



**Securities Investors Association (Singapore)**  
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111  
Tel: (65) 6227 2683 Email: [admin@sias.org.sg](mailto:admin@sias.org.sg)  
[www.sias.org.sg](http://www.sias.org.sg)  
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**Issuer:** CDL Hospitality Trusts

**Stock code:** J85

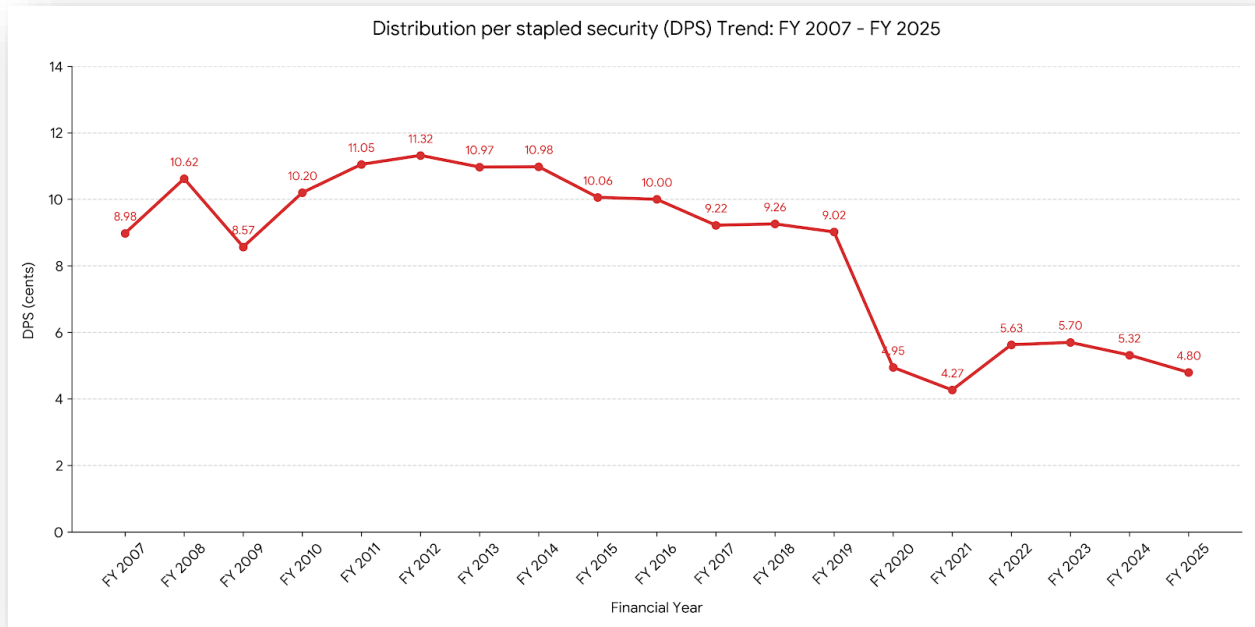
**Meeting details:**

Date: 24 April 2026

Time: 10.00 a.m.

Venue: Waterfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663

**Q1.** For the financial year ended 31 December 2025, distribution per stapled security (DPS) declined by 9.8% to 4.8 cents from 5.32 cents in FY2024. Since the pandemic, distributions have trended downwards despite the recovery in travel demand.



(Source: <https://investor.cdlht.com/distribution.html>)

- (i) Can the managers explain the key structural factors since the pandemic that have contributed to the decline in DPS, including the impact of higher financing costs and operating performance?**
- (ii) How have the independent directors assessed the managers' performance in delivering long-term value and stable distributions to stapled securityholders? What metrics and benchmarks are used in this evaluation?**

In addition, the master leases for the Singapore IPO hotels, which contribute more than 50% of the group's gross rental income, are due for renewal in July 2026. This represents a critical inflection point for the group's income profile.

### LEASE EXPIRY PROFILE AND TENANT MIX BY GROSS RENTAL INCOME FOR PROPERTIES WITH LEASES

#### For FY 2025

For the two tables below, properties under management contracts or self-operated are excluded as there are no external leases in place<sup>(1)</sup>.

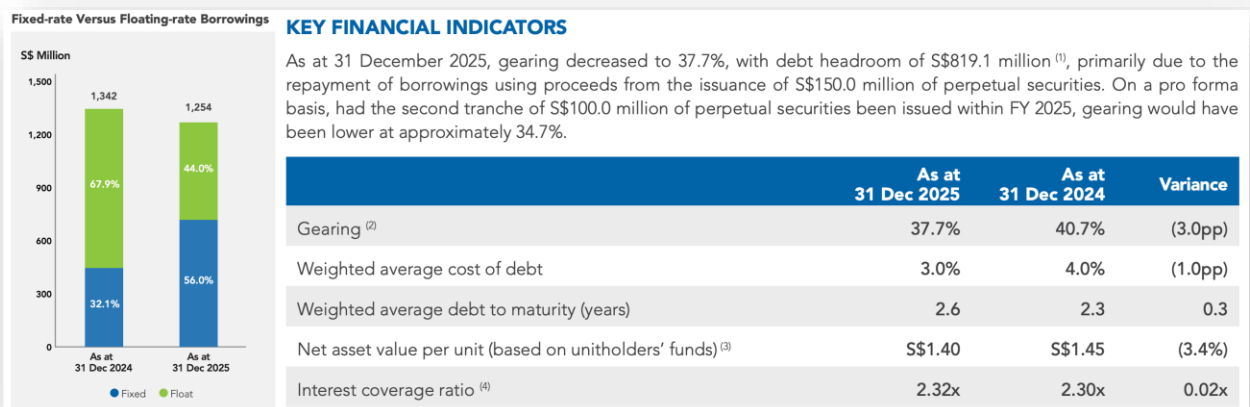
Properties	Tenure of Lease	Year of Expiry <sup>(2)</sup>	% of Gross Rental Income
Singapore IPO Hotels	20 years from 19 Jul 2006, expiring 18 Jul 2026. On 24 Apr 2025, the lessees have given notice of intention to exercise their respective options to renew the hotel leases for 20 years from 19 Jul 2026, expiring 18 Jul 2046	2026	50.2%

(Source: annual report 2025)

- (iii) **With the upcoming expiry of the Singapore IPO hotel leases, who is leading the negotiation process and how is the board ensuring that the interests of stapled securityholders are fully protected? Are alternative operators, including international hotel managers, being actively evaluated to optimise returns?**

**Q2.** As at 31 December 2025, 56% of the group's borrowings were fixed or swapped to fixed rates, reflecting a more defensive interest rate positioning compared with the prior year. During FY2025, the group entered into S\$358.0 million of interest rate swaps to hedge against rate volatility on its SGD borrowings.

The weighted average cost of debt was reported at 3.0%.



(Compiled from annual report)

- (i) **Can the managers elaborate on their current interest rate outlook and the rationale for adopting a more defensive, lower volatility hedging approach?**

- (ii) How costly is it to enter into interest rate swaps, and how does the board determine the optimal fixed-to-floating mix?**
- (iii) Separately, what are the managers' views on the strength of the Singapore dollar and how does it affect investment decisions, especially relating to foreign assets? What is the aggregate outcome of the managers' hedging efforts over the years?**

**Q3.** In November 2025, the group established a S\$1.5 billion multicurrency debt issuance programme and raised S\$250.0 million of perpetual securities across two tranches. The first comprised S\$150.0 million of 5-year non-callable securities at 3.7%, issued in November 2025, while the second tranche comprised S\$100.0 million of 5.5-year non-callable securities at 4.0%, issued in February 2026. The proceeds were used to repay existing borrowings.

Although perpetual securities are classified as equity and excluded from reported leverage, the annual distribution to perpetual securities holders amount to S\$9.55 million. The associated costs of 3.7% and 4% exceed the group's weighted average cost of debt, suggesting a higher effective cost of capital.

- (i) Can the managers articulate the group's optimal capital structure, including the role of perpetual securities, and how this optimises the overall cost of capital while supporting sustainable distributions?**
- (ii) To what extent was the issuance intended to preserve debt headroom for future acquisitions?**
- (iii) How does the board ensure that the use of perpetual securities does not create a misalignment between reported leverage metrics and the group's true economic risk profile?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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