

Response to SGX Queries::

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	Response to SGX Queries
Date & Time of Broadcast	27-Apr-2018 07:30:23
Status	New
Supplementary Title	On Annual Reports
Announcement Reference	SG180427OTHRNCNM
Submitted By (Co./ Ind. Name)	Soo Lai Sun
Designation	Company Secretary
Description (Please provide a detailed description of the change in the box below)	Please refer to the attached document.
Attachments	📄 Announcement SGX Query.pdf Total size =663K



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)

and

CDL HOSPITALITY BUSINESS TRUST

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

**RESPONSE TO SGX'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2017**

In response to the query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in its email dated 26 April 2018, the Boards of Directors of M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”) and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”) (collectively, the “**Managers**”), wish to provide further information as follows:

SGX-ST's Query:

Guideline 9.3 of the Code of Corporate Governance 2012 (the “**Code**”) states “...name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).” (emphasis added).

As required under Listing Rule 1207(12) of the Listing Manual, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

Managers' Response:

As disclosed on page 89 of the 2017 Annual Report, the Nominating and Remuneration Committee of the Managers had recommended and the Boards of the Managers had assessed and decided against the disclosure of the remuneration of the top five executive officers (including the CEO) on a named basis, whether in exact quantum or bands of S\$250,000 and the total remuneration paid in aggregate to the top five key management personnel (who are not directors or the CEO), and believe that the interests of the Stapled Security Holders will not be prejudiced as a result of such non-disclosure, for the following reasons:

- due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the area of real estate investment trusts and business trusts, such disclosure of remuneration information may give rise to recruitment and talent retention issues;

- the negative impact to H-REIT and HBT if members of the experienced and qualified management team are poached individually and/or collectively, thereby affecting both the ability to nurture a sustainable talent pool and ensure the smooth continuity of leadership to achieve business and operations objectives of H-REIT and HBT;
- there is no misalignment between the remuneration of the executive officers and the interest of Stapled Security Holders, given that their remuneration is not linked to the gross revenue of the H-REIT or the HBT and are paid out of the own assets of the Managers; and
- there is full and frank disclosure regarding the total amount of fees paid to the H-REIT Manager and the HBT Trustee-Manager in Note 18 of the Notes to the Financial Statements on page 184 of the Annual Report.

By Order of the Board

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

27 April 2018

By Order of the Board

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

27 April 2018

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.