CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **27 JAN 2025**

CDL HOSPITALITY TRUSTS REPORTS TOTAL DISTRIBUTION OF S$35.4 MILLION FOR 2H 2024

- **RevPAR growth for 2H 2024 and FY 2024 was recorded across most portfolio markets**
- **Total distribution per Stapled Security of 2.81 cents and 5.32 cents for 2H 2024 and FY 2024 respectively**
- **Total Portfolio Value increased by 4.6% yoy to S$3.3 billion as at 31 December 2024**
- **2H 2024 saw the opening of The Castings (residential Build-to-Rent property) in Manchester, the acquisition of Hotel Indigo Exeter in Exeter and maiden foray into student accommodation with Benson Yard in Liverpool**
- **Inorganic contributions from The Castings, Hotel Indigo Exeter and Benson Yard to support earnings growth in FY 2025**

Singapore, 27 January 2025 – 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 2024**") and full year ("**FY 2024**") ended 31 December 2024.

Financial Highlights:

	1 Jul 2024 to 31 Dec 2024 S$'000 ("2H 2024")	1 Jul 2023 to 31 Dec 2023 S$'000 ("2H 2023")	Increase/ (Decrease) (%)	1 Jan 2024 to 31 Dec 2024 S$'000 ("FY 2024")	1 Jan 2023 to 31 Dec 2023 S$'000 ("FY 2023")	Increase/ (Decrease) (%)
Revenue	132,911	138,334	(3.9)	260,259	257,556	1.0
Net property income ("NPI")	68,690	75,450	(9.0)	135,223	138,304	(2.2)
Total distribution to Stapled Securityholders (after retention)[1]	35,425	39,768	(10.9)	66,850	70,970	(5.8)
Total distribution per Stapled Security (after retention)[1] ("DPS")(cents)	2.81	3.19	(11.9)	5.32	5.70	(6.7)

Six months period ended 31 December 2024

For 2H 2024, gross revenue decreased by 3.9% (or S$5.4 million) year-on-year ("**yoy**") to S$132.9 million as demand in some markets continued to normalise after a period of extraordinary post-pandemic growth. RevPAR growth was recorded in most of the portfolio markets with the exception of Singapore and New Zealand. NPI decreased 9.0% (or S$6.8 million) to S$68.7 million.

Total distribution to Stapled Securityholders (after retention for working capital) for 2H 2024 was S$35.4 million and DPS was 2.81 cents, representing a decrease of 10.9% and 11.9% yoy respectively.

[1] Includes capital distribution from overseas properties arising from operating cashflows.

Distribution was weighed down by The Castings (residential BTR in Manchester) as its NPI contribution was insufficient to cover its interest costs during the gestation period. Distribution was also impacted by higher interest costs and lower NPI for the rest of the portfolio as well as the absence of a one-off capital distribution of S$0.9 million arising from the liquidation proceeds of an Australian subsidiary (recognised in 2H 2023). Excluding this one-off liquidation proceeds, total distribution and DPS would have declined by 8.9% and 9.9% yoy respectively.

Twelve months period ended 31 December 2024

For the full year, RevPAR growth was recorded across most portfolio markets (except Singapore and New Zealand), similar to the trend observed in the second half of 2024. Gross revenue saw a modest increase of 1.0% (or S$2.7 million), while NPI decreased by 2.2% to S$135.2 million. Half of the markets reported NPI growth, while the other half experienced a yoy decline.

Interest costs for FY 2024 increased mainly due to higher funding costs on the Group's floating rate loans, refinancing of fixed rate loans and amounts drawn to finance the Group's UK BTR development project (capitalised prior to completion in June 2024) and asset enhancement works.

As The Castings underwent gestation since its mid-July 2024 opening, its NPI contribution was insufficient to offset one-off pre-opening expenses of S$1.1 million for FY 2024 (FY 2023: S$0.2 million) and associated interest costs. Additionally, lower overall NPI and higher interest costs across the portfolio led to a 5.8% yoy decline in total distribution, which totalled S$66.9 million for FY 2024 (after deducting income retained for working capital). The decrease was partly due to the absence of the one-off S$0.9 million liquidation proceeds from an Australian subsidiary in FY 2023. Excluding this item, the reduction in total distribution would have been 4.6% yoy.

DPS (after deducting income retained for working capital) for FY 2024 was 5.32 cents, down 6.7% yoy. Excluding the one-off liquidation proceeds in FY 2023, the yoy reduction in DPS would have been 5.5%.

As at 31 December 2024, CDLHT's investment properties and property, plant and equipment value ("**Total Portfolio Value**") increased by 4.6% or S$146.3 million yoy to S$3.3 billion. On a same store basis, excluding Hotel Indigo Exeter and Benson Yard, the Total Portfolio Value would have increased by 1.3% or S$42.2 million yoy. Any gains/losses arising from revaluations of the properties do not have any impact on the distribution to Stapled Securityholders.

In 2024, the Managers had undertaken asset enhancement initiatives to improve the hotels' competitive standing in their respective markets. The Grand Millennium Auckland completed its ballroom renovation in April 2024 and its first phase of rooms refurbishment in November 2024, with the final phase of rooms refurbishment to start in April 2025 to mitigate peak season disruptions. The refreshed product will be well-positioned to capture the rise in demand associated with the opening of the New Zealand International Convention Centre ("**NZ ICC**") in 2H 2025. The NZ ICC is expected to generate activity for Auckland's MICE segment, benefitting the hotel which is in close proximity. Ibis Perth will have been fully renovated by end February 2025 and boast a more contemporary and refreshed look. The rejuvenated hotel will be well-placed to attract higher-rated business and can fully capitalise on its excellent central location. Also, W Hotel is scheduled to commence a comprehensive renovation of all its rooms in mid-February 2025, with completion slated for end November. This will be undertaken in phases to minimise disruption, particularly during the peak demand periods, and will further strengthen the hotel's competitive position in the luxury lifestyle segment.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "We have had a busy fourth quarter with the successful completion of two acquisitions. The acquisition of Hotel Indigo Exeter presents a compelling opportunity to acquire a hotel with top-tier design and build specifications at a significant discount to current replacement cost. The Benson Yard student accommodation acquisition continues our expanded investment strategy, to also focus on longer-stay living assets to drive long-term growth through enhanced income resilience. Along with The Castings, which opened in July 2024, these living assets will contribute to a more diversified and balanced income profile. These three assets will be new contributors to earnings growth in 2025."

As at 31 December 2024, CDLHT has a gearing of 40.7% and debt headroom of S$610.1 million (at 50% gearing limit), with S$231.2 million of cash and undrawn revolving credit facilities and S$294.8 million in uncommitted bridge loan facilities.

Portfolio Update

Singapore

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

	2H 2024	2H 2023	Better/ (Worse)	FY 2024	FY 2023	Better/ (Worse)
Average Occupancy Rate	79.1%	83.1%	*(4.0)pp*	78.7%	76.2%	*2.5pp*
Average Daily Rate ("ADR")	S$246	S$261	*(5.5)%*	S$246	S$260	*(5.3)%*
Revenue per Available Room ("RevPAR")	S$195	S$217	*(10.1)%*	S$194	S$198	*(2.1)%*

The Singapore Hotels registered a 10.1% yoy decline in RevPAR for 2H 2024 as the post-pandemic pent-up demand continued to normalise but finished 10.1% above 2H 2019's RevPAR. W Hotel was challenged by the lingering effects of the June 2024 oil spill and weaker demand, partially arising from a non-repeating buyout group that outgrew the size of the hotel, while the city hotels faced increased competition from new hotel supply. Collectively, NPI for the Singapore Hotels declined by 8.3% yoy for 2H 2024.

Singapore recorded 15.1 million visitor arrivals for YTD November 2024[2], surpassing the lower bound of Singapore Tourism Board's projection of 15 million to 16.5 million arrivals[3] for 2024. The top three source markets – China, Indonesia and India have not fully recovered to pre-pandemic levels, collectively reaching 83.5% of 2019's levels, suggesting room for potential upside which could support the sector's recovery through 2025 and beyond.

Claymore Connect posted a 9.7% (or S$0.3 million) growth in NPI for 2H 2024, resulting from stable mall occupancy as well as higher rental rates due to annual rent escalation within existing leases. As of 31 December 2024, the mall's committed occupancy rate was at 97.6%.

Though 1Q 2025 is expected to be more muted due to the absence of high-profile concerts, the Singapore Airshow and the shift of Ramadan to 1Q 2025 (was partially in April 2024), Singapore's diverse suite of world-class attractions will continue to drive demand. Minion Land at Universal Studios Singapore, the first in Southeast Asia, is set to open on 14 February 2025, followed by the launch of a three times larger Singapore Oceanarium in 1H 2025. Additionally, the Disney Adventure, Walt Disney's first Asia-based cruise ship and its largest, with a capacity of 6,700 passengers, will begin sailing from Singapore in December 2025, providing another compelling reason for visitors to come to Singapore.

[2] Singapore Tourism Analytics Network
[3] The Business Times, "Singapore tourism receipts up 5.9% in Q2 on year, in line with arrivals", 21 Oct 2024

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Overseas Markets

Grand Millennium Auckland recorded a RevPAR decline of 10.7% yoy for 2H 2024 as the period coincided with rooms renovation resulting in reduced rooms inventory (20.4% of room nights). Furthermore, there was an absence of nine FIFA Women's World Cup games which were played in 2023. In addition, higher property charges, as well as the effect of accounting base rent on a straight-line basis (instead of the actual base rent which has stepped up yoy) accentuated the shortfall. These effects were exacerbated by a weaker New Zealand Dollar, leading to a NPI decline of S$1.5 million for 2H 2024 yoy. Excluding the accounting straight-lining effect, NPI would have declined by S$1.0 million yoy for 2H 2024.

The Perth Hotels achieved a collective RevPAR growth of 5.6% yoy in 2H 2024, largely driven by ADR growth from both hotels. A healthier sporting and event calendar in 4Q 2024 helped to partially mitigate the impact of rooms renovation at Ibis Perth, which took place throughout 2H 2024 and displaced 22.9% of its room inventory. An aircrew contract that commenced in late October 2024 will provide a good base in the slower months. Despite positive top-line performance, the Perth Hotels posted an NPI decline of 12.8% yoy for 2H 2024 due to higher operating expenses such as payroll and utilities.

It was a strong showing for the Japan Hotels, posting a noteworthy RevPAR increase of 16.9% and 20.8% yoy for 2H 2024 and FY 2024 respectively. This was the highest full year ADR and RevPAR on record, coming in at ¥11,537 and ¥10,681 respectively. There was robust inbound travel demand as the country logged more than 36.9 million tourist arrivals, exceeding 2019's record of 31.9 million[4]. Visitor numbers are set to grow as the Japanese government targets doubling arrivals to 60 million annually by 2030[5]. NPI for 2H 2024 grew by 9.3% yoy, taking into account the depreciation of JPY against SGD.

Performance for the Maldives Resorts in 2H 2024 was mixed. Angsana Velavaru had RevPAR growth and despite improvement in operating performance, it recognised a weaker NPI due to a larger rental true-up adjustment recorded this year. In contrast, Raffles Maldives Meradhoo's RevPAR declined because of a two-week closure of a nearby domestic airport in 4Q 2024 and competition from luxury product supply growth. Collectively, NPI fell S$1.5 million yoy for 2H 2024. Near-term performance may be challenged by supply growth, the strong currency and the hiking of visitor taxes.

For the UK Hotels, Hilton Cambridge City Centre and The Lowry Hotel recorded a collective RevPAR growth of 3.2% yoy for 2H 2024. Hilton Cambridge City Centre benefitted from continued recovery in corporate travel, while The Lowry Hotel had uplift from the MTV European Music Awards in November 2024. Higher payroll costs led to a marginal decrease of 2.4% yoy in NPI for 2H 2024, which was mitigated by a higher inflationary adjusted fixed lease income from voco Manchester - City Centre, as well as a small inorganic contribution from the newly acquired, Hotel Indigo Exeter. Despite uncertainties in the UK economy, high-profile events, such as the Women's Rugby World Cup, which will have games in Exeter and Manchester over August and September 2025, could benefit the UK Hotels.

For the living assets segment, The Castings (BTR in Manchester) achieved a physical occupancy of 59.1% as at 31 December 2024, driven by a strong summer leasing season. Gross revenue of S$1.8 million and NPI of S$0.3 million for 2H 2024 were recorded since its opening on 16 July 2024. With leasing momentum expected to pick up in spring, the property is expected to stabilise by around 3Q 2025.

Benson Yard, CDLHT's maiden PBSA asset in Liverpool, recorded a committed occupancy of 95.5% for Academic Year 2024/2025 as at 31 December 2024. The asset was acquired on 19 December 2024 and contributed a gross revenue of S$0.2 million and NPI of S$0.1 million for 2H 2024. Leasing for the Academic Year 2025/2026 began a few months ago and is currently ahead of the previous academic year's pacing.

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[4] Japan Tourism Statistics
[5] AFP, "Record 36.8 million tourists visited Japan in 2024 in return to pre-Covid-19 boom", 15 Jan 2025

The Germany Hotel registered a 14.6% yoy increase in RevPAR for 2H 2024 boosted by a packed sporting and concert calendar. NPI declined marginally by 2.2% yoy partly due to a weaker EUR against SGD and the effect of accounting base rent on a straight-line basis. Remarkably, the hotel's RevPAR for FY 2024 of €110 was the highest since acquisition in 2017. Demand is expected to be sustained into 2025 given a vibrant event calendar in the city.

In Italy, Hotel Cerretani Firenze recorded marginal RevPAR growth of 0.4% yoy, though NPI declined 10.2% yoy for 2H 2024. Overall performance was impacted by increased utility costs and more significantly, the accounting requirement to recognise base rent on a straight-line basis despite of the actual step up base rent received. Demand will be sustained at a more normalised level following an exceptional period of growth.

Other Highlights

CDLHT has made great strides in the quality of engagement with shareholders, improving 22 places to place second in the Singapore Governance and Transparency Index 2024 – REIT and Business Trust Category. It was also the joint winner of the prestigious Shareholder Communications Excellence Award (REITs & Business Trusts Category) at the Securities Investors Association (Singapore) Investors' Choice Awards 2024.

As part of CDLHT's ongoing commitment to sustainability, both the Pullman Munich Hotel and Hotel Cerretani Firenze were accredited a 'Good' rating under the BREEAM certification this year, reflecting positive progress in the continued greening of the portfolio.

Mr Yeo concluded, "While the market is adjusting to new demand normalisation, the competitive landscape in Singapore has also heightened with new hotels emerging. However, we remain optimistic about the prospects for the Singapore market in the medium term, particularly with new tourism attractions on the horizon. Our new acquisitions will augment our income streams in 2025 while the increased exposure in the living asset class will also enhance the stability of the portfolio income.

For existing assets, strategic asset enhancement initiatives will continue to be selectively undertaken to invigorate organic growth and fortify the competitive positioning of the portfolio. In 2024, we have faced income disruption for our Australasian portfolio due to the ongoing refurbishments but we will reap the benefits in the coming years.

The high interest rates experienced in FY 2024 has weighed heavily on our earnings. Hence, the potential easing of interest rates, particularly in Europe, will be beneficial for us."

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For media and investor queries, please contact:

Mandy Koo
Head, Investments & Investor Relations
Tel: +65 6664 8887
Email: mandykoo@cdlht.com

Tan Jo Lynn
Assistant Vice President, Investor Relations
Tel: +65 6664 8890
Email: tanjolynn@cdlht.com

About CDL Hospitality Trusts

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$3.5 billion as at 31 December 2024. 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 2024, CDLHT's portfolio comprises 22 properties (total of 4,924 hotel rooms, 352 Build-to-Rent apartment units, 404 Purpose-Built Student Accommodation units and a retail mall). 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) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland (the "**New Zealand Hotel**");

(iii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the "**Perth Hotels**");

(iv) two hotels in Japan's gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the "**Japan Hotels**");

(v) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the "**Maldives Resorts**");

(vi) four hotels in the United Kingdom comprising Hotel Indigo Exeter in Exeter; Hilton Cambridge City Centre in Cambridge; The Lowry Hotel and voco Manchester – City Centre in Manchester (collectively, the "**UK Hotels**");

(vii) two living assets in the United Kingdom, comprising a residential Build-to-Rent property - The Castings - in Manchester (the "**UK BTR**"), and a Purpose-Built Student Accommodation - Benson Yard - in Liverpool (the "**UK PBSA**");

(i) one hotel in Germany's gateway city of Munich, namely Pullman Hotel Munich (the "**Germany Hotel**"); and

(ii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the **"Italy Hotel**" or **"Hotel Cerretani Firenze**").