



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

FIT AND PROPER ASSESSMENT

1. Background

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**”) note that (i) Mr Vincent Yeo, the Chief Executive Officer and Executive Director of the Managers, and Mr Kwek Eik Sheng, the Non-Independent Non-Executive Director of the Managers, are both non-executive directors of CDL Investments New Zealand Limited (“**CDI**”); and (ii) Mr Kwek is a non-executive director of Millennium & Copthorne Hotels New Zealand Limited (“**MCK**”). The information has also been disclosed in CDLHT’s latest annual report 2022.

MCK is a New Zealand incorporated company, with ordinary shares quoted on the NZX Main Board. MCK engages in the ownership, operation, management, leasing, and franchising of hotels in New Zealand and Australia. CDI is a subsidiary of MCK and is also a New Zealand incorporated company, with ordinary shares quoted on the NZX Main Board. CDI engages in the development and sale of residential land properties in New Zealand.

The Managers have been informed by Mr Yeo and Mr Kwek that the NZ Markets Disciplinary Tribunal (the “**Tribunal**”) has found that CDI breached certain NZX listing rules which are primarily in relation to two categories:

- (1) the CDI audit committee not having the requisite number of members in 2018 which was self-remedied in 2020. The Tribunal acknowledged that CDI had good intentions with respect to its audit committee’s composition by removing a third member in a good faith attempt to have the audit committee comprise solely of independent directors but overlooked the NZX listing rule requirement for the audit committee to have at least three members; and
- (2) failure to meet the disclosure requirements of the “comply or explain” regime in CDI’s annual reports for the financial years 2017 to 2022 and did not include CDI’s board evaluation on its performance with respect to its diversity policy in CDI’s annual reports for the financial years 2018 to 2022.

As a result of the breaches, CDI has been fined and publicly censured by the Tribunal. The Tribunal mentioned that CDI admitted the breaches at the earliest opportunity and co-operated fully with NZX Regulation Limited’s investigation.

The Managers have also been informed by Mr Kwek that the Tribunal has found that MCK committed the abovementioned breaches (i.e. same breaches as CDI) and the Tribunal has made the same decision against MCK.

2. **Fit and Proper Assessment**

The nominating and remuneration committee (“**NRC**”) and board of the Managers (the “**Board**”)¹ in their assessment of the suitability of the continued appointment of Mr Yeo and Mr Kwek note the following:

CDI

- (a) Mr Yeo and Mr Kwek are not to be considered as having been concerned in the management of CDI’s business;
- (b) the breaches by CDI do not affect the honesty, integrity and reputation of Mr Yeo and Mr Kwek;
- (c) Mr Yeo and Mr Kwek are non-executive directors of CDI and are not involved in CDI’s day to day operations as CDI has its own executive management team;
- (d) the breaches by CDI are not directly attributable to Mr Yeo and Mr Kwek as the breaches are generally in relation to the NZX listing rules and corporate governance code annual report requirements which are matters within the remit of CDI’s executive management team; and
- (e) Mr Yeo and Mr Kwek have never been personally involved in the preparation of CDI’s annual report as such responsibility typically falls upon CDI’s executive management team.

MCK

- (a) Mr Kwek is not to be considered as having been concerned in the management of MCK’s business;
- (b) the breaches by MCK do not affect the honesty, integrity and reputation of Mr Kwek;
- (c) Mr Kwek is a non-executive director of MCK and is not involved in MCK’s day to day operations as MCK has its own executive management team;
- (d) the breaches by MCK are not directly attributable to Mr Kwek as the breaches are generally in relation to the NZX listing rules and corporate governance code annual report requirements which are matters within the remit of MCK’s executive management team; and
- (e) Mr Kwek has never been personally involved in the preparation of MCK’s annual report as such responsibility typically falls upon MCK’s executive management team.

In view of the above, the NRC and the Board are of the view that:

- (i) Mr Yeo remains fit and proper and suitable, with the character and integrity, to continue as the Chief Executive Officer and Executive Director of the Managers; and
- (ii) Mr Kwek remains fit and proper and suitable, with the character and integrity, to continue as the Non-Independent Non-Executive Director of the Managers.

1 For the avoidance of doubt, Mr Yeo and Mr Kwek abstained in respect of their own assessments.

3. No impact on CDLHT

For the avoidance of doubt, the breaches by CDI and MCK are not related to CDLHT and there is no impact on CDLHT's business and operations.

BY ORDER OF THE BOARD

Soo Lai Sun
Company Secretary
M&C REIT Management Limited
(Company Registration Number 200607091Z)
as manager of CDL Hospitality Real Estate Investment Trust

16 November 2023

BY ORDER OF THE BOARD

Soo Lai Sun
Company Secretary
M&C Business Trust Management Limited
(Company Registration Number 200607118H)
as trustee-manager of CDL Hospitality Business Trust

16 November 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. 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. The past performance of CDLHT is not necessarily indicative of the future performance of CDLHT.