CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **28 JAN 2022**

CDL HOSPITALITY TRUSTS REPORTS TOTAL DISTRIBUTION OF S$37.6 MILLION FOR 2H 2021

- **Total distribution per Stapled Security of 3.06 cents for 2H 2021 and 4.27 cents for FY 2021**
- **Recovery of lodging demand was observed in 2H 2021 following the relaxation of travel restrictions and broader distribution of vaccines**
- **Positive momentum in room demand and rate growth observed in some portfolio markets**
- **2H 2021 NPI increased by 24.1% year-on-year to S$49.1 million, despite the absence of contribution from Novotel Singapore Clarke Quay and Novotel Brisbane which were divested on 15 July and 30 October 2020 respectively**

Singapore, 28 January 2022 **–** CDL Hospitality Trusts ("**CDLHT**" or the "**Group**"), 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, today announced its results for the six months ("**2H 2021**") and full year ("**FY 2021**") ended 31 December 2021.

Financial Highlights:

	1 Jul 2021 to 31 Dec 2021 S$'000 ("2H 2021")	1 Jul 2020 to 31 Dec 2020 S$'000 ("2H 2020")	Increase/ (Decrease) (%)	1 Jan 2021 to 31 Dec 2021 S$'000 ("FY 2021")	1 Jan 2020 to 31 Dec 2020 S$'000 ("FY 2020")	Increase/ (Decrease) (%)
Revenue	91,499	65,499	39.7	157,724	117,558	34.2
Net property income ("NPI")	49,133	39,604	24.1	86,110	69,325	24.2
Income to be distributed to Stapled Securityholders (after retention)	22,205	22,056	0.7	37,165	40,408	(8.0)
Capital distribution[1]	15,398	20,000	(23.0)	15,398	20,000	(23.0)
Total distribution to Stapled Securityholders (after retention)	37,603	42,056	(10.6)	52,563	60,408	(13.0)
Total distribution per Stapled Security (after retention)[2] ("DPS")(cents)	3.06	3.44	(11.0)	4.27	4.95	(13.7)

[1] Includes capital distribution from UK Hotels of S$2.9 million and partial distribution of proceeds from the sale of Novotel Singapore Clarke Quay ("**NCQ**") (S$2.9 million) and Novotel Brisbane (S$9.6 million) amounting to S$12.5 million (partial distribution of proceeds from the sale of NCQ amounting to S$20.0 million for 2H 2020 and FY 2020).
[2] This includes capital distribution.

Six months period ended 31 December 2021

While the ongoing pandemic continues to affect the hospitality industry, recovery of lodging demand was observed in 2H 2021 following the relaxation of travel restrictions and broader distribution of vaccines. The pace of recovery varied across the regions and the Group saw positive momentum in room demand and rate growth in some portfolio markets. For its Singapore and New Zealand Hotels, performance continued to be supported by government demand for isolation facilities for most of the period.

For 2H 2021, NPI increased by 24.1% (or S$9.5 million) year-on-year ("**yoy**") to S$49.1 million in tandem with the 39.7% (or S$26.0 million) yoy increase in gross revenue to S$91.5 million for 2H 2021. The improvement in NPI was attributed to the UK, Maldives, Germany, New Zealand and Japan properties, which increased collectively by S$14.8 million yoy. This was however offset by lower NPI from its remaining properties, which declined by S$5.3 million yoy for 2H 2021, out of which S$2.2 million was due to the divestment of NCQ and Novotel Brisbane on 15 July and 30 October 2020 respectively.

Interest costs for 2H 2021 increased marginally by 2.0% or S$0.2 million yoy, due to higher borrowings.

Total distribution to Stapled Securityholders (after retention for working capital) for 2H 2021 was S$37.6 million (including S$15.4 million of capital distribution) and DPS was 3.06 cents, a decrease of 10.6% and 11.0% yoy respectively.

Twelve months period ended 31 December 2021

On the back of accelerated vaccine distribution and the gradual relaxation of travel restrictions imposed by governments, the portfolio markets have experienced varying levels of recovery. Higher NPI contributions were recorded for all of the markets, except for the Singapore and Australia properties which declined by S$10.2 million or 20.0% yoy. Despite the full year contribution from W Hotel (acquired on 16 July 2020), which reported an increase of NPI of S$0.5 million yoy, this was more than offset by the absence of contribution from the divestments of NCQ and Novotel Brisbane totalling S$9.3 million in FY 2020[3]. Overall, NPI for the full year increased by S$16.8 million or 24.2% yoy. On a same store basis (stripping out W Hotel and the two divested hotels), the organic NPI growth was S$25.6 million or 47.5% yoy, from a relatively low base reported in FY 2020 when the pandemic started.

The Group's interest costs for FY 2021 was 4.3% or S$0.9 million lower yoy, as a result of lower funding costs on its floating rate loans.

Total distribution to Stapled Securityholders (after retention for working capital) for FY 2021 was S$52.6 million (including S$15.4 million of capital distribution) and DPS was 4.27 cents, a decrease of 13.0% and 13.7% yoy respectively.

As at 31 December 2021, CDLHT's total investment properties and property, plant and equipment value (excluding Rights-of-use assets) increased by 2.1% or S$54.5 million yoy to S$2.65 billion, partly attributed to the inclusion of The Castings during the year. On the same store basis (stripping out The Castings), the total investment properties and property, plant and equipment value (excluding Rights-of-use assets) would have increased by 1.0% or S$26.8 million yoy. These revaluation gains do not have any impact on the distribution.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "While the ongoing pandemic continues to hamper the hospitality industry, most of our portfolio reflected improving underlying performances. However, the absence of contribution from two divested assets diluted our overall result."

[3] NCQ and Novotel Brisbane were divested on 15 July and 30 October 2020 respectively.

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As at 31 December 2021, CDLHT has a gearing of 39.1% and debt headroom of S$613.8 million (at 50% gearing limit), with cash reserves of S$139.5 million and S$632.6 million[4] of credit facilities.

Portfolio Update

<u>Singapore</u>

The combined weighted average statistics for CDLHT's Singapore Hotels are as follows:

5 SG Hotels[5]	2H 2021	2H 2020	Increase/ (Decrease)	FY 2021	FY 2020	Increase/ (Decrease)
Average Occupancy Rate	77.9%	89.6%	*(11.7)pp*	75.7%	79.6%	*(3.9)pp*
Average Daily Rate	S$92	S$73	*25.8%*	S$87	S$88	*(1.1)%*
Revenue per Available Room ("RevPAR")	S$71	S$65	*9.3%*	S$66	S$70	*(6.0)%*

6 SG Hotels[6] (including W Hotel)	2H 2021	2H 2020	Increase/ (Decrease)	FY 2021	FY 2020	Increase/ (Decrease)
Average Occupancy Rate	75.3%	86.1%	*(10.8)pp*	72.8%	76.0%	*(3.2)pp*
Average Daily Rate	S$121	S$96	*26.8%*	S$112	S$106	*5.5%*
Revenue per Available Room ("RevPAR")	S$91	S$82	*11.0%*	S$82	S$81	*1.0%*

Total arrivals to Singapore grew to 211,303 visitors for the July to December 2021 period, with the highest increases materialising in November and December 2021[7] as a result of the Vaccinated Travel Lane ("**VTL**") arrangements. With the absence of major MICE events, large-scale wedding banquets and social functions, room occupancies for the Singapore Hotels largely remained supported by demand for dedicated isolation facilities, staycation and long stay project groups. The Singapore Hotels reported a rate-driven RevPAR growth of 11.0%[8] yoy for 2H 2021 due to the strong staycation demand in Singapore during the year-end festive season. Overall, NPI from the Singapore Hotels improved marginally by 0.3% yoy for 2H 2021.

Singapore has achieved one of the world's highest vaccination rates, with 88% of its total population fully inoculated and booster shots administered to about 55%[9]. While the pace of relaxation of mobility curbs may have slowed in recent months, Singapore remains on track in its strategy to live with COVID-19 as endemic[10].

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[4] Includes committed revolving credit facilities amounting to approximately S$232.6 million.
[5] Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Studio M Hotel (collectively, the "**5 Singapore Hotels**"). Excludes NCQ which was divested on 15 July 2020.
[6] Comprises the 5 Singapore Hotels and W Hotel (collectively, the "**6 Singapore Hotels**"). Assumes CDLHT owns W Hotel from 1 January 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.
[7] Singapore Tourism Board ("**STB**") statistics
[8] Assumes CDLHT owns W Hotel from 1 January 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.
[9] Ministry of Health, Singapore
[10] The Straits Times, "All eyes on S'pore's reopening progress and VTL expansion for 2022 economic outlook", 3 January 2022

Making progress towards the resumption of international travel, Singapore has launched a total of 24 VTLs with three others deferred until further notice[11]. Although new ticket sales for VTL flights and buses were temporarily suspended from 23 December 2021 to 20 January 2022 amidst Omicron concerns[12], ticket sales have since resumed at reduced quotas.

In one of the strongest signals that Singapore remains committed to reopening and returning to normalcy, the STB has announced a new seven-year deal to continue hosting the Formula One race here, with the upcoming race scheduled for 2 October 2022. The agreement, which is the longest renewal with the Formula One Group, is intended to help reposition Singapore again as a business and lifestyle destination and ensure the country maintains its competitive edge in the long term[13].

In the near term, Singapore's tourism sector will continue to be supported primarily by the domestic tourism business. Two of CDLHT's six Singapore Hotels continue to operate as facilities used for isolation purposes. The other four Singapore Hotels that are trading to the public will continue to focus on capturing a greater share of the staycation market.

Overseas Markets

In New Zealand, entry to the country remains strictly controlled as the country's phased border re-opening plans, which were scheduled to commence from January 2022, have been delayed until the end of February 2022 over concerns of the rapid global spread of the Omicron variant[14]. Grand Millennium Auckland continued to serve as a managed isolation facility throughout 2H 2021, with NPI improvement of 8.2% yoy for 2H 2021 driven by higher room utilisation. Grand Millennium Auckland continues to be contracted for such purpose and this arrangement is expected to continue through 2Q 2022.

The contribution from the Perth Hotels was based on actual trading performance for 2H 2021 following the expiry of the fixed-rent leases from end April 2021. The Perth Hotels traded at relatively low occupancies due to restrictions imposed on interstate travel into Western Australia ("**WA**") since July 2021. Coupled with the absence of contribution from Novotel Brisbane, the Australia portfolio recorded NPI decline of S$4.4 million for 2H 2021 yoy. Looking ahead, the reopening of WA's domestic and interstate borders has been delayed indefinitely or at least until the percentage of triple dose vaccinations reaches 80%[15]. Ahead of the easing of WA's border restrictions, CDLHT's Perth Hotels will continue to rely on domestic business and occupancy is expected to remain low.

In Japan, following the lifting of the state of emergency in Tokyo from early October 2021, trading volume steadily improved, bringing occupancy levels to 68.9% in 4Q 2021 against 59.5% in 3Q 2021. Coupled with the non-athlete related group demand brought about by the Tokyo 2020 Olympic Games from late July to early September 2021, the Japan Hotels recorded an occupancy-driven RevPAR growth of 27.2% yoy to ¥2,909 for 2H 2021 coming off a low base of ¥2,287 for 2H 2020. Strict border restrictions remain in place after the easing of border restrictions was reversed in November 2021, following the emergence of the Omicron variant[16]. Prior to the reopening of Japan's international borders, the hospitality sector will continue to be supported by domestic travel, subject to the restriction measures in place.

In the Maldives, the borders to South Asian countries reopened from 15 July 2021 after a two-month suspension and a total of 811,383 tourists arrived in 2H 2021, representing 96.6% of pre-pandemic levels of the same corresponding period in 2019[17]. Angsana Velavaru recorded strong volume-driven RevPAR

[11] Immigration & Checkpoints Authority, Singapore
[12] CNA, "Singapore freezes new ticket sales for VTL flights and buses from Dec 23 to Jan 20 amid Omicron concerns", 22 December 2021
[13] The Straits Times, "Singapore renews Formula One deal until 2028; this year's night race to be held on Oct 2", 27 January 2022
[14] Reuters, "New Zealand delays border re-opening over Omicron concerns", 21 December 2021
[15] CNA, "Western Australia stays shut as COVID-19 deaths rise in rest of country", 21 January 2022
[16] CNA, "Japan to stick to strict COVID-19 border measures and push for higher wages: PM Kishida", 21 December 2021
[17] Ministry of Tourism, Republic of Maldives

growth, having successfully captured Maldives' top source markets namely Russia and India. While Raffles Maldives Meradhoo was briefly closed for three months in 2H 2020 (July to September 2020), the resort remained operational in 2021 except for a six-week closure from June till 16 July 2021 for maintenance works. Collectively, the Maldives' resorts achieved a robust RevPAR recovery coming off a low base of US$75 for 2H 2020 to US$280 for 2H 2021. In celebration of the country's golden jubilee year of tourism in 2022, over 60 in-person events, including fairs and roadshows, are scheduled to promote tourism into the Maldives[18].

For the UK Hotels, the pent-up demand from the domestic leisure segment was a key demand driver since the easing of all remaining travel restrictions from mid-July 2021[19]. Beyond leisure demand, business performance at Hilton Cambridge City Centre was supported by its base crew business, one-off corporate groups and long-staying defence business. Additionally, at The Lowry Hotel, the return of spectator-filled football and other events created overall compression allowing the hotel to yield room rates. Collectively, the UK Hotels achieved a strong RevPAR recovery coming off a low base of £42 for 2H 2020 to £113 for 2H 2021. Prior to the emergence of the Omicron variant, inbound arrivals were forecast to increase to 24.0 million and spending to increase to £19.2 billion for 2022, representing 59% and 67% of the visits and spend levels seen in 2019, respectively[20]. The spread of the Omicron variant is expected to curtail demand during 1Q 2022.

In Europe, the implementation of the European Covid Digital Certificate[21] helped to facilitate inter-regional travel for EU citizens and residents, supporting the steady recovery of intra-Europe travel. This benefitted Pullman Hotel Munich, which reported an improvement in RevPAR from €18 for 2H 2020 to €42 for 2H 2021. While Hotel Cerretani Firenze – MGallery was closed for three and a half months in 2H 2020, it was operational for the entire 2H 2021. As such, the Italy Hotel recorded an improvement in RevPAR from €13 for 2H 2020 to €64 for 2H 2021. Both country's borders remain largely open to international travellers, subject to vaccination requirements[22,23]. While demand in 1Q 2022 will be affected due to the emergence of the Omicron variant, the respective domestic markets are expected to lead the recovery ahead of the progressive return of large-scale events, which will be subject to the easing of restrictions.

Mr Yeo concluded: "Prior to the emergence of the Omicron variant, there were encouraging signs of recovery across our key markets with the progressive easing of restrictions. While there are still short term uncertainties, the path towards an eventual recovery is being laid out by rising vaccination levels worldwide. We continue to look beyond the near term impact and take a long-term view to position our portfolio to optimize the recovery trajectory upon the reopening of borders and return of travel confidence globally."

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18 Visit Maldives, "The Maldives has welcomed 1.3 millionth tourist for the year 2021, despite the many challenges faced this year due to the COVID-19 pandemic", 27 December 2021
19 CNBC, "England takes leap into the unknown, lifting Covid rules as cases surge", 19 July 2021
20 VisitBritain, "2022 tourism forecast", 29 November 2021
21 European Commission, EU Digital COVID Certificate
22 Federal Ministry of the Interior and Community, Germany
23 Ministry of Health, Italy

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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 31 December 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 31 December 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 (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore – Sentosa Cove) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
(ii) two hotels in Perth, Australia (Mercure Perth and Ibis Perth);
(iii) two hotels in Japan's gateway city of Tokyo (Hotel MyStays Asakusabashi and Hotel MyStays Kamata);
(iv) one hotel in New Zealand's gateway city of Auckland (Grand Millennium Auckland);
(v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (UK BTR);
(vi) one hotel in Germany's gateway city of Munich (Pullman Hotel Munich);
(vii) one hotel in the historic city centre of Florence, Italy, (Hotel Cerretani Firenze - MGallery); and
(viii) two resorts in Maldives (Angsana Velavaru and Raffles Maldives Meradhoo).