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)

RESPONSES TO SGX'S QUERIES RECEIVED ON 21 JANUARY 2021 IN RELATION TO CDL HOSPITALITY TRUSTS' ANNOUNCEMENT ON RE-DESIGNATION OF NON-INDEPENDENT AND NON-EXECUTIVE CHAIRMAN TO INDEPENDENT AND NON-EXECUTIVE CHAIRMAN MADE ON 31 DECEMBER 2020

The Boards of Directors (the "**Boards**") of M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust ("**H-REIT Manager**"), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust ("**HBT Trustee-Manager**") (collectively, the "**Managers**"), refer to the following queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 21 January 2021 and wish to provide further information in relation to the Company's announcement on the re-designation of Mr Chan Soon Hee, Eric ("**Mr Chan**") from a Non-Independent and Non-Executive Chairman to an Independent and Non-Executive Chairman.

SGX-ST's Query:

Please provide us with the background for initial designation of Mr Chan as a Non-Independent and Non-Executive Chairman.

Managers' Response:

The Managers refer to the announcement released by CDL Hospitality Trusts ("**CDLHT**") on 22 June 2018 (Reference No. SG180622OTHRX9X8) on Mr Chan's appointment as a Non-Independent and Non-Executive Chairman (the "**Appointment Announcement**"). The Appointment Announcement informed, *inter alia*, that Mr Chan was the Lead Independent Director, Chairman of the Audit and Risk, Remuneration and Board Sustainability Committees; and a member of the Board and Nominating Committees of City Developments Limited ("**CDL**"), and that he would resign from those roles with effect from 22 June 2018. Since Mr Chan joined the Boards of the Managers upon his resignation from the Board of Directors of CDL, Mr Chan was considered a non-independent director of the Managers as CDL is a controlling shareholder of the Managers and holds an indirect controlling stake in the stapled securities of CDLHT.

SGX-ST's Query:

Please provide us with the bases for the change in designation and the Nominating and Remuneration Committees' recommendation and bases for the Nominating and Remuneration Committees' assessment of the independence of Mr Chan.

Please also disclose whether the Nominating and Remuneration Committees considered the Securities and Futures (Licensing and Conduct of Business) Regulations and the 2018 Code of Corporate Governance in their assessment and if so, their assessment in this regard.

Managers' Response:

The Nominating and Remuneration Committees ("**NRCs**") and the Boards of the Managers, having reviewed Mr Chan's past relationship with CDL which was more than two years ago, consider Mr Chan to be independent and capable of exercising business judgement in the best interests of all the unitholders of H-REIT and HBT. In addition, Mr Chan has also provided his confirmation of independence to the NRCs and the Boards, confirming that, *inter alia*:

(i) he is not employed by the Managers or any of their related corporations in any of the past three financial years;
(ii) he has not provided to or received from the Managers or any of their subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service in the current or in the immediate past financial year;
(iii) he is not a substantial unitholder, or a partner, or an executive officer or a director of any organisation to which CDLHT or the Managers or any of their subsidiaries made, or from which CDLHT or the Managers or any of their subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services) in the current financial year or in the immediate past financial year;
(iv) he is not a stapled security holder with 5% or more interest in CDLHT or a shareholder with 5% or more interest in the Managers; and
(v) he has not been directly associated with a stapled security holder with 5% or more interest in CDLHT or a shareholder with 5% or more interest in the Managers, in the current or immediate past financial year.

The NRCs, in their assessment of Mr Chan's independence, have considered the Securities and Futures (Licensing and Conduct of Business) Regulations and the 2018 Code of Corporate Governance and conclude that Mr Chan is considered independent.

By Order of the Board

Soo Lai Sun
Enid Ling Peek Fong
Company Secretaries
M&C REIT Management Limited
(Company Registration No. 200607091Z)
as manager of CDL Hospitality Real Estate Investment Trust

25 January 2021

By Order of the Board

Soo Lai Sun
Enid Ling Peek Fong
Company Secretaries
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
as trustee-manager of CDL Hospitality Business Trust

25 January 2021

IMPORTANT NOTICE
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 redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.