among other things during board discussions. Further details are provided for in the capital and risk management strategy sections on pages 3 and 30 of the Annual Report 2022.

While we proactively manage CDLHT's interest rate risk exposure through the adoption of appropriate hedging strategy via entry into interest rate swaps and cross currency swaps to opportunistically lock in more fixed-rate loans, we are unable to guide on the cost of hedging as this is dependent on market conditions at the time of entry into each specific swap. As at 31 December 2022, the Managers were of the view that the level of fixed rate borrowing at around 60% was acceptable. Due to extraordinary times, locking in more fixed-rate borrowings at elevated levels may not be in CDLHT's interest.

Q3(iv)

What are the weighted average tenures of the interest rate swaps and cross currency swaps?

A3(iv)

The weighted average tenure of CDLHT's interest rate swaps and cross currency swaps is 2.79 years as at 31 December 2022.

Questions from Stapled Security Holders

Q4

Based on the current interest rate environment, what is the expected weighted average cost of debt for CDLHT in FY 2023?

A4	We expect interest costs in FY 2023 to be higher as compared to FY 2022. However, we are unable to guide as interest rates are subject to various central banks' actions and the macro-economic conditions.
Q5	**In view of rising interest rates, why has CDLHT not increased its fixed-rate borrowings beyond the current level of 55.9% in FY 2022?**
A5	The aggressive interest rate movement in FY 2022 was unexpected. To put it into context, the pace and quantum of the increase in interest rates were the fastest and largest which have not been seen in the last two decades. The forward swaps have already factored in the higher interest costs given the market's expectations of the US Federal Reserve's aggressive interest rate hikes to lower inflation. Locking in more fixed-rate borrowings in FY 2022 based on elevated rates for long durations may not be in CDLHT's best interest. Looking forward, the Managers will adopt an opportunistic approach to lock in rates during windows when the rates ease due to the uncertainty in the banking environment and financial markets.
Q6	**Has the operating environment for CDLHT continued to improve in the last few months?**
A6	The operating environment in most geographical markets has continued on a positive recovery trajectory, attributed to continued growth in international travel and a more robust event calendar. The trading performance has been uneven for the Maldives due to the increase in resort supply, as well as the reopening of alternative destinations such as Seychelles, Mauritius and Thailand. Having said that, resorts in the Maldives have performed well during the pandemic period relative to the other geographical markets. Meanwhile, the recovery is more muted in Munich and Cambridge due to the slower recovery in the corporate segment. CDLHT will release more information in its 1Q 2023 Operational Update, which will be announced before trading hours on 28 April 2023.

About CDL Hospitality Trusts

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$3.1 billion as at 31 March 2023. 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 globally. As at 31 March 2023, CDLHT's portfolio comprises 19 operational properties (including a total of 4,820 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the 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 (the "**W Hotel**" and collectively, the "**Singapore Hotels**"), as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
(ii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the "**Perth Hotels**");
(iii) two hotels in Japan's gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the "**Japan Hotels**");
(iv) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland (the "**New Zealand Hotel**");
(v) three hotels in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and Hotel Brooklyn in Manchester (collectively, the "**UK Hotels**") and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (the "**UK BTR**");
(vi) one hotel in Germany's gateway of Munich, namely Pullman Hotel Munich (the "**Germany Hotel**");
(vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the "**Italy Hotel**" or "**Hotel Cerretani Firenze**"); and
(viii) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the "**Maldives Resorts**").

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)

17 April 2023

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)

17 April 2023

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. Representatives 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.