

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

16-Jul-2020 21:03:06

Status

New

Announcement Sub Title

Announcement by CDL Hospitality Trusts

Announcement Reference

SG200716OTHR624B

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 16 July 2020, released the announcement on the Completion of 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::COMPLETION OF THE ACQUISITION OF THE HOTEL KNOWN AS W SINGAPORE - SENTOSA COVE

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

16-Jul-2020 20:02:44

Status

New

Announcement Sub Title

Completion of the Acquisition of the Hotel known as W Singapore - Sentosa Cove

Announcement Reference

SG200716OTHRFXJ5

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 document.

Attachments

[CDLHT-Completion Acquisition W Sentosa.160720.pdf](#)

Total size = 132K 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

COMPLETION OF 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, among others, the acquisition of the hotel known as W Singapore – Sentosa Cove (the “**W Hotel Property**”) and the acquisition of the business and business assets concerning the W Hotel Property (the “**W Hotel Business**”, and the acquisitions of the W Hotel Property and the W Hotel Business collectively, the “**W Hotel Acquisition**”);
- (b) the Circular to stapled security holders of CDLHT (“**Security Holders**”) dated 3 January 2020 in respect of, among others, the W Hotel Acquisition (the “**Circular**”);
- (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, among others, 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;
- (e) the operational update dated 24 April 2020 in relation to the quarter ended 31 March 2020; and
- (f) the announcement dated 14 May 2020 in relation to the update on W Hotel Acquisition.

Unless otherwise defined herein or the context requires otherwise, the capitalised terms herein shall bear the same meaning as those in the Circular.

2. COMPLETION OF THE W HOTEL ACQUISITION

2.1 Completion of the acquisition of the W Hotel Property

The Managers are pleased to announce that DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”), has today completed the acquisition of the W Hotel Property (the “**W Hotel Property Acquisition**”), and Gemini Two Pte. Ltd. (the “**W Hotel OpCo**”), a wholly-owned subsidiary of HBT constituted to acquire the W Hotel Business, has today completed the acquisition of the W Hotel Business (the “**W Hotel Business Acquisition**”).

2.2 Undertaking to SDC

As stated in the Circular, the W Hotel Property Acquisition and the W Hotel Business Acquisition are conditional upon, among other things, the consent of the SDC, which has been granted on 16 July 2020 in a letter of consent issued by SDC’s lawyers to the W Hotel Vendor (the “**SDC Consent Letter**”). In connection with the conditions imposed in respect of the SDC Consent Letter, the H-REIT Trustee and W Hotel OpCo have on 16 July 2020 entered into a deed of undertaking (in the form attached to the SDC Consent Letter) with SDC (the “**SDC Deed of Undertaking**”), undertaking, among other things, that:

- (i) the H-REIT Trustee shall pay to SDC, during the term of the leasehold interest in respect of the W Hotel Property (the “**Term**”), an annual rent comprising the higher of (a) six percent of the gross turnover in respect of the W Hotel Property (as calculated in accordance with the SDC Deed of Undertaking) or (b) a sum of S\$2.0 million;
- (ii) the H-REIT Trustee shall pay SDC a consent fee of S\$6.48 million (the “**SDC Consent Fee**”) and applicable goods and services tax arising in connection with the SDC Consent Fee;
- (iii) the H-REIT Trustee shall reimburse SDC the relevant legal fees and expenses which have been incurred by SDC in connection with the negotiation, execution and performance of the SDC Consent Letter and SDC Deed of Undertaking (the “**Consent Reimbursement**”);
- (iv) W Hotel OpCo shall reimburse SDC the relevant legal fees and expenses which have been incurred by SDC in connection with the negotiation, execution and performance of the Trademark Licence Agreement entered into between W Hotel OpCo and SDC on 16 July 2020 (the “**Trademark Licence Agreement**”) in connection with the use of the “SENTOSA” and “SENTOSA COVE” trade marks and trade names which SDC is a registered proprietor of in Singapore (the “**Trademark Reimbursement**”); and
- (v) M&C REIT Management Limited and M&C Business Trust Management Limited shall remain wholly-owned by City Developments Limited (“**CDL**”) during the Term (the “**Ownership Requirement**”).

In the event the H-REIT Trustee and/or the W Hotel OpCo were to (i) breach any of the terms of the SDC Deed of Undertaking and/or (ii) fail to observe or perform any terms of the SDC Deed of Undertaking, SDC shall have the full right, power and authority to take all such actions as it deems fit (including, without limitation, the re-entering and taking possession of W Hotel Property, the termination of all agreements entered into with SDC in connection with the H-REIT Trustee’s leasehold interest in respect of the W Hotel Property, and/or the recovery of all such outstanding amounts due to SDC).

Citydev Real Estate (Singapore) Pte Ltd and Bloomsville Investments Pte Ltd, being indirect wholly-owned subsidiaries of CDL, have in turn jointly and severally undertaken by deed to

the H-REIT Trustee and W Hotel OpCo that they shall procure that the Ownership Requirement shall be complied with (the “**CDL Entities Deed of Undertaking**”).

As at 16 July 2020, the H-REIT Trustee has paid SDC the Consent Fee (subject to the applicable goods and services tax) and undertaken the Consent Reimbursement while W Hotel OpCo has undertaken the Trademark Reimbursement.

2.3 Associated Transaction

In connection with the completion of the W Hotel Acquisition, the H-REIT Trustee and the W Hotel OpCo have provided an acknowledgement letter to the W Hotel Vendor to acknowledge that the H-REIT Trustee and the W Hotel OpCo (and their respective subsidiaries) will not seek recourse against any of the strata lots owned by the W Hotel Vendor which form part of the residential development known as “The Residences at W Singapore – Sentosa Cove”, and/or against any rental proceeds, sale proceeds and other assets derived therefrom, in connection with any claim against the W Hotel Vendor arising from and/or pursuant to the W Hotel Acquisition (the “**Acknowledgement Letter**”).

In turn, Citydev Real Estate (Singapore) Pte Ltd, being a wholly-owned subsidiary of CDL, has executed a deed of undertaking in favour of the H-REIT Trustee and the W Hotel OpCo (together with the H-REIT Trustee, the “**Purchasers**”), to irrevocably and unconditionally undertake to compensate, hold harmless and/or make whole, by way of an indemnity, the Purchasers, for any loss, liability or costs that the Purchasers might incur or fail to recover against the W Hotel Vendor in connection with the Purchasers’ execution of the Acknowledgement Letter for the benefit of the W Hotel Vendor (the “**CityDev Deed of Undertaking**”).

2.4 Internal Lease

In connection with the completion of the W Hotel Acquisition, H-REIT Trustee and the W Hotel OpCo have entered into an internal lease for H-REIT to master lease the W Hotel Property to the W Hotel OpCo (the “**Internal Lease**”).

3. FINANCING OF THE W HOTEL ACQUISITION AND PAYMENT OF ACQUISITION FEE

Save for the acquisition fee payable to the H-REIT Manager in respect of the W Hotel Property Acquisition (which will be satisfied through the issue of new stapled securities of CDLHT (“**Stapled Securities**”), each Stapled Security comprising one unit in H-REIT and one unit in HBT) (the “**H-REIT W Hotel Acquisition Fee**”), the total cost of the W Hotel Acquisition is approximately S\$342.2 million. The total cost payable in cash has been financed through the use of short term facilities which has been repaid within two business days with the net proceeds from the divestment of Novotel Singapore Clarke Quay. The H-REIT W Hotel Acquisition Fee is approximately S\$2.4 million (being an amount equivalent to 0.75% of the purchase consideration for the acquisition of the W Hotel Property of S\$324.0 million).

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 048619¹ from the date of this announcement up to and including the date falling three months thereafter:

- (a) the SDC Deed of Undertaking;
- (b) the Trademark Licence Agreement;
- (c) the CDL Entities Deed of Undertaking;
- (d) the Acknowledgement Letter;
- (e) the CityDev Deed of Undertaking; and
- (f) the Internal Lease.

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

16 July 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.