

**APPENDIX DATED 29 MARCH 2016**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Appendix is circulated to holders of stapled securities in CDL Hospitality Trusts (“**CDLHT**”, and the stapled securities in CDLHT, “**Stapled Securities**”, and the holders of Stapled Securities, “**Stapled Securityholders**”). Its purpose is to provide Stapled Securityholders with information on the Proposed H-REIT Trust Deed Supplement and the Proposed HBT Trust Deed Supplement (both as defined herein) to be tabled at the annual general meeting of Stapled Securityholders to be held at Riverfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 28 April 2016 at 10.00 a.m. (“**AGM**”).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Appendix. **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your Stapled Securities, you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



**CDL HOSPITALITY TRUSTS**

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

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

**M&C REIT Management Limited**

(Company Registration Number: 200607091Z)

**CDL HOSPITALITY BUSINESS TRUST**

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

**M&C Business Trust Management Limited**

(Company Registration Number: 200607118H)

**APPENDIX TO STAPLED SECURITYHOLDERS IN RELATION TO:**

**THE PROPOSED SUPPLEMENT TO THE TRUST DEEDS OF  
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND  
CDL HOSPITALITY BUSINESS TRUST**

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### CDL HOSPITALITY BUSINESS TRUST

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(Company Registration Number: 200607118H)

#### Directors of the Managers

Mr Wong Hong Ren (Chairman, Non-Executive Director)  
Mr Vincent Yeo Wee Eng (Chief Executive Officer and Executive Director)  
Ms Jenny Lim Yin Nee (Lead Independent Director)  
Mr Jimmy Chan Chun Ming (Independent Non-Executive Director)  
Mr Daniel Marie Ghislain Desbaillets (Independent Non-Executive Director)  
Mr Ronald Seah Lim Siang (Independent Non-Executive Director)  
Mr Ronald Nathaniel Issen (Non-Independent, Non-Executive Director)

#### Registered Office

36 Robinson Road  
#04-01 City House  
Singapore 068877

29 March 2016

To: Stapled Securityholders of CDLHT

Dear Sir/Madam

#### 1. INTRODUCTION

This Appendix is to provide Stapled Securityholders with information on Extraordinary Resolution 4 as set out in the Notice of AGM.

M&C REIT Management Limited, in its capacity as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”, and the manager of H-REIT, the “**REIT Manager**”) and M&C Business Trust Management Limited, in its capacity as trustee-manager of CDL Hospitality Business Trust (“**HBT**”, and the trustee-manager of HBT, the “**Trustee-Manager**”), are seeking approval from Stapled Securityholders at the AGM for:

- (i) the proposed supplement to the trust deed dated 8 June 2006 constituting H-REIT (as amended and supplemented) (the “**H-REIT Trust Deed**”) to provide for the appointment of more than two proxies by Stapled Securityholders who are Relevant Intermediaries<sup>1</sup> (the “**Proposed H-REIT Trust Deed Supplement**”); and

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1 “**Relevant Intermediary**” in the context of the H-REIT Trust Deed and the HBT Trust Deed shall have the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and apply with such modifications and qualifications as may be necessary, to the units of H-REIT and HBT (or the Stapled Securities).

Section 181(6) of the Companies Act defines “relevant intermediary” to mean:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

- (ii) the proposed supplement to the trust deed dated 12 June 2006 constituting HBT (the “**HBT Trust Deed**”) to provide for the appointment of more than two proxies by Stapled Securityholders who are Relevant Intermediaries (the “**Proposed HBT Trust Deed Supplement**”).

Approval of Stapled Securityholders by way of Extraordinary Resolution (as defined herein) is required in respect of the resolution relating to the Proposed H-REIT Trust Deed Supplement and the Proposed HBT Trust Deed Supplement (collectively, the “**Proposed Supplements**”).

## **2. THE PROPOSED SUPPLEMENT TO THE TRUST DEED OF CDL HOSPITALITY BUSINESS TRUST**

### **2.1 Background**

The Trustee-Manager is seeking Stapled Securityholders’ approval pursuant to Section 31(1)(a) of the Business Trusts Act, Chapter 31A of Singapore (the “**BTA**”) to supplement the HBT Trust Deed with the Proposed HBT Trust Deed Supplement so that a holder of units in HBT (“**HBT Unitholder**”) who is a Relevant Intermediary may appoint more than two proxies at a meeting of HBT Unitholders.

Based on the existing terms of the HBT Trust Deed, a HBT Unitholder may not appoint more than two proxies to attend and vote at the same meeting. In the absence of any provision in the HBT Trust Deed, the default position under Section 60(2) of the BTA states that:

*“A proxy appointed under subsection (1) to attend and vote at a meeting of the unitholders of a registered business trust instead of a unitholder of the registered business trust shall also have the same right as the unitholder to speak at the meeting, but unless the trust deed otherwise provides –*

- (a) a proxy shall not be entitled to vote except on a poll;*
- (b) a unitholder shall not be entitled to appoint more than 2 proxies to attend and vote at the same meeting; and*
- (c) where a unitholder appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.”*

### **2.2 Rationale for the Proposed HBT Trust Deed Supplement**

The current position under the HBT Trust Deed is that a HBT Unitholder (regardless of whether it is a Relevant Intermediary or not) may not appoint more than two proxies at a meeting of HBT Unitholders. The Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), was recently amended to allow certain members of companies in Singapore to appoint more than two proxies, so as to enable indirect investors who hold shares through a nominee company or custodian bank or through CPF agent banks to attend and vote at shareholder meetings. Notwithstanding that the Companies Act does not govern H-REIT or HBT, the Trustee-Manager and the REIT Manager (collectively, the “**Managers**”) are of the view that allowing Stapled Securityholders who are Relevant Intermediaries to appoint more than two proxies will be consistent with the regime applicable to listed companies under the Companies Act.

In this regard, the Trustee-Manager is desirous of amending the HBT Trust Deed so as to provide that a HBT Unitholder who is a Relevant Intermediary may appoint more than two proxies at a meeting of HBT Unitholders.

### **3. THE PROPOSED SUPPLEMENT TO THE TRUST DEED OF CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST**

#### **3.1 Background**

The existing terms of the H-REIT Trust Deed do not have a limit on the number of proxies which a holder of units in H-REIT (“**H-REIT Unitholder**”) may appoint. The REIT Manager is proposing the Proposed H-REIT Trust Deed Supplement so that the H-REIT Trust Deed is aligned with the HBT Trust Deed in relation to the number of proxies which a H-REIT Unitholder and HBT Unitholder may appoint.

#### **3.2 Rationale for the Proposed H-REIT Trust Deed Supplement**

The REIT Manager is proposing the Proposed H-REIT Trust Deed Supplement so that the H-REIT Trust Deed is aligned with the HBT Trust Deed in relation to the number of proxies which a H-REIT Unitholder and a HBT Unitholder may appoint.

### **4. RECOMMENDATION**

Having regard to the rationale for the Proposed H-REIT Trust Deed Supplement set out in paragraph 3.2 above, the REIT Manager is of the opinion that the Proposed H-REIT Trust Deed Supplement (as set out in **Annex A** of this Appendix) would be beneficial to, and is in the interests of H-REIT.

Having regard to the rationale for the Proposed HBT Trust Deed Supplement set out in paragraph 2.2 above, the Trustee-Manager is of the opinion that the Proposed HBT Trust Deed Supplement (as set out in **Annex B** of this Appendix) would be beneficial to, and is in the interests of HBT.

Accordingly, the Managers recommend that Stapled Securityholders vote in favour of the Extraordinary Resolution in relation to the Proposed Supplements.

### **5. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Supplements, CDLHT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

### **6. DOCUMENTS AVAILABLE FOR INSPECTION**

The Stapling Deed dated 12 June 2006, the H-REIT Trust Deed and the HBT Trust Deed will be available for inspection during normal business hours at the registered office of the Managers<sup>1</sup> at 36 Robinson Road, #04-01 City House, Singapore 068877, for so long as CDLHT, H-REIT and HBT are in existence.

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<sup>1</sup> Prior appointment with the Managers (telephone number: +65 6737 1928) will be appreciated.

## 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 REIT Manager, DBS Trustee Limited (in its capacity as trustee of H-REIT), the Trustee-Manager or any of their 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 the REIT Manager or the Trustee-Manager or any of their affiliates to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders 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.

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

This Appendix 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

If you have sold or transferred all your Stapled Securities, you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

## GLOSSARY

In this Appendix, the following definitions apply throughout unless otherwise stated:

<b>AGM</b>	:	The annual general meeting of Stapled Securityholders to be held at Riverfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 28 April 2016 at 10.00 a.m.
<b>BTA</b>	:	Business Trusts Act, Chapter 31A of Singapore, as may be modified or amended from time to time
<b>CDLHT</b>	:	CDL Hospitality Trusts
<b>Companies Act</b>	:	Companies Act, Chapter 50 of Singapore, as may be modified or amended from time to time
<b>Extraordinary Resolution</b>	:	In the context of H-REIT, a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of H-REIT Unitholders convened in accordance with the provisions of the H-REIT Trust Deed  In the context of HBT, a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of HBT Unitholders convened in accordance with the provisions of the HBT Trust Deed
<b>HBT</b>	:	CDL Hospitality Business Trust
<b>HBT Trust Deed</b>	:	The trust deed dated 12 June 2006 constituting HBT
<b>HBT Unitholder</b>	:	A holder of units in HBT
<b>H-REIT</b>	:	CDL Hospitality Real Estate Investment Trust
<b>H-REIT Trust Deed</b>	:	The trust deed dated 8 June 2006 constituting H-REIT (as amended and supplemented)
<b>H-REIT Unitholder</b>	:	A holder of units in H-REIT
<b>Managers</b>	:	The REIT Manager and the Trustee-Manager
<b>Proposed HBT Trust Deed Supplement</b>	:	The proposed supplement to the HBT Trust Deed
<b>Proposed H-REIT Trust Deed Supplement</b>	:	The proposed supplement to the H-REIT Trust Deed
<b>Proposed Supplements</b>	:	The Proposed H-REIT Trust Deed Supplement and the Proposed HBT Trust Deed Supplement



<b>REIT Manager</b>	:	M&C REIT Management Limited, in its capacity as manager of H-REIT
<b>Relevant Intermediary</b>	:	In the context of the H-REIT Trust Deed and the HBT Trust Deed, it shall have the meaning ascribed to it in the Companies Act and apply with such modifications and qualifications as may be necessary, to the units of H-REIT and HBT (or the Stapled Securities)
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Stapled Securities</b>	:	Stapled securities in CDLHT
<b>Stapled Securityholder</b>	:	Stapled securityholder of CDLHT
<b>Trustee-Manager</b>	:	M&C Business Trust Management Limited, in its capacity as trustee-manager of HBT

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

## THE PROPOSED H-REIT TRUST DEED SUPPLEMENT

The proposed form of the amendments to the H-REIT Trust Deed, subject to Stapled Securityholders passing the resolution to approve the Proposed H-REIT Trust Deed Supplement is as follows:

- that Clause 1.1 of the H-REIT Trust Deed be amended by inserting the following definition of “Relevant Intermediary” immediately after the definition of “Related Party”:

“**Relevant Intermediary**” shall have the meaning ascribed to it in the Companies Act and apply with such modifications and qualifications as may be necessary, to the Units (or Stapled Securities);”

- that Schedule 1 of the H-REIT Trust Deed be amended by inserting the following paragraphs immediately after paragraph 21 and with the rest of the paragraphs in Schedule 1 renumbered accordingly:

“22. A Holder who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting.

23. A Holder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

24. In any case where a form of proxy appoints more than one proxy, the Class and the proportion of the holding of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities concerned to be represented by each proxy shall be specified in the form of proxy, provided that each proxy must be appointed to exercise the rights attached to different Units or (in the event the Trust is part of a Stapled Group) different Stapled Securities.”

## THE PROPOSED HBT TRUST DEED SUPPLEMENT

The proposed form of the amendments to the HBT Trust Deed, subject to Stapled Securityholders passing the resolution to approve the Proposed HBT Trust Deed Supplement is as follows:

- that Clause 1.1 of the HBT Trust Deed be amended by inserting the following definition of “Relevant Intermediary” immediately after the definition of “Related Party”:

“**Relevant Intermediary**” shall have the meaning ascribed to it in the Companies Act and apply with such modifications and qualifications as may be necessary, to the Units (or Stapled Securities);”

- that paragraphs 5.5, 5.6 and 5.7 of the Schedule of the HBT Trust Deed be deleted in its entirety as indicated by the deleted text below and replaced with the text setting out the new paragraphs 5.5, 5.6, 5.7, 5.8 and 5.9:

~~“5.5 Holder or (as the case may be) Depositor may appoint not more than two proxies to attend and vote at the same meeting, Provided that if the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:~~

~~**5.5.1** to reject any instrument of proxy lodged if the Depositor is not shown to have any Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust; and~~

~~**5.5.2** to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.~~

~~**5.6** In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the form of proxy.~~

~~**5.7** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities in respect of which the proxy is given Provided That no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies, or if no such place is appointed at the registered office of the Trustee-Manager, before the commencement of the meeting or adjourned meeting at which the proxy is used.~~

**5.5** A Holder who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting.

**5.6** A Holder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

- 5.7** In any case where a form of proxy appoints more than one proxy, the Class and the proportion of the holding of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities concerned to be represented by each proxy shall be specified in the form of proxy, provided that each proxy must be appointed to exercise the rights attached to different Units or (in the event the Trust is part of a Stapled Group) different Stapled Securities.
- 5.8** If the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:
- 5.8.1** to reject any instrument of proxy lodged if the Depositor is not shown to have any Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust; and
- 5.8.2** to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- 5.9** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee-Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.”