

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY CDL HOSPITALITY TRUSTS

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

14-May-2020 19:40:16

Status

New

Announcement Sub Title

Announcement by CDL Hospitality Trusts

Announcement Reference

SG200514OTHR223J

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

CDL Hospitality Trusts has on 14 May 2020, released the announcement on the Update on (A) the Redevelopment Transaction which involves the Divestment of Novotel Singapore Clarke Quay and the Forward Purchase of a Hotel to be Developed as part of an Integrated Development; and (B) the Acquisition of the Hotel known as W Singapore - Sentosa Cove to Singapore Exchange Securities Trading Limited.

For details, please refer to the announcement released by CDL Hospitality Trusts on the SGX website, www.sgx.com

ASSET ACQUISITIONS AND DISPOSALS::UPDATE ON DIVESTMENT AND ACQUISITION OF HOTELS

Issuer & Securities

Issuer/ Manager

M&C REIT MANAGEMENT LIMITED

Securities

CDL HOSPITALITY TRUSTS - SG1T66931158 - J85

Stapled Security

Yes

Other Issuer(s) for Stapled Security

Name

DBS TRUSTEE LIMITED

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date & Time of Broadcast

14-May-2020 19:36:09

Status

New

Announcement Sub Title

Update on Divestment and Acquisition of Hotels

Announcement Reference

SG200514OTHR2DEA

Submitted By (Co./ Ind. Name)

Soo Lai Sun

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see the attached announcement on the Update on (A) the Redevelopment Transaction which involves the Divestment of Novotel Singapore Clarke Quay and the Forward Purchase of a Hotel to be

Developed as part of an Integrated Development; and (B) the Acquisition of the Hotel known as W Singapore - Sentosa Cove.

Attachments

[CDLHT-Update on Divestment and Acquisition of Hotels.140520.pdf](#)

Total size =328K MB



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

UPDATE ON (A) THE REDEVELOPMENT TRANSACTION WHICH INVOLVES THE DIVESTMENT OF NOVOTEL SINGAPORE CLARKE QUAY AND THE FORWARD PURCHASE OF A HOTEL TO BE DEVELOPED AS PART OF AN INTEGRATED DEVELOPMENT; AND (B) THE ACQUISITION OF THE HOTEL KNOWN AS W SINGAPORE – SENTOSA COVE

1. INTRODUCTION

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”) (the “**H-REIT Manager**”), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”) (the “**HBT Trustee-Manager**” and together with the H-REIT Manager, the “**Managers**” and H-REIT and HBT together, “**CDLHT**”) refer to:

- (a) the announcement dated 21 November 2019 in relation to (A) the Redevelopment Transaction which involves the divestment of Novotel Singapore Clarke Quay (the “**Novotel CQ Property**”) and the forward purchase of a hotel (the “**New Hotel**”) to be developed as part of an integrated development (the “**Novotel Redevelopment Transaction**”) and the acquisition of the hotel known as W Singapore – Sentosa Cove (the “**W Hotel Property**” and the acquisition of the W Hotel Property, the “**W Hotel Acquisition**”);
- (b) the Circular to stapled security holders of CDLHT (“**Security Holders**”) dated 3 January 2020 in respect of the Novotel Redevelopment Transaction and the W Hotel Acquisition;
- (c) the announcement dated 23 January 2020 in relation to the resolutions passed at the extraordinary general meetings of Security Holders held on 23 January 2020 approving the Novotel Redevelopment Transaction and the W Hotel Acquisition;
- (d) the press release dated 9 April 2020 in relation to the update on transaction timelines and impact of the COVID-19 outbreak on portfolio of CDLHT (the “**9 April Press Release**”); and
- (e) the operational update dated 24 April 2020 in relation to the quarter ended 31 March 2020.

2. UPDATE ON THE NOVOTEL REDEVELOPMENT TRANSACTION

The Managers wish to provide the following updates in respect of the Novotel Redevelopment Transaction.

2.1 Termination of the Strata Scheme concerning Land Lot TS09-147V

H-REIT Trustee, DBS Trustee Limited (in its capacity as the trustee of Ascott Real Estate Investment Trust) and Legend Quay Pte. Ltd. as the subsidiary proprietors of the land lot known as TS09-147V (the “**Land**” and the subsidiary proprietors of the Land, the “**Subsidiary Proprietors**”), had, on 23 January 2020, passed the requisite resolution to terminate the existing strata scheme in respect of the Land (the “**Existing Strata Scheme**”), and have entered into an agreement to document the post-termination arrangements between the Subsidiary Proprietors in respect of the Land from 23 January 2020 up to the winding up of Management Corporation Strata Title Plan No. 3027, the management corporation under the Existing Strata Scheme (the “**Post-Termination Agreement**”).

Pursuant to the Post-Termination Agreement for the period commencing from 23 January 2020 up to the date of completion of divestment of Novotel CQ Property:

- (a) each of the Subsidiary Proprietors shall:
 - (i) be entitled to, in its sole name, to lease, license, grant any right of use or deal in any way with the whole or part of the area comprised in its respective strata lot prior to the termination of the Existing Strata Scheme (such area, the “**Relevant Strata Area**”), to or with any third party, on such terms covenants and conditions and in such manner and for such duration, whether for valuable consideration or not, as the respective Subsidiary Proprietor (the “**Transacting Subsidiary Proprietor**”) shall in its sole and absolute discretion decide, and the other Subsidiary Proprietors shall, at the request, cost and expense of the Transacting Subsidiary Proprietor, do and cause such things and/or actions as may be necessary or appropriate in furtherance of the aforesaid;
 - (ii) be responsible for the maintenance and upkeep of the Relevant Strata Area at its sole cost and expense; and
 - (iii) be entitled to all revenue generated from the Relevant Strata Area; and
- (b) the existing rights and obligations of each Subsidiary Proprietor in respect of the common property of the Land remain unchanged.

2.2 Termination of the lease of the Novotel CQ Property to Accor

The Novotel CQ Property is currently leased out by H-REIT Trustee (as lessor) under an existing lease agreement dated 7 June 2007 (“**Novotel CQ Property Lease Agreement**”) to entities in the Accor Group, namely, AAPC Clarke Quay Pte. Ltd. (a subsidiary of Accor S.A.) as the lessee of the Novotel CQ Property (“**Lessee**”) and AAPC Singapore Pte. Ltd. (formerly known as AAPC Hotels Management Pte. Ltd.) as the Guarantor of the Lessee’s obligations under the Novotel CQ Property Lease (“**Guarantor**”).

The H-REIT Trustee, the Lessee and the Guarantor had previously entered into a termination deed dated 20 November 2019 (“**Novotel CQ Property Lease Termination Deed**”) to agree to the termination of the Novotel CQ Property Lease Agreement, with all operational activities at the Novotel CQ Property ceasing on 3 April 2020 and the termination of the Novotel CQ Property Lease Agreement on 23 April 2020.

The H-REIT Trustee, the Lessee and the Guarantor have entered into a deed (the “**Extension Deed**”) to amend the Novotel CQ Property Lease Termination Deed to extend operations of Novotel CQ Property due to demand for accommodation which can be used for isolation purposes (as outlined in the 9 April Press Release). Key amendments include:

- (a) extending the date of termination of all operational activities at the Novotel CQ Property from 3 April 2020 to 3 July 2020; and
- (b) extending the date of termination of the Novotel CQ Property Lease Agreement from 23 April 2020 to 15 July 2020.

2.3 Postponement of the divestment of the Novotel CQ Property

The H-REIT Trustee and the redevelopment entities, Gemini One Trust, Legend Quay Pte. Ltd., and Legend Commercial Trust, have entered into an amendment and restatement agreement (the “**Amendment and Restatement Agreement**”) to amend and restate the put and call option agreement (the “**Amended and Restated PCOA**”) to postpone the completion of the divestment of the Novotel CQ Property (the “**Novotel Divestment**”). The completion of the Novotel Divestment is expected to take place in July 2020, subject to the fulfilment of various conditions precedent under the conditional put and call option agreement in respect of the Novotel CQ Property.

2.4 Postponement of finalisation of the designs, drawings, plans, layouts and specifications of the New Hotel under the Development and Sale Agreement

The H-REIT Trustee and CDL Aquila Pte. Ltd. have entered into a side letter to the conditional development and sale agreement in respect of New Hotel (the “**DSA Side Letter**”) to, amongst others, postpone the finalisation of the designs, drawings, plans, layouts and specifications of the New Hotel to 31 May 2021.

The postponement of the completion of the Novotel Divestment and finalisation of the designs, drawings, plans, layouts and specifications of the New Hotel are presently not expected to materially affect the timelines for the opening of the New Hotel and the completion of the forward purchase of the New Hotel, which are expected to be in 2025.

3. THE W HOTEL ACQUISITION

The Managers wish to provide the following updates in respect of the W Hotel Acquisition.

3.1 Postponement of the acquisition of the W Hotel Property

The Managers wish to update that the H-REIT Trustee and Cityview Place Holdings Pte. Ltd. (the vendor of the W Hotel Property, the “**W Hotel Vendor**”) have entered into a side letter (the “**W Hotel PCOA Side Letter**”) to record their agreement to postpone the completion of the acquisition of the W Hotel Property (“**W Hotel Property Acquisition**”). The completion of the W Hotel Property Acquisition is expected to take place in July 2020, subject to the fulfilment of various conditions precedent under the conditional put and call option agreement in respect of the W Hotel Property.

3.2 Postponement of the acquisition of the business and business assets concerning the W Hotel Property

To accommodate the postponement of the completion of the W Hotel Property Acquisition, Gemini Two Pte. Ltd. (a wholly-owned subsidiary of HBT) and the W Hotel Vendor have also entered into a side letter (the “**W Hotel CBTA Side Letter**”) to record their agreement to postpone the completion of the acquisition of the business and business assets concerning the W Hotel Property (the “**W Hotel Business Acquisition**”). The completion of the W Hotel Business Acquisition is expected to take place in July 2020, subject to the fulfilment of various conditions precedent under the conditional business transfer agreement in respect of the W Hotel Business Acquisition.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers at 9 Raffles Place, #12-01 Republic Plaza, Singapore 0486195¹ from the date of this announcement up to and including the date falling three months thereafter:

- (a) the Post-Termination Agreement;
- (b) the Amendment and Restatement Agreement with the Amended and Restated PCOA attached;
- (c) the DSA Side Letter;
- (d) the W Hotel PCOA Side Letter; and
- (e) the W Hotel CBTA Side Letter.

BY ORDER OF THE BOARD

Vincent Yeo Wee Eng
Chief Executive Officer
M&C REIT Management Limited
(Company Registration Number 200607091Z)
as manager of CDL Hospitality Real Estate Investment Trust

BY ORDER OF THE BOARD

Vincent Yeo Wee Eng
Chief Executive Officer
M&C Business Trust Management Limited
(Company Registration Number 200607118H)
as trustee-manager of CDL Hospitality Business Trust

14 May 2020

¹ Subject to measures taken by the Managers to minimise the spread of COVID-19. Prior appointment with the Managers is required. Please contact the Managers' Investor Relations team (email: enquiries@cdlht.com).

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 Managers on future events.

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 or any of their respective affiliates redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Security Holders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (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 CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.