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 2021

1. Review of Performance for the Third Quarter and Nine Months Period ended 30 September 2021

1.1 Breakdown of Total Revenue by Geography

	1 Jul 2021 to 30 Sep 2021 ("3Q 2021") S$'000	1 Jul 2020 to 30 Sep 2020 ("3Q 2020") S$'000	Increase/ (Decrease) (%)	1 Jan 2021 to 30 Sep 2021 ("YTD Sep 2021") S$'000	1 Jan 2020 to 30 Sep 2020 ("YTD Sep 2020") S$'000	Increase/ (Decrease) (%)
Master leases						
Singapore						
- Hotels	8,137	9,013	(9.7)	25,066	31,124	(19.5)
- Claymore Connect	827	1,159	(28.6)	2,516	3,762	(33.1)
Maldives	1,032	(807)	N.M	3,583	184	N.M
Australia	-	2,346	N.M	1,597	6,779	(76.7)
New Zealand	6,057	5,359	13.0	15,855	10,919	45.2
Germany[1]	1,994	1,922	3.7	6,264	6,269	(0.1)
Italy[2]	428	525	(18.5)	1,292	1,542	(16.2)
	18,475	19,517	(5.4)	56,173	60,579	(7.3)
Managed Hotels						
Singapore	7,256	5,629	28.9	19,547	5,629	N.M
Maldives	1,258	66	N.M	7,968	1,665	N.M
Australia	2,079	-	N.M	4,497	-	N.M
Japan	878	657	33.6	2,516	2,920	(13.8)
United Kingdom	10,049	4,239	N.M	15,519	11,374	36.4
	21,520	10,591	N.M	50,047	21,588	N.M
Total	**39,995**	**30,108**	**32.8**	**106,220**	**82,167**	**29.3**

[1] In April 2021, CDLHT entered into a lease amendment agreement with the lessee of the Germany Hotel to restructure the rental arrangement. Under the lease amendment, the base rent ("**Restructured Rent**") has been reduced to €0.6 million in 2021, stepping up annually to €1.2 million in 2022, €1.8 million in 2023, and to €2.4 million in 2024, before reverting to the original base rent of €3.6 million per annum in 2025. Notwithstanding this Restructured Rent arrangement, under SFRS(I) 16/ FRS 116 *Leases*, the rental income under this lease modification ("**Straight-lined Rent**") will be accounted for on a straight-line basis over the remaining lease tenure at S$1.2 million (€0.8 million) for 3Q 2021 or S$3.7 million (€2.3 million) for YTD Sep 2021.

[2] In December 2020, CDLHT entered into a lease amendment agreement with the lessee of the Italy Hotel to restructure the rental arrangement. Under the lease amendment, the base rent ("**Restructured Rent**") has been reduced, starting with €0.2 million in 2020, stepping up annually to €0.9 million in 2024, before reverting to the original base rent of €1.3 million per annum in 2025. Notwithstanding this Restructured Rent arrangement, under SFRS(I) 16/ FRS 116 *Leases*, the rental income under this lease modification ("**Straight-lined Rent**") will be accounted for on a straight-line basis over the remaining lease tenure at S$0.4 million (€0.3 million) for 3Q 2021 or S$1.3 million (€0.8 million) for YTD Sep 2021.

1.2 Breakdown of NPI by Geography

	3Q 2021 S$'000	3Q 2020 S$'000	Increase/ (Decrease) (%)	YTD Sep 2021 S$'000	YTD Sep 2020 S$'000	Increase/ (Decrease) (%)
Singapore						
- Hotels	8,568	9,257	(7.4)	24,975	28,433	(12.2)
- Claymore Connect	349	211	65.4	847	1,619	(47.7)
Maldives	(43)	(1,789)	N.M	3,405	(3,152)	N.M
Australia	(374)	2,346	N.M	1,955	6,779	(71.2)
New Zealand	6,057	5,359	13.0	15,855	10,919	45.2
Germany	1,773	(186)	N.M	4,134	983	N.M
Italy	380	(49)	N.M	1,096	(193)	N.M
Japan	83	(63)	N.M	226	251	(10.0)
United Kingdom	3,688	105	N.M	4,965	(727)	N.M
Total	**20,481**	**15,191**	**34.8**	**57,458**	**44,912**	**27.9**

1.3 Statistics for CDLHT's Hotels

Singapore Hotels Statistics

5 Singapore Hotels[3]

	3Q 2021*	3Q 2020*	Increase/ (Decrease)	YTD Sep 2021**	YTD Sep 2020**	Increase/ (Decrease)
Average Occupancy Rate	75.4%	92.4%	(17.1)pp	74.1%	77.2%	(3.1)pp
Average Daily Rate	S$81	S$70	15.8%	S$82	S$92	(11.8)%
RevPAR	S$61	S$64	(5.6)%	S$60	S$71	(15.3)%

** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. Excluding the out-of-order rooms, for 3Q 2021 and 3Q 2020, occupancy would be 80.4% and 98.6% respectively, while RevPAR would be S$65 and S$69 respectively.*

*** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020 and room refurbishment was carried out at Copthorne King's Hotel until April 2020. Excluding the out-of-order rooms, for YTD Sep 2021 and YTD Sep 2020, occupancy would be 79.1% and 80.4% respectively, while RevPAR would be S$65 and S$74 respectively.*

6 Singapore Hotels[4] (including W Hotel)

	3Q 2021*	3Q 2020*	Increase/ (Decrease)	YTD Sep 2021**	YTD Sep 2020**	Increase/ (Decrease)
Average Occupancy Rate	72.3%	87.6%	(15.3)pp	70.9%	73.2%	(2.2)pp
Average Daily Rate	S$104	S$86	21.6%	S$103	S$106	(3.3)%
RevPAR	S$76	S$75	0.4%	S$73	S$78	(6.3)%

** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. Excluding the out-of-order rooms, for 3Q 2021 and 3Q 2020, occupancy would be 76.7% and 92.9% respectively, while RevPAR would be S$80 and S$80 respectively.*

*** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020 and room refurbishment was carried out at Copthorne King's Hotel until April 2020. Excluding the out-of-order rooms, for YTD Sep 2021 and YTD Sep 2020, occupancy would be 75.2% and 75.9% respectively while RevPAR would be S$77 and S$81 respectively.*

[3] 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.
[4] Comprises 5 Singapore Hotels and W Singapore Sentosa Cove ("**W Hotel**") (collectively, the "**6 Singapore Hotels**"). Assumes CDLHT owns W Hotel from 1 January 2020 for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

Overseas Hotels – RevPAR by Geography

	3Q 2021	3Q 2020	Increase/ (Decrease) (%)	YTD Sep 2021	YTD Sep 2020	Increase/ (Decrease) (%)
Maldives (US$)	149	3	N.M	204	65	N.M
Australia (A$)^	33	41	(20.5)	52	45	15.5
New Zealand (NZ$)	188	151	24.8	172	133	29.2
Germany (€)	44	25	73.7	24	32	(25.7)
Italy (€)	56	15	N.M	22	27	(17.4)
Japan (¥)	2,781	1,806	54.0	2,626	2,952	(11.0)
United Kingdom (£)	117	54	N.M	59	44	35.1

*^ RevPAR only accounts for the Ibis Perth and Mercure Perth (collectively the "**Perth Hotels**") and excludes Novotel Brisbane which was divested on 30 October 2020. With effect from 1 May 2021, CDLHT entered into hotel management agreements with AccorHotels to manage the Perth Hotels and there are no longer third party leases for these hotels.*

1.4 Review of Performance

Third Quarter ended 30 September 2021

The overall improvement in CDLHT's 3Q 2021 year-on-year ("**yoy**") performance reflects the ongoing recovery from the negative effects of the COVID-19 pandemic. The broader distribution of vaccines and easing of travel and other restrictions resulted in more accommodation demand. While the pace of recovery varies between regions, there is a discernible pattern of leisure demand leading the recovery with corporate demand being cautious. Notwithstanding the absence of contribution from NCQ (divested on 15 July 2020) and Novotel Brisbane (divested on 30 October 2020), CDLHT's gross revenue increased by 32.8% yoy to S$40.0 million for 3Q 2021, out of which S$33.8 million (inclusive of S$9.3 million fixed rent) was contributed by its Singapore, New Zealand, United Kingdom ("**UK**") Hotels and Maldives Resorts.

In tandem with the improved revenue, net property income ("**NPI**") increased by 34.8% or S$5.3 million yoy to S$20.5 million for 3Q 2021. The improved NPI contribution arose mainly from its New Zealand, UK, Germany and Italy Hotels and from Angsana Velavaru in the Maldives, which increased collectively by S$8.5 million yoy for 3Q 2021. This was however offset by lower NPI from the Singapore and Australia hotels, which declined by S$3.4 million yoy for 3Q 2021 (out of which S$1.8 million was due to the divestments of NCQ and Novotel Brisbane).

Although border restrictions are being eased gradually, inbound visitor arrivals to Singapore remain significantly lower as compared to pre-pandemic levels. Room occupancies for five of the Singapore Hotels continued to be primarily supported by demand for dedicated isolation facilities. Staycation demand continued to be buoyant for W Hotel, whereas demand at Orchard Hotel comprised both leisure and corporate segments. RevPAR declined collectively for the Singapore cluster except for W Hotel, which recorded strong RevPAR growth underpinned by the healthy staycation demand as Sentosa continued to serve as the closest proxy to overseas travel that local residents could enjoy. Overall, hotel revenues continued to be impacted by the absence of major MICE events, limitations in wedding banquet capacity and restrictions on social functions.

In the Maldives, arrivals resumed from South Asian countries from 15 July 2021[5] after nearly two months of being suspended. With significant uplift in arrivals from India thereafter, the country welcomed 360,313 tourist arrivals for the third quarter of 2021, which was only 7.4% lower than the same period in 2019 pre-pandemic[6]. At Angsana Velavaru, a strong improvement was recorded for 3Q 2021 as occupancies grew significantly. Raffles Maldives Meradhoo operated from 17 July 2021 after being temporarily closed for six weeks for maintenance works.

Contribution from the Perth Hotels was recognised based on actual trading performance for 3Q 2021, against last year's fixed rent arising from the leases which have since expired. The occupancy of the Perth Hotels was affected by heavy restrictions imposed on interstate travel into Western Australia ("**WA**") since July 2021. Coupled with the absence of contribution from Novotel Brisbane this year, the NPI of the Australia portfolio fell yoy and recorded a NPI loss of S$0.4 million for 3Q 2021.

In New Zealand, Grand Millennium Auckland continued to serve as a managed isolation facility throughout 3Q 2021. Overall, the New Zealand Hotel recorded higher rental income, with NPI improvement of 13.0% for 3Q 2021 yoy due to higher utilisation levels.

[5] Maldives Immigration, Republic of Maldives, "Eases on travel restrictions for South Asian countries", 8 Jul 2021
[6] Ministry of Tourism, Republic of Maldives

In Tokyo, the state of emergency enforced from mid-July 2021 lasted through the whole of September[7]. Market conditions were largely unchanged with the absence of international arrivals. Despite the ban on spectators at the Tokyo 2020 Olympics and Paralympics, this major sporting event brought in non-athlete related group demand from late July to early September 2021. As a result, the Japan Hotels recorded an occupancy driven RevPAR growth of 54.0% yoy coming off a low base of ¥1,806 for 3Q 2020.

In the UK, domestic leisure travel was the key demand driver following the lifting of all remaining legal restrictions from mid-July 2021[8] and both the UK Hotels experienced strong pent up leisure demand. The occupancy at Hilton Cambridge City Centre was also supported by its base crew business and one-off corporate groups, while The Lowry Hotel benefitted from the return of sports and other events. Collectively, the UK Hotels achieved a strong RevPAR recovery coming off a low base of £54 for 3Q 2020 to £117 for 3Q 2021.

The implementation of the European Covid Digital Certificate[9] has helped to facilitate inter-regional travel for EU citizens and residents, which aided the steady recovery of intra-Europe travel. This benefitted Pullman Hotel Munich, resulting in an improvement in RevPAR at €44 for 3Q 2021 coming off a very low base last year. For the reporting quarter, NPI (recognised based on the Straight-lined Rent) was higher in the absence of a S$1.9 million (€1.2 million) impairment recognised against the rental receivables from the lessee in 3Q 2020.

While Hotel Cerretani Firenze – MGallery was shut for a five-month period last year and recommenced operations from 14 August 2020, it was open throughout 3Q 2021. As such, the Italy Hotel also recorded an improvement to the RevPAR at €56 for 3Q 2021 coming off from a much lower base last year. For the reporting quarter, NPI (recognised based on Straight-lined Rent) was higher in the absence of a S$0.5 million (€0.3 million) impairment recognised in 3Q 2020.

<u>Nine months period ended 30 September 2021</u>

CDLHT's gross revenue increased by 29.3% yoy to S$106.2 million for YTD Sep 2021, out of which S$87.5 million (inclusive of S$27.8 million fixed rent) was contributed by its Singapore, New Zealand and UK Hotels and Maldives Resorts. The improvement was partially offset by the absence of contribution due to the divestments of NCQ and Novotel Brisbane last year. Occupancies for the Singapore and New Zealand hotels continued to be supported by demand for accommodation facilities used for isolation purposes.

In tandem with the increased revenue, NPI increased by 27.9% or S$12.5 million yoy to S$57.5 million for YTD Sep 2021, notwithstanding the loss of income due to the divestments last year. The higher NPI contribution came from the Maldives Resorts, New Zealand, UK, Germany and Italy Hotels, which increased collectively by S$21.6 million yoy for YTD Sep 2021. There was also a S$1.5 million inorganic contribution from W Hotel (acquired 16 July 2020). These increases were partly offset by lower NPI, mainly from the Singapore and Australia portfolio, which declined by $9.1 million yoy (out of which S$8.9 million was due to the divestments) for YTD Sep 2021. Claymore Connect also recorded lower NPI by S$0.8 million yoy due to rent concessions extended to tenants arising from the business environment and mandatory government rebates. As at 30 September 2021, the committed occupancy of Claymore Connect was 90% with three new tenants slated to commence in 4Q 2021.

Affected by continued border closures due to the pandemic, inbound visitor arrivals to Singapore remain significantly below pre-pandemic levels[10], at only 1.2% of visitor arrivals pre-pandemic levels (comparing YTD Sep 2021 versus YTD Sep 2019). Occupancies for the 5 Singapore Hotels were supported by demand for isolation purposes. RevPAR for the 6 Singapore Hotels decreased by 6.3% yoy for YTD Sep 2021, noting that the effect of the pandemic only took place in February 2020, hence there was strong pre-pandemic trading in the early part of last year. Rooms revenue continued to be suppressed save for W Hotel, which yielded well supported by healthy staycation demand. As a result, RevPAR for W Hotel increased by 38.1% for YTD Sep 2021. The performance of the Singapore Hotels was also impacted by the absence of major MICE events, postponements in wedding banquets and restrictions on social functions. Restrictions were calibrated according to the situation throughout the year, which included a reduction in social gathering group size, temporary suspension of wedding receptions and dine-in at F&B establishments[11].

Amid the ongoing pandemic, the Maldives remains a popular tourist destination and tourist arrivals for YTD Sep 2021 have recovered to about 70% of 2019 levels for the same corresponding period[12]. Raffles Maldives Meradhoo was largely operational for YTD Sep 2021, except for a six-week closure from 1 June 2021 for maintenance works. Collectively, the Maldives Resorts achieved a RevPAR of US$204 for YTD Sep 2021 as compared to US$65 same period last year.

[7] The Japan Times, "Japan's COVID-19 state of emergency lifted as infections decline", 1 Oct 2021
[8] CNBC, "England takes leap into the unknown, lifting Covid rules as cases surge", 19 Jul 2021
[9] European Commission, EU Digital COVID Certificate
[10] Singapore Tourism Board ("**STB**")
[11] Ministry of Health, Singapore
[12] Ministry of Tourism, Republic of Maldives

The Perth Hotels received fixed rent for the first four months of 2021 and contribution for the remaining five months was recognised based on the hotels' trading performance as the leases expired on 30 April 2021. As international borders remain closed since late March 2020 and the quarantine-free trans-Tasman bubble only operated from April 2021 to July 2021, visitor arrivals for YTD Aug 2021 were only 2.3% of the arrivals for the same period in 2019 pre-pandemic. Against a backdrop of weak demand coupled with the absence of contribution from Novotel Brisbane, NPI for the Perth Hotels declined by S$4.8 million (or 71.2%) yoy for YTD Sep 2021.

In New Zealand, Grand Millennium Auckland continued to be contracted as a managed isolation facility throughout YTD Sep 2021. NPI contribution increased 45.2% yoy for YTD Sep 2021.

In Japan, visitor arrivals for YTD Sep 2021 remain low, at only 0.8% of pre-pandemic arrivals over the same period in 2019, due to continued suspension on entry of non-resident foreign nationals imposed since December 2020. Despite the momentary uplift from the Tokyo 2020 Olympic Games kicking off end July 2021, the extended periods of quasi or full state of emergency resulted in the absence of any significant demand for the year. Consequently, the Japan Hotels posted a RevPAR decline of 11.0% yoy for YTD Sep 2021, due mainly to the weaker yoy performance in 1Q 2021.

In the UK, the third national lockdown implemented since early January 2021 restricted hotels to only providing accommodation to essential workers, elite sports teams and entertainment groups. Leisure travel was allowed to resume from mid-May 2021[13] and all remaining legal restrictions were subsequently lifted from mid-July 2021. Following the lifting of restrictions, strong domestic leisure demand was supported by the summer holidays, resulting in a very encouraging recovery in the trading performance in the last quarter, which contributed to an uplift in the RevPAR improvement from £44 for YTD Sep 2020 to £59 same period this year.

Germany's ban on non-essential travel was lifted in May 2021 as part of the country's plan to ease restrictions. Pullman Hotel Munich posted a RevPAR decline of 25.7% yoy for YTD Sep 2021, as the full impact of the first pandemic lockdown only took place from mid-March 2020. Notwithstanding the decline in RevPAR, gross revenue remained at the same levels as YTD Sep 2020 mainly due to the recognition of rental income which has been accounted for on a straight-line basis over the remaining lease tenure at S$5.0 million (€3.1 million) per annum. This accounting adjustment arose due to the restructured rental arrangement entered with the lessee in April 2021. For YTD Sep 2021, NPI (recognised based on Straight-lined Rent) was also higher in the absence of a S$4.3 million (€2.8 million) impairment against the rental receivables from the lessee recognised in YTD Sep 2020.

In Italy, the prohibition on inter-region travel was lifted from end-April 2021[14] and the Italy Hotel re-opened on 26 May 2021 after a seven-month closure. Occupancies were supported by domestic and intra-Europe travel ahead of the reopening of international borders. Accordingly, RevPAR for the Italy Hotel declined by 17.4% yoy for YTD Sep 2021. Revenue of S$1.3 million for YTD Sep 2021 was lower than the same period last year. NPI was higher in the absence of a S$1.5 million (€1.0 million) impairment against the rental receivables from the lessee recognised in YTD Sep 2020.

2. Outlook and Prospects

COVID-19 vaccines have sharply reduced the risk of serious illness and with vaccination, COVID-19 has become a treatable, mild disease for most vaccinated people[15]. Vaccination rates continue to increase across countries globally at varying paces and many countries that have achieved high vaccination rates are treating the virus as an endemic with most restrictions eased.

International tourism enjoyed signs of rebound in June and July 2021 as some destinations eased travel restrictions. Nevertheless, 2021 continues to be a challenging year for global tourism, with international arrivals down 80% in January-July 2021 compared to the same period in 2019[16]. CDLHT has observed and is anticipating more sustained recovery in some overseas markets, some more impressively, such as the Maldives and UK markets and others, more gradually such as the Germany and Italy markets. Looking ahead, as state or country border restrictions are further relaxed and more mutual travel arrangements are enacted, CDLHT's portfolio markets should forge ahead progressively on the path of sustained recovery and move towards normalisation.

Portfolio Markets

Five of CDLHT's six Singapore Hotels continue to operate as facilities used for isolation purposes and the demand for such facilities should continue to support the occupancy into 4Q 2021. W Hotel is expected to be supported primarily through staycation, small meeting groups and demand from the Vaccinated Travel Lanes ("**VTLs**").

[13] Gov.uk, "Further easing of COVID restrictions confirmed for 17 May", 10 May 2021
[14] Ministry of Health, Italy, "Covid-19, Minister of Health Speranza signs new Ordinances to contain the spread of the virus", 26 Apr 2021
[15] The Straits Times, "Protect the vulnerable, secure Singapore's future: Full text of PM Lee's speech on Covid-19", 9 Oct 2021
[16] UNWTO, "Vaccines and Reopen Borders Driving Tourism's Recovery", 4 Oct 2021

Having achieved a high vaccination rate of close to 85%[17], Singapore is now in a transition phase towards living normally with an endemic COVID-19. Some restriction measures remain in place to slow the pace of rising cases, providing time for the country to build up its healthcare capacity to cope with more cases a day[18].

Following the successful implementation of the VTLs for Germany and Brunei, Singapore has extended the VTLs to 11 more countries including Canada, Denmark, France, Italy, the Netherlands, Spain, the UK, the United States, South Korea, Australia and Switzerland[19]. The VTLs are a positive development for the hospitality sector, which marks the beginning of the re-opening process and a step towards normalisation. Alongside the progressive resumption of international travel, Singapore's tourism sector will continue to be supported by ongoing domestic tourism campaigns such as SingapoRediscovers. Two of CDLHT's Singapore hotels that are taking staycation bookings will continue to focus on capturing a greater share of the staycation business.

In the Oceania region, tight border restrictions remain in place for most international visitors entering both New Zealand and Australia. New Zealand has shifted its strategy of eliminating the virus and lockdown restrictions are expected to be eased progressively in line with vaccination rates[20]. Grand Millennium Auckland continues to be contracted as a managed isolation facility and this is expected to continue into 1Q 2022.

In WA, there are no capacity restrictions for venues and events[21]. Perth hosted its first ever Australian Football League grand final in September 2021 and the warm reception from WA football fans was a positive signal for more major events to be held in Perth in the future[22]. However, domestic border restrictions are expected to remain in place till early to mid-2022 as WA maintains a conservative approach[23]. Ahead of the reopening of WA's international borders, occupancies at CDLHT's Perth Hotels are expected to recover gradually through intrastate and interstate travel as border restrictions are eased.

In Japan, state of emergency measures were lifted on 1 October 2021[24] and border restrictions are being eased gradually allowing the entry of vaccinated travellers from some countries, with reduced quarantine periods[25]. Prior to the reopening of Japan's international borders, the hospitality sector will continue to be supported by domestic travel.

Tourist arrivals to the Maldives have increased steadily as borders remain open to international travellers, with August 2021 marking the first month of positive growth against pre-pandemic arrivals (August 2019) since the start of the pandemic[26]. The UK and Italy have permitted quarantine-free travel with the Maldives in September 2021[27], and this is expected to have a positive impact on the hospitality sector in the fourth quarter.

Further to the lifting of all restrictions in the UK on 19 July 2021, international borders are now largely open except for certain countries on the red list[28]. Hotels across the UK continue to experience strong domestic demand and benefit from the easing of border restrictions.

On 31 August 2021, CDLHT invested into a residential Build-to-Rent forward-funding scheme in Manchester, UK. The acquisition of the land, on which the new building will be built, was completed on the same day. Development works are currently progressing well in accordance with schedule. Works done to date mainly include planning and site preparation, with demolition of the existing buildings being substantively completed. Construction of the new Build-to-Rent building will commence in the beginning of next year.

In Germany and Italy, most restrictions have been lifted and resumption of international travel is ongoing. Borders have reopened to travellers from the European Union and a select list of non-EU countries, subject to COVID-19 test requirements or proof of vaccination[29, 30]. Large scale events are scheduled to return in both countries from 2022, such as the Oktoberfest in Munich scheduled for September 2022[31] and the Scoppio del Carro in Florence scheduled for April 2022[32].

[17] Ministry of Health, Singapore
[18] The Straits Times, "Covid-19 curbs necessary to stabilise situation, prevent avoidable deaths: Lawrence Wong", 27 Sep 2021
[19] Civil Aviation Authority of Singapore, "Singapore Extends Vaccinated Travel Lanes to Australia and Switzerland", 26 Oct 2021
[20] The Straits Times, "New Zealand abandons strategy of eliminating Covid-19", 4 Oct 2021
[21] Government of Western Australia
[22] The Age, "AFL boss 'blown away' by WA with more major events for Perth flagged", 24 Sep 2021
[23] ABC News, "WA Budget suggests hard border likely to remain for some time as Mark McGowan doubles down", 10 Sep 2021
[24] Nikkei Asia, "Japan's COVID-19 state of emergency lifted as infections decline", 1 Oct 2021
[25] Ministry of Foreign Affairs Japan
[26] Ministry of Tourism, Republic of Maldives
[27] Raajje.mv, "Maldives moves up to Italy's travel green list", 29 Sep 2021
[28] Gov.uk
[29] Federal Ministry of the Interior, Building and Community, Germany
[30] Ministry of Health, Italy
[31] Oktoberfest
[32] Visit Tuscany

3. CDLHT Key Financial Statistics

	As at 30 September 2021	As at 31 December 2020
Debt Value (S$ million)	1,109	1,032
Gearing	40.1%	37.5%
Debt Headroom (S$ million) at 50% Gearing	547	689
Interest Coverage Ratio**	2.9x	2.2x
Weighted Average Cost of Debt	1.9%	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. The interest coverage ratio excludes one-off loss on disposal of investment properties of S$13.8 million in 4Q 2020 and S$8.8 million in FY 2020. Including this divestment loss, the interest coverage ratio would be 2.3x and 1.8x as at 30 September 2021 and 31 December 2020 respectively.*

As at 30 September 2021, the Stapled Group has a gearing of 40.1% and its all-in weighted average cost of debt remained stable at approximately 1.9%. CDLHT's liquidity remains robust with cash reserves of about S$130.0 million and approximately S$231.4 million of committed unsecured revolving credit facilities available for drawdown. Additionally, CDLHT has another S$368.6 million in short-term uncommitted bridge loan facilities available for acquisitions.

With a healthy balance sheet and liquidity position, CDLHT will continue to pursue suitable acquisitions to diversify and augment its income streams. CDLHT will also continue to evaluate divestment opportunities as they arise to unlock underlying asset values and/or 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$2.9 billion as at 30 September 2021. 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's principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. As at 30 September 2021, CDLHT's portfolio comprises 18 operational properties (including a total of 4,631 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the 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 (the "**W Hotel**" and 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 Perth (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 the United Kingdom comprising Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester (collectively, the "**UK Hotels**") and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (the "**UK BTR**");
(vi) one hotel in Germany's gateway city of Munich, namely Pullman Hotel Munich (the "**Germany Hotel**");
(vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the "**Italy Hotel**" or "**Hotel Cerretani Firenze**"); and
(viii) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the "**Maldives Resorts**").

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)

29 October 2021

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)

29 October 2021

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. Representatives 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.*

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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.