



## 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 24 APRIL 2025 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**”) would like to thank Stapled Security Holders for the questions submitted in advance of the AGMs to be held on Thursday, 24 April 2025 at 2.30 p.m. at Grand Copthorne Waterfront Hotel, Waterfront Ballroom, Level 2, 392 Havelock Road, Singapore 169663.

The following pages set out the Managers’ responses to the substantial and relevant questions received from Stapled Security Holders as of 5.00 p.m. on Thursday, 10 April 2025.

Questions and Answers	
<b>Q1</b>	<b>What is the latest physical occupancy for The Castings? Is this BTR asset expected to contribute to distribution in FY 2025?</b>
<b>A1</b>	<p>As of 31 March 2025, The Castings achieved a physical occupancy of 67.9%, up from 59.1% reported at the end of December 2024. Leasing momentum has improved with the conclusion of the winter season. The property is anticipated to reach stabilisation by third quarter of FY 2025. More detailed updates will be provided in the upcoming interim operational update scheduled for 30 April 2025.</p> <p>Assuming stabilisation occurs by the third quarter this year, The Castings is expected to contribute positively to CDLHT’s distribution in FY 2025, after accounting for funding costs.</p>
<b>Q2</b>	<b>CDLHT’s share price has fallen significantly in the past year to the lowest level since the pandemic and is currently trading at nearly 50% discount to its Net Asset Value. Is the market’s pessimistic view of CDLHT warranted? What actions can be taken to address the depressed valuation?</b>
<b>A2</b>	<p>We acknowledge the decline in CDLHT’s share price over the past year and recently, reaching levels last seen during the pandemic. The current trading discount to Net Asset Value (NAV) reflects a broader market sentiment that may not fully appreciate the underlying resilience and long-term value of the portfolio, particularly underpinned by the prime Singapore assets. The prevailing market sentiments are also influenced by market conditions and macroeconomic factors such as elevated interest rates, geopolitical uncertainties and sector specific challenges.</p> <p>Despite these external headwinds, we remain confident in CDLHT’s robust portfolio of quality assets, prudent risk management practices and strategic growth initiatives. Our focus continues to be on delivering sustainable mid-to-long-term returns to our unitholders.</p>

	<p>To address the current valuation and enhance unitholder value, the Managers have been and continue to undertake several strategic actions:</p> <ul style="list-style-type: none"> <li>• <b>Diversification into Resilient Asset Classes:</b> We have expanded our portfolio by entering the living asset class, including the residential build-to-rent (BTR) sector and purpose-built student accommodation (PBSA) sector with the opening of The Castings (Manchester, UK) in July 2024 and acquisition of Benson Yard (Liverpool, UK) in December 2024. This asset class diversification aims to enhance the portfolio with more stable and recurring income streams.</li> <li>• <b>Prudent Capital Management:</b> We maintain a disciplined approach to capital management, ensuring a healthy balance sheet and financial flexibility to navigate the current interest rate environment.</li> <li>• <b>Active Portfolio Rejuvenation:</b> We continue to assess and implement asset enhancement initiatives to improve the competitiveness and performance of our properties.</li> </ul> <p>We believe that these strategic measures, coupled with the inherent strengths of our portfolio, will position CDLHT well to weather current market challenges and capitalize on future growth opportunities.</p>
<b>Q3</b>	<b>Do the Managers expect borrowing costs to trend lower in the year ahead?</b>
<b>A3</b>	<p>Interest rates have trended lower since the end of FY 2024 which is in line with our expectations. We have been capitalising on the recent decline in borrowing costs to progressively fix some of our floating-rate loans. While there are expectations of further decline in borrowing costs, the outlook remains uncertain due to evolving geopolitical developments, such as the introduction of tariffs under the Trump administration. These factors could influence inflationary pressures and central bank policies, potentially affecting the pace of interest rate adjustments. The Managers continue to monitor these developments closely and manage its capital structure prudently through proactive interest rate management, including the use of interest rate swaps to navigate market volatility and manage borrowing costs.</p>

## About CDL Hospitality Trusts

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$3.5 billion as at 31 March 2025. 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 2025, CDLHT’s portfolio comprises 22 properties (total of 4,924 hotel rooms, 352 Build-to-Rent apartment units, 404 Purpose-Built Student Accommodation beds and a retail mall). 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) one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland (the “**New Zealand Hotel**”);
- (iii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the “**Perth Hotels**”);
- (iv) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- (v) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the “**Maldives Resorts**”);
- (vi) four hotels in the United Kingdom comprising Hotel Indigo Exeter in Exeter, Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and voco Manchester – City Centre in Manchester (collectively, the “**UK Hotels**”);
- (vii) two living assets in the United Kingdom comprising a residential Build-to-Rent property - The Castings - in Manchester (the “**UK BTR**”), and a Purpose-Built Student Accommodation - Benson Yard - in Liverpool (the “**UK PBSA**”);
- (viii) one hotel in Germany’s gateway city of Munich, namely Pullman Hotel Munich (the “**Germany Hotel**”); and
- (ix) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the “**Italy Hotel**” or “**Hotel Cerretani Firenze**”).

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 2025

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 2025

**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.*