



CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS

OPERATIONAL UPDATE FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

1. Review of Performance for the Third Quarter and Nine Months Period ended 30 September 2020

1.1 Breakdown of Total Revenue by Geography

	1 Jul 2020 to 30 Sep 2020 ("3Q 2020") S\$'000	1 Jul 2019 to 30 Sep 2019 ("3Q 2019") S\$'000	Increase/ (Decrease) (%)	1 Jan 2020 to 30 Sep 2020 ("YTD Sep 2020") S\$'000	1 Jan 2019 to 30 Sep 2019 ("YTD Sep 2019") S\$'000	Increase/ (Decrease) (%)
Master leases						
Singapore						
- Hotels	9,013	23,503	(61.7)	31,124	63,686	(51.1)
- Claymore Connect	1,159	1,905	(39.2)	3,762	5,709	(34.1)
Maldives	(807)	1,384	N.M	184	5,466	(96.6)
Australia	2,346	2,266	3.5	6,779	6,890	(1.6)
New Zealand	5,359	3,144	70.5	10,919	11,621	(6.0)
Germany	1,922	2,851	(32.6)	6,269	8,771	(28.5)
Italy	525	885	(40.7)	1,542	2,508	(38.5)
	19,517	35,938	(45.7)	60,579	104,651	(42.1)
Managed Hotels						
Singapore	5,629	-	N.M	5,629	-	N.M
Maldives	66	345	(80.9)	1,665	379	N.M
Japan	657	2,204	(70.2)	2,920	7,021	(58.4)
United Kingdom	4,239	10,642	(60.2)	11,374	30,845	(63.1)
	10,591	13,191	(19.7)	21,588	38,245	(43.6)
Total	30,108	49,129	(38.7)	82,167	142,896	(42.5)

1.2 Breakdown of Net Property Income ("NPI") by Geography

	3Q 2020 S\$'000	3Q 2019 S\$'000	Increase/ (Decrease) (%)	YTD Sep 2020 S\$'000	YTD Sep 2019 S\$'000	Increase/ (Decrease) (%)
Singapore						
- Hotels	9,257	22,116	(58.1)	28,433	59,506	(52.2)
- Claymore Connect	211	1,255	(83.2)	1,619	3,808	(57.5)
Maldives	(1,789)	(694)	N.M	(3,152)	(1,035)	N.M
Australia	2,346	2,266	3.5	6,779	6,890	(1.6)
New Zealand	5,359	3,144	70.5	10,919	11,621	(6.0)
Germany	(186)	2,579	N.M	983	8,001	(87.7)
Italy	(49)	885	N.M	(193)	2,328	N.M
Japan	(63)	707	N.M	251	2,723	(90.8)
United Kingdom	105	3,408	(96.9)	(727)	9,353	N.M
Total	15,191	35,666	(57.4)	44,912	103,195	(56.5)

1.3 Statistics for CDLHT's Hotels

Singapore Hotels Statistics

5 Singapore Hotels¹

	3Q 2020*	3Q 2019	Increase/ (Decrease)	YTD Sep 2020*	YTD Sep 2019	Increase/ (Decrease)
Average Occupancy Rate	92.4%	90.8%	1.6pp	77.2%	86.9%	(9.7)pp
Average Daily Rate	S\$70	S\$181	(61.5)%	S\$92	S\$175	(47.1)%
RevPAR	S\$64	S\$165	(60.9)%	S\$71	S\$152	(53.0)%

* Room refurbishment was carried out until April 2020 at Copthorne King's Hotel while Studio M Hotel commenced its room refurbishment from April 2020. Excluding the out-of-order rooms, occupancy would be 98.6% and 80.4% for 3Q 2020 and YTD Sep 2020 respectively while RevPAR would be S\$69 and S\$74 for 3Q 2020 and YTD Sep 2020 respectively.

6 Singapore Hotels² (including W Hotel)

	3Q 2020*	3Q 2019	Increase/ (Decrease)	YTD Sep 2020*	YTD Sep 2019	Increase/ (Decrease)
Average Occupancy Rate	87.6%	90.2%	(2.6)pp	76.0%	86.8%	(10.8)pp
Average Daily Rate	S\$86	S\$199	(57.0)%	S\$99	S\$182	(45.7)%
RevPAR	S\$75	S\$180	(58.2)%	S\$75	S\$158	(52.4)%

* Room refurbishment was carried out until April 2020 at Copthorne King's Hotel while Studio M Hotel commenced its room refurbishment from April 2020. Excluding the out-of-order rooms, occupancy would be 92.9% and 79.0% for 3Q 2020 and YTD Sep 2020 respectively while RevPAR would be S\$80 and S\$78 for 3Q 2020 and YTD Sep 2020 respectively.

Overseas Hotels – RevPAR by Geography³

	3Q 2020	3Q 2019	Increase/ (Decrease) (%)	YTD Sep 2020	YTD Sep 2019	Increase/ (Decrease) (%)
Maldives (US\$)#	4	80	(95.0)	64	153	(58.1)
New Zealand (NZ\$)	151	150	0.4	133	172	(22.7)
Germany (€)	25	117	(78.5)	32	110	(70.8)
Italy (€)	15	179	(91.4)	27	165	(83.6)
Japan (¥)	1,806	7,143	(74.7)	2,952	7,837	(62.3)
United Kingdom (£)	54	139	(61.0)	44	127	(65.5)

RevPAR only accounts for Angsana Velavaru and excludes Raffles Maldives Meradhoo. Raffles Maldives Meradhoo was closed during 1Q 2019 for renovation and was still undergoing gestation after it reopened in September 2019, before it closed temporarily from 1 April 2020 to 30 September 2020 due to the pandemic.

1.4 Review of Performance

Third quarter ended 30 September 2020

The COVID-19 pandemic has posed an unprecedented challenge for the hospitality industry globally. The absence of tourism demand and enforcement of most international travel restrictions continue to have a severe impact on CDLHT's overall performance. With the exception of the New Zealand Hotel and the 5 Singapore Hotels, most of CDLHT's properties were operating at low occupancies or had just reopened in 3Q 2020. While there was inorganic NPI contribution from W Hotel (acquired on 16 July 2020) during the quarter, this was more than offset by the absence in contribution from NCQ which ceased operations on 3 July 2020 as the hotel was divested on 15 July 2020 as part of a wider redevelopment plan. Accordingly, CDLHT's gross revenue and NPI declined by 38.7% and 57.4% yoy to S\$30.1 million and S\$15.2 million respectively for 3Q 2020. During the quarter, measures imposed by local governments to curb the spread of the virus such as lockdowns and social distancing requirements were eased to varying degrees. All of CDLHT's hotels (except Raffles Maldives Meradhoo) which were closed from March 2020 have reopened between July and August. Hence, gross revenue and NPI was higher by 58.2% and 49.4% as compared to 2Q 2020.

¹ Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Studio M Hotel (collectively, the "5 Singapore Hotels"). Excludes Novotel Singapore Clarke Quay ("NCQ") which was divested on 15 July 2020.

² Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore Sentosa Cove ("W Hotel") (collectively, the "6 Singapore Hotels"). Assumes CDLHT owns W Hotel from 1 July for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

³ RevPAR for Australia Hotels is not included as CDLHT receives fixed rent

Room occupancies for the 5 Singapore Hotels were sustained at a high level by continued demand for dedicated isolation facilities and from foreign workers affected by border closures, but at a much lower average rate as compared to the same period last year. Accordingly, the RevPAR for the 5 Singapore Hotels declined year-on-year (“yoy”) by 60.9%. Overall income contribution of the Singapore portfolio was also lower yoy due to major MICE events, wedding banquets and social functions either being postponed or cancelled. Claymore Connect, CDLHT’s only retail mall, recorded lower NPI yoy due to lower committed occupancy (79% as at 30 September 2020) and rental reliefs and temporary tenant assistance extended to tenants. The divestment of NCQ and acquisition of W Hotel were completed in mid-July 2020. Despite the absence of rental income from NCQ in 3Q 2020, NPI of the Singapore portfolio was 23.2% higher quarter-on-quarter (“qoq”) (as compared to 2Q 2020). This was partially due to the resumption of staycation business during the quarter, which mainly benefitted W Hotel and the addition of one more hotel to provide rooms for isolation purposes.

While borders have reopened on 15 July 2020 in the Maldives, tourism demand has not recovered during the quarter. Angsana Velavaru continued to be largely unoccupied, and after accounting for a true-up adjustment on the gross rent for the nine-month period, there was a downward adjustment of S\$0.8 million in 3Q 2020. Similar to most resorts, Raffles Maldives Meradhoo remained closed temporarily since 1 April 2020 to minimise costs. Its gestation period was, unfortunately, disrupted by the pandemic. Both resorts are operating at highly reduced staffing levels to contain costs.

The Australian assets are on a fixed rent structure, insulating CDLHT from the adverse trading conditions. Overall rental contribution to CDLHT (in SGD terms) was higher due to a stronger AUD for the quarter. A rent deferment and instalment plan was agreed with the lessee to progressively collect the rent in arrears for the two remaining Perth Hotels.

In New Zealand, the selection of Grand Millennium Auckland for the government’s managed isolation business towards the end of 2Q 2020 helped to mitigate the impact of the sharp downturn in the hospitality market. As such, RevPAR for 3Q 2020 showed some improvement qoq due to high demand from returning New Zealanders. On a yoy basis, RevPAR for 3Q 2020 was largely unchanged. Overall, NPI improved, reflecting the effect of the managed isolation business as well as a further extension in August 2020 of the government’s wage subsidy scheme which helped to reduce operating expenses.

CDLHT’s Japan Hotels in Tokyo saw a RevPAR decline of 74.7% yoy for 3Q 2020. Limited international visitor arrivals affected demand and CDLHT’s hotels in Tokyo did not benefit from the “Go To Travel” campaign in the third quarter, a government-subsidised program introduced in July 2020 to encourage domestic tourism⁴, as Tokyo was initially excluded from the campaign.

In the UK, Hilton Cambridge City Centre reopened on 1 July 2020 after being closed more than three months due to a countrywide lockdown which included a suspension of hospitality businesses. Despite the lack of MICE events and corporate activities, the hotel managed to quickly ramp up its occupancy for the quarter, due to its domestic UK base business and a long-staying project group. In Manchester, The Lowry Hotel opened on 1 August 2020. Notwithstanding the resurgence COVID-19 cases in Greater Manchester which resulted in a local lockdown in the region from early August, The Lowry Hotel was supported by domestic leisure and limited sports and entertainment business. Collectively, the UK Hotels registered a RevPAR of £54 for the quarter post reopening, which was a decline of 61.0% yoy. The UK government’s furlough scheme has helped CDLHT to contain operating costs.

As travel restrictions within the EU were largely lifted in June 2020, both Munich (Germany) and Florence (Italy) saw a gradual pick-up in business during 3Q 2020 as compared to 2Q 2020. As such, Pullman Hotel Munich’s RevPAR improved qoq but decreased 78.5% yoy as overall demand was still substantially lower than last year. In Italy, Hotel Cerretani Firenze – MGallery reopened on 14 August 2020 after a five-month closure and gradually built its base in the later part of August 2020 due to the late summer demand. As the operating performances of the hotels were badly affected and discussions are ongoing with the lessees, a collective impairment of S\$2.4 million (€1.5 million) was recognised against the rental receivables due for the two European hotels in 3Q 2020. This resulted in the yoy decline in NPI for both hotels.

Nine months ended 30 September 2020

For the nine months ended 30 September 2020, CDLHT’s gross revenue and NPI declined yoy by 42.5% and 56.5% to S\$82.2 million and S\$44.9 million respectively as a result of the COVID-19 outbreak. Most of CDLHT’s properties were either closed on a temporary basis or on a varying degree of occupancy declines since March. The Group’s results were partially insulated by substantive contribution from the Singapore, New Zealand and Australia hotels amounting to S\$54.5 million (inclusive of S\$34.3 million fixed rent).

For YTD August 2020, total arrivals to Singapore declined sharply by 79.2% yoy to 2.7 million, with little arrivals since April⁵ due to border closure since March. For YTD Sep 2020, the 5 Singapore Hotels’ RevPAR declined by 53.0% yoy. This was mainly due to reduced occupancy in 1Q 2020 from the fall-off in inbound travel and lower ADR recorded in 2Q 2020 and 3Q 2020, despite high occupancies for these two periods from demand for dedicated isolation facilities and foreign workers affected by border closures. Performance of the Singapore Hotels was also significantly affected by the absence of major MICE events, wedding banquets and social functions. The absence of NPI contribution from the divested NCQ more than offset the inorganic contribution from W Hotel. With a lower occupancy and rental relief packages extended to tenants, Claymore Connect’s NPI contribution for YTD Sep 2020 was lower by 57.5% yoy.

⁴ The Japan Times, “Japan’s Go To Travel campaign to exclude Tokyo as coronavirus cases spike”, 16 July 2020

⁵ Singapore Tourism Board (“STB”)

In the Maldives, total tourist arrivals recorded a steep decline of 67.9% for YTD September 2020⁶ as travel restrictions kicked in during 1Q 2020. Accordingly, RevPAR for Angsana Velavaru decreased by 58.1% yoy for YTD Sep 2020 and NPI contribution was also lower in the absence of a minimum rent top up for the period. To control costs, Raffles Maldives Meradhoo was closed for most of the nine-month period and both resorts continue to operate at highly reduced manning levels.

The lease structure of the Australia Hotels is essentially a fixed rent structure, hence CDLHT is insulated from the severe downturn in trading conditions. The rental contribution (in SGD terms) was lower by 1.6% yoy for YTD Sep 2020 mainly due to a weaker AUD in the first half of the year.

In New Zealand, visitor arrivals declined by 60.0% yoy for YTD August 2020⁷ as the country closed its borders to international travellers from mid-March and commenced a six-week countrywide lockdown thereafter. As Grand Millennium Auckland was able to secure business from the government as a managed isolation facility towards the end of 2Q 2020. This has since partially mitigated the challenging trading conditions in the Auckland market, but these conditions are likely to persist. Overall, RevPAR for the hotel declined 22.7% yoy.

Japan saw a 83.7% yoy decrease in visitor arrivals for YTD September 2020⁸, as a result of travel bans implemented from mid-April 2020 in response to the pandemic. While this ban was gradually lifted from September 2020, this was limited to business travellers entering Japan from low-risk countries. Domestic demand was also affected during traditional key travel periods such as the annual Golden Week holidays, Obon festival and Silver Week, due to nationwide state of emergency from April to May 2020. Accordingly, the Group's Japan Hotels in Tokyo registered a YTD Sep 2020 RevPAR yoy decline of 62.3%.

CDLHT's UK Hotels were temporarily shuttered for four to five months out of the YTD Sep 2020 period. MICE events continue to be cancelled or postponed across the country while a local lockdown was effected from early August 2020 amid a second wave of infections in Greater Manchester. Collectively, the Group's UK Hotels posted a yoy RevPAR decline of 65.5% for YTD Sep 2020, with operating costs and losses partially contained through the continued support from the UK government's furlough scheme.

In Munich, the absence of two major trade fairs and conferences (the biennial BAU and triennial bauma) together with the lockdown measures and international travel bans in Germany resulted in a yoy RevPAR decline of 70.8% for YTD Sep 2020 for Pullman Hotel Munich. In Italy, Hotel Cerretani Firenze – MGallery was closed for five months out of the nine-month period and consequently, its RevPAR was 83.6% lower yoy for YTD Sep 2020. With operating performance of the two European hotels being adversely affected, a collective impairment of S\$5.8 million (€3.7 million) was recognised in YTD Sep 2020 against the rental receivables due for the two European hotels.

2. Outlook and Prospects

The hospitality and tourism industry globally is facing an unprecedented challenge as countries around the world closed their borders and implemented travel restrictions in response to the COVID-19 pandemic. International tourism was almost at a standstill in mid-2020, having declined by 65% in the first half of 2020⁹ and could decrease between 60% to 80% for the full year¹⁰, depending on the speed of virus containment, duration of travel restrictions and shutdown of borders.

A majority of destinations around the world, including most of those where CDLHT has a presence in, had eased restrictions to various extents during 3Q 2020, to progressively allow the movement of people and reactivation of economic activities such as tourism. However, concerns on new waves of infections have prompted some re-tightening of restrictions in Europe and UK and CDLHT's financial performance in the near term will continue to be adversely affected. A consistent recovery of international demand is likely to be dependent on a viable medical solution accessible to the masses, which could be available sometime in 2021¹¹. Many regions are focusing on growing domestic tourism, such as offering incentives to encourage people to explore their own countries. Historically, domestic tourism expenditure is higher than international tourism in most destinations, and the top ten largest domestic tourism markets globally measured by number of nights spent by domestic tourists at hotels include Japan, Germany, Italy, Australia and the UK¹² (countries where CDLHT has assets).

Business levels at most of CDLHT's city hotels are expected to be supported by domestic travel, government-related businesses, demand from guests affected by border closures or requiring isolation and essential international business travel.

⁶ Ministry of Tourism, Republic of Maldives

⁷ Statistics – Tourism New Zealand

⁸ Japan National Tourism Organization

⁹ UNWTO, "International Tourist Numbers Down 65% in First Half of 2020, UNWTO Reports", 15 September 2020

¹⁰ UNWTO, "International Tourist Numbers Could Fall 60-80% In 2020, UNWTO Reports", 7 May 2020

¹¹ The Washington Post, "CDC director says coronavirus vaccines won't be widely available till the middle of next year", 17 September 2020

¹² UNWTO, "UNWTO Briefing Note – Tourism and COVID-19, Issue 3. Understanding Domestic Tourism and Seizing its Opportunities", September 2020

Portfolio Markets

To drive local tourism, the government launched a S\$45 million marketing campaign which includes promoting hotel staycation deals packaged with tours or activities¹³, as well as providing S\$320 million of vouchers for Singaporeans to spend on local hotel stays, attractions and tours¹⁴. While large-scale events are still not allowed currently, the maximum number of physical attendees for MICE events has been increased to 250 (subject to relevant approvals)¹⁵.

Demand for accommodation facilities used for isolation purposes continues to support occupancy of most of the Singapore Hotels into 4Q 2020. As demand for isolation purposes tapers off due to the declining number of COVID-19 positive cases in Singapore, the staycation business, project groups business, travel bubbles and reciprocal green-lane travel arrangements will be the key to supporting occupancies. As part of Singapore's steps in opening up its borders and reviving travel, bilateral (for essential and business purposes) and unilateral travel arrangements are currently in place for 10 countries¹⁶. Bilateral arrangements include China, Malaysia, Indonesia and Japan, with Germany to be added soon, while unilateral arrangements include New Zealand and Australia. A travel bubble between Singapore and Hong Kong is also being set up, which will allow for all forms of travel including leisure.

In New Zealand, the country's borders are currently closed to non-New Zealanders and are likely to remain closed for some time. Since early October, COVID-19 restrictions have again been lifted after a second (regional) lockdown. MICE activities can resume without a limit on the number of attendees and domestic travel is allowed with no social distancing requirements. Grand Millennium Auckland continues to be contracted as a managed isolation facility which is helping to mitigate the impact of the sharp downturn in the overall hospitality market.

The Australia Hotels enjoy an essentially fixed rent structure. This insulates CDLHT from downside in the underlying trading conditions, particularly amidst the COVID-19 pandemic. There will no longer be rent contribution from Novotel Brisbane from 31 October 2020 onwards due to its divestment, which is expected to complete on 30 October 2020. The Managers have commenced an operator selection process ahead of the expiry of the remaining two Perth Hotels' leases on 30 April 2021. At the expiration of the leases, the contribution from the Perth Hotels will be exposed to the trading conditions at that point in time.

While inbound leisure travel into Japan is not allowed, the country has eased travel restrictions for business travel¹⁷. Domestic travel demand in Tokyo is expected to improve as the city has on 1 October 2020, been added to Japan's "Go To Travel" domestic campaign where 35 percent of travel expenses, including accommodation, is subsidised¹⁸.

In the Maldives, tourist arrivals have been gradually trickling in, since its borders reopened in mid-July 2020 with some international airlines resuming operations. Since reopening, the top inbound markets are led by Russia and United Arab Emirates¹⁹. Raffles Maldives Meradhoo has reopened on 1 October 2020 and the construction of a new Presidential Villa, which will help to enhance its product offering in positioning for an eventual recovery, is expected to complete by end November 2020.

In the UK, restrictions have been retightened and areas such as Greater Manchester have limitations on travelling into and out of the area. In Germany, a second lockdown will be imposed effective 2 November 2020. Social distancing requirements (such as for gatherings and dining) will be in place and overnight stays in hotels will be allowed only for necessary business trips²⁰. Over in Italy, domestic travel is also discouraged and operating hours for bars and restaurants have been shortened. With the re-imposed curbs and upcoming traditionally low season, Hotel Cerretani Firenze – MGallery (Florence) is expected to close again in end October 2020. CDLHT's other hotels in UK and Europe are likely to operate at low occupancies and if necessary, they will be closed temporarily, to minimise costs.

¹³ STB, "Enterprise Singapore, Sentosa Development Corporation and Singapore Tourism Board team up with industry to encourage locals to rediscover Singapore", 22 July 2020

¹⁴ Straits Times, "All adult Singaporeans to get \$100 vouchers to boost tourism", 17 September 2020

¹⁵ Straits Times, "Singapore to allow bigger Mice events with up to 250 attendees, application to start from Oct 1", 7 September 2020

¹⁶ SafeTravel, Singapore

¹⁷ Straits Times, "Japan to allow residents to travel to 12 countries and regions including Singapore next month: Media", 8 October 2020

¹⁸ The Japan Times, "Government to spend more on Go To Travel campaign after discounts restricted", 13 October 2020

¹⁹ Ministry of Tourism Republic of Maldives, "Updates on the Covid-19 Situation in the Maldives", 22 October 2020

²⁰ Channel NewsAsia, "Germany to go into circuit-break lockdown as COVID-19 surges", 29 October 2020

3. CDLHT Key Financial Statistics

	As at 30 September 2020	As at 30 June 2020
Debt Value (S\$ million)	1,117	1,116
Gearing	36.7%	37.1%
Debt Headroom (S\$ million) at 50% Gearing	809	777
Interest Coverage Ratio^{##}	2.9x	3.4x
Weighted Average Cost of Debt	1.8%	1.9%

^{##} Interest coverage ratio ("ICR") is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortization ("EBITDA") (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.

As at 30 September 2020, CDLHT has a low gearing of 36.7% and cash reserves of about S\$168.0 million on its balance sheet. In addition, CDLHT also has approximately S\$220.5 million of committed unsecured revolving credit facilities available for drawdown and another S\$400.0 million in short-term uncommitted bridge loan facilities available for acquisitions. During the reporting quarter, CDLHT also successfully refinanced JPY6.37 billion (equivalent to S\$83.0 million) borrowings into a 5-year fixed rate term loan (JPY3.27 billion) and a 5-year fixed rate TMK bond (JPY3.1 billion).

CDLHT's healthy balance sheet and liquidity position will allow it to weather the pandemic and there are no material concerns over its ability to fulfil its near term debt obligations. On 21 October 2020, CDLHT announced the sale of its Novotel Brisbane hotel in Australia and completion is expected on 30 October 2020. A substantial part of the net divestment proceeds amounting to S\$61.4 million (A\$62.8 million)²¹ is expected to be utilised to repay existing borrowings post completion which will further strengthen CDLHT's balance sheet and enhance its financial flexibility, or fund acquisitions if there are suitable opportunities. CDLHT will continue to evaluate acquisition and divestment opportunities as they arise to recycle capital for better returns.

About CDL Hospitality Trusts

CDL Hospitality Trusts ("CDLHT") is one of Asia's leading hospitality trusts with assets under management of about S\$3.1 billion as at 30 September 2020. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("H-REIT"), a real estate investment trust, and CDL Hospitality Business Trust ("HBT"), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 30 October 2020, CDLHT owns 15 hotels and two resorts comprising a total of 4,630 rooms as well as a retail mall. The properties under CDLHT's portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore – Sentosa Cove (collectively, the "**Singapore Hotels**") as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth²² (collectively, the "**Perth Hotels**");
- (iii) two hotels in Japan's gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the "**Japan Hotels**");
- (iv) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland (the "**New Zealand Hotel**");
- (v) two hotels in United Kingdom comprising Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester (collectively, the "**UK Hotels**");
- (vi) one hotel in Germany's gateway city of Munich, namely Pullman Hotel Munich (the "**German Hotel**");
- (vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the "**Italy Hotel**"); and
- (viii) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the "**Maldives Resorts**").

²¹ Based on an assumed exchange rate of A\$1.00 = S\$0.9777.

²² Subsequent to the reporting period, CDLHT announced the proposed divestment of Novotel Brisbane on 21 October 2020 and is expected to complete on 30 October 2020. For the reporting period, the three Australia hotels are Novotel Brisbane, Mercure Perth and Ibis Perth (collectively, the "**Australia Hotels**").

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C REIT Management Limited
(Company Registration No. 200607091Z)
(as Manager of CDL Hospitality Real Estate Investment Trust)

30 October 2020

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
(as Trustee-Manager of CDL Hospitality Business Trust)

30 October 2020

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 REIT Manager and the Trustee-Manager (together with the REIT Manager, the "Managers") on future events.

The value of the stapled securities in CDLHT (the "Stapled Securities") and the income derived from them, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its 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 Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

Nothing in this announcement constitutes an offer of any securities in the United States or elsewhere. The rights Stapled Securities have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of that Act. No public offer of the rights Stapled Securities has been or will be made in the United States.

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

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