CDL HOSPITALITY TRUSTS

CDL HOSPITALITY TRUSTS
SECOND HALF AND FULL YEAR 2023 SUMMARY OF GROUP PERFORMANCE

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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
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$3.3 billion as at 31 December 2023. 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 (collectively the "**Group**"). 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 2023, CDLHT's portfolio comprises 19 operational properties (total of 4,820 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) 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) three hotels in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and Hotel Brooklyn 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**");
(vii) one hotel in Germany's gateway city of Munich, namely Pullman Hotel Munich (the "**Germany Hotel**"); and
(viii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the "**Italy Hotel**" or "**Hotel Cerretani Firenze**").

HBT Group owns Hilton Cambridge City Centre (the "**Hilton Hotel**") and The Lowry Hotel and is also the master lessee of H-REIT Group's Perth Hotels, Japan Hotels, Raffles Maldives Meradhoo, and W Hotel. It is also undertaking a residential Build-to-Rent project in Manchester, United Kingdom. HBT Group will continue its function as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

CDLHT's distribution policy is to distribute at least 90.0% of its taxable income and of its tax-exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager's and HBT Trustee-Manager's discretion. CDLHT makes distributions to stapled securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions, when paid, will be in Singapore dollars.

CDL HOSPITALITY TRUSTS ("CDLHT")
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES ("H-REIT Group")
CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES ("HBT Group")

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2023

SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS

	1 Jul 2023 to 31 Dec 2023 ("2H 2023") S$'000	1 Jul 2022 to 31 Dec 2022 ("2H 2022") S$'000	Increase/ (Decrease) %	1 Jan 2023 to 31 Dec 2023 ("FY 2023") S$'000	1 Jan 2022 to 31 Dec 2022 ("FY 2022") S$'000	Increase/ (Decrease) %
Revenue	138,334	130,711	5.8	257,556	229,356	12.3
Net property income	75,450	72,753	3.7	138,304	123,719	11.8
Total return before revaluation and fair value adjustments on properties	8,133	42,295	(80.8)	16,050	71,880	(77.7)
Income available for distribution to Stapled Securityholders (before retention)	33,648	43,731	(23.1)	64,734	70,379	(8.0)
Less:						
Income retained for working capital	(3,364)	(4,373)	(23.1)	(6,473)	(7,038)	(8.0)
Income to be distributed to Stapled Securityholders (after retention)	30,284	39,358	(23.1)	58,261	63,341	(8.0)
Capital distribution[1]	9,484	5,154	84.0	12,709	6,372	99.5
Total distribution to Stapled Securityholders (after retention)	39,768	44,512	(10.7)	70,970	69,713	1.8
Total distribution per Stapled Security (before retention) (cents)						
For the year	3.46	3.95	(12.4)	6.22	6.21	0.2
Total distribution per Stapled Security (after retention) (cents)						
For the year	3.19	3.59	(11.1)	5.70	5.63	1.2

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

CDL HOSPITALITY TRUSTS ("CDLHT")
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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2023

1 (a) Consolidated Statements of Total Return of H-REIT Group and CDL Hospitality Trusts and Consolidated Statements of Comprehensive Income of HBT Group with a comparative statement for the corresponding period of the immediately preceding financial year

	Foot-note	H-REIT Group			HBT Group [b]			CDL Hospitality Trusts		
		2H 2023 S$'000	2H 2022 S$'000	Increase/ (Decrease) %	2H 2023 S$'000	2H 2022 S$'000	Increase/ (Decrease) %	2H 2023 S$'000	2H 2022 S$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		79,169	75,936	4.3	-	-	-	63,950	57,861	10.5
Hotel revenue		-	-	-	74,384	72,850	2.1	74,384	72,850	2.1
	(a)	79,169	75,936	4.3	74,384	72,850	2.1	138,334	130,711	5.8
Property expenses										
Operation and maintenance expenses		-	-	-	(16,054)	(16,190)	(0.8)	(16,054)	(16,190)	(0.8)
Employee benefit expenses		-	-	-	(23,469)	(21,850)	7.4	(23,469)	(21,850)	7.4
Rental expenses	(c)	-	-	-	(9,341)	(11,997)	(22.1)	(46)	(58)	(20.7)
Property tax	(d)	(4,802)	(2,183)	N.M	(597)	(939)	(36.4)	(5,399)	(3,122)	72.9
Other property expenses	(e)	(5,526)	(4,137)	33.6	(14,560)	(12,601)	15.5	(17,916)	(16,738)	7.0
		(10,328)	(6,320)	63.4	(64,021)	(63,577)	0.7	(62,884)	(57,958)	8.5
Net property income		68,841	69,616	(1.1)	10,363	9,273	11.8	75,450	72,753	3.7
H-REIT Manager's management fees		(6,593)	(6,399)	3.0	-	-	-	(6,593)	(6,399)	3.0
H-REIT Trustee's fees		(208)	(191)	8.9	-	-	-	(208)	(191)	8.9
HBT Trustee-Manager's management fees		-	-	-	(653)	(533)	22.5	(653)	(533)	22.5
HBT Trustee-Manager's trustee fees		-	-	-	(163)	(137)	19.0	(163)	(137)	19.0
Valuation fee		(122)	(66)	84.8	(33)	(19)	73.7	(155)	(85)	82.4
Depreciation	(f)	(1,083)	(713)	51.9	(7,867)	(7,830)	0.5	(10,709)	(9,623)	11.3
Other expenses	(g)	(1,858)	(2,194)	(15.3)	(1,358)	(298)	N.M	(3,210)	(2,491)	28.9
Finance income		4,976	16,140	(69.2)	3,629	4,113	(11.8)	3,291	13,452	(75.5)
Finance costs		(32,400)	(17,294)	87.3	(6,794)	(4,242)	60.2	(35,130)	(18,391)	91.0
Net finance costs	(h)	(27,424)	(1,154)	N.M	(3,165)	(129)	N.M	(31,839)	(4,939)	N.M
Net income/(loss) before fair value adjustment		31,553	58,899	(46.4)	(2,876)	327	N.M	21,920	48,355	(54.7)
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	(i)	-	409	N.M	3,158	(3,667)	N.M	943	13,250	(92.9)
Net fair value gain on investment properties	(j)	80,787	140,384	(42.5)	6,735	6,374	5.7	106,972	127,858	(16.3)
Total return/Profit for the period before tax		112,340	199,692	(43.7)	7,017	3,034	N.M	129,835	189,463	(31.5)
Tax expense		(8,621)	(823)	N.M	(3,103)	(5,439)	(42.9)	(13,787)	(6,060)	N.M
Total return/Profit/(Loss) for the period		103,719	198,869	(47.8)	3,914	(2,405)	N.M	116,048	183,403	(36.7)
Attributable to:										
Unitholders		103,158	198,873	(48.1)	3,914	(2,405)	N.M	115,487	183,407	(37.0)
Non-controlling interests	(k)	561	(4)	N.M	-	-	-	561	(4)	N.M
Total return/Profit/(Loss) for the period		103,719	198,869	(47.8)	3,914	(2,405)	N.M	116,048	183,403	(36.7)

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2023

		H-REIT Group			HBT Group [b]			CDL Hospitality Trusts		
	Foot-note	FY 2023 S$'000	FY 2022 S$'000	Increase/ (Decrease) %	FY 2023 S$'000	FY 2022 S$'000	Increase/ (Decrease) %	FY 2023 S$'000	FY 2022 S$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		144,712	129,584	11.7	-	-	-	115,571	100,186	15.4
Hotel revenue		-	-	-	141,985	129,170	9.9	141,985	129,170	9.9
	(a)	144,712	129,584	11.7	141,985	129,170	9.9	257,556	229,356	12.3
Property expenses										
Operation and maintenance expenses		-	-	-	(30,280)	(28,760)	5.3	(30,280)	(28,760)	5.3
Employee benefit expenses		-	-	-	(45,214)	(40,432)	11.8	(45,214)	(40,432)	11.8
Rental expenses	(c)	-	-	-	(17,310)	(17,152)	0.9	(59)	(104)	(43.3)
Property tax	(d)	(6,931)	(4,429)	56.5	(1,374)	(1,650)	(16.7)	(8,305)	(6,079)	36.6
Other property expenses	(e)	(9,118)	(6,823)	33.6	(28,446)	(23,439)	21.4	(35,394)	(30,262)	17.0
		(16,049)	(11,252)	42.6	(122,624)	(111,433)	10.0	(119,252)	(105,637)	12.9
Net property income		128,663	118,332	8.7	19,361	17,737	9.2	138,304	123,719	11.8
H-REIT Manager's management fees		(12,639)	(11,702)	8.0	-	-	-	(12,639)	(11,702)	8.0
H-REIT Trustee's fees		(409)	(375)	9.1	-	-	-	(409)	(375)	9.1
HBT Trustee-Manager's management fees		-	-	-	(1,188)	(1,015)	17.0	(1,188)	(1,015)	17.0
HBT Trustee-Manager's trustee fees		-	-	-	(305)	(272)	12.1	(305)	(272)	12.1
Valuation fee		(208)	(149)	39.6	(53)	(42)	26.2	(261)	(191)	36.6
Depreciation	(f)	(1,877)	(1,487)	26.2	(16,471)	(16,771)	(1.8)	(21,931)	(20,984)	4.5
Other expenses	(g)	(3,302)	(4,199)	(21.4)	(2,024)	(889)	N.M	(5,269)	(5,086)	3.6
Finance income		7,188	43,177	(83.4)	86	8,133	(98.9)	849	40,644	(97.9)
Finance costs		(58,023)	(38,912)	49.1	(16,531)	(8,856)	86.7	(63,310)	(45,080)	40.4
Net finance (costs)/income	(h)	(50,835)	4,265	N.M	(16,445)	(723)	N.M	(62,461)	(4,436)	N.M
Net income/(loss) before fair value adjustment		59,393	104,685	(43.3)	(17,125)	(1,975)	N.M	33,841	79,658	(57.5)
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	(i)	-	409	N.M	3,158	(3,667)	N.M	943	13,250	(92.9)
Net fair value gain on investment properties	(j)	80,787	142,788	(43.4)	6,735	6,374	5.7	106,972	130,262	(17.9)
Total return/(Loss)/Profit for the year before tax		140,180	247,882	(43.4)	(7,232)	732	N.M	141,756	223,170	(36.5)
Tax expense		(10,949)	(4,022)	N.M	(4,779)	(3,958)	20.7	(17,791)	(7,778)	N.M
Total return/(Loss) for the year		129,231	243,860	(47.0)	(12,011)	(3,226)	N.M	123,965	215,392	(42.4)
Attributable to:										
Unitholders		128,478	243,743	(47.3)	(12,011)	(3,226)	N.M	123,212	215,275	(42.8)
Non-controlling interests	(k)	753	117	N.M	-	-	-	753	117	N.M
Total return/(Loss) for the year		129,231	243,860	(47.0)	(12,011)	(3,226)	N.M	123,965	215,392	(42.4)

1 (a) Consolidated Statements of Total Return of H-REIT Group and CDL Hospitality Trusts and Consolidated Statements of Comprehensive Income of HBT Group with a comparative statement for the corresponding period of the immediately preceding financial year

	HBT Group			HBT Group		
	2H 2023 S$'000	2H 2022 S$'000	Increase/ (Decrease) %	FY 2023 S$'000	FY 2022 S$'000	Increase/ (Decrease) %
Profit/(loss) for the period	3,914	(2,405)	N.M	(12,011)	(3,226)	N.M
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation surplus/(deficit) on property, plant and equipment	9,251	(7,679)	N.M	9,251	(7,679)	N.M
Tax effect on revaluation surplus on property, plant and equipment	(3,140)	(3,401)	(7.7)	(3,144)	(3,376)	(6.9)
	6,111	(11,080)	N.M	6,107	(11,055)	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(2,825)	(4,632)	(39.0)	4,867	(11,978)	N.M
- hedge of net investment in a foreign operation	1,317	3,563	(63.0)	(1,623)	7,835	N.M
- monetary items forming part of net investment in a foreign operation	(2,327)	(4,208)	(44.7)	2,867	(10,245)	N.M
	(3,835)	(5,277)	(27.3)	6,111	(14,388)	N.M
Other comprehensive income for the period, net of tax	2,276	(16,357)	N.M	12,218	(25,443)	N.M
Total comprehensive income for the period	6,190	(18,762)	N.M	207	(28,669)	N.M

Review of financial performance

(a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 2 (i), pages 12 to 13 of the Announcement.

(b) Revenue and property expenses for HBT Group in 2H 2023 and FY 2023 have increased as compared to the corresponding period last year primarily due to the improvement in most of the hotels' performance across HBT Group, which includes Mercure Perth, Japan Hotels, Hilton Hotel and The Lowry Hotel.

(c) Rental expenses for HBT Group have decreased in 2H 2023 as compared to the corresponding period last year mainly due to decrease in intra-group lease expenses from HBT Group to H-REIT Group resulting from the weaker performance of W Hotel as compared to 2H 2022, as well as the accounting adjustments of Perth Hotels according to FRS 116/SFRS(I) 16 Leases. However, the full year rental expense for HBT Group had a marginal increase due to the better performance from Japan Hotels.

(d) CDLHT recorded a yoy increase in property tax in 2H 2023 and FY 2023, mainly due to higher property tax from the Singapore Hotels following finalisation of the tax assessment. This was partially offset by business rates savings from Perth Hotels, Hilton Hotel and The Lowry Hotel.

(e) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. The other property expenses for both HBT Group and CDLHT Group have increased in 2H 2023 and FY 2023 mainly due to higher energy cost incurred across most of its portfolio markets.

In 2H 2023 and FY 2023, H-REIT Group's expenses have increased primarily due to impairment loss of S$2.1 million (US$1.5 million) in relation to intra-group trade receivables due from HBT, which is the lessee of Raffles Maldives Meradhoo. Excluding this impairment loss (which has no impact to the Stapled Group), H-REIT Group's other property expenses in 2H 2023 and FY 2023 would have been S$3.4 million (instead of S$5.5 million) and S$7.0 million (instead of S$9.1 million) respectively.

Also included in other property expenses for 2H 2023 and FY 2023 is a write-back of impairment loss of S$63K and an impairment loss of S$163K respectively, relating to Claymore Connect's rental receivables which was absent in the corresponding period last year.

(f) The depreciation for CDLHT mainly relates to property, plant and equipment of W Hotel, Raffles Maldives Meradhoo, the Japan Hotels, Perth Hotels, Hilton Hotel and The Lowry Hotel.

(g) Other expenses comprise mainly professional fees and administrative expenses. In 2H 2023, HBT Group's other expenses were higher due to the additional pre-opening expenses incurred for the UK BTR development project (S$0.3 million), assets written off for The Lowry hotel (S$0.4 million), as well as the absence of a reversal of expenses for Perth Hotels (S$0.4 million) in 2H 2022. This was then offset by the reversal of over accruals of professional fees (S$0.3 million) in H-REIT Group, translating into an overall yoy increase in other expenses for the Stapled Group. For FY 2023, the reversal of over accruals in H-REIT Group amounted to S$0.7 million, offset the higher fees incurred to UK BTR development project, The Lowry Hotel and Perth Hotels as compared to FY 2022 resulting in the overall yoy increase in other expenses for the Stapled Group.

(h) <u>Net finance costs</u>

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2H 2023 S$'000	2H 2022 S$'000	Increase/ (Decrease) %	FY 2023 S$'000	FY 2022 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	264	343	(23.0)	698	386	80.8
Interest income from finance lease	125	29	N.M	151	62	N.M
Fair value gain on derivatives[(i)]	-	8,563	N.M	-	40,196	N.M
Exchange gain[(ii)]	2,902	4,517	(35.8)	-	-	-
Finance income	3,291	13,452	(75.5)	849	40,644	(97.9)
Exchange loss[(ii)]	-	-	-	(149)	(11,591)	(98.7)
Interest paid/payable to banks[(iii)]	(22,602)	(14,904)	51.7	(42,461)	(26,491)	60.3
Interest expense on lease liabilities	(2,530)	(2,296)	10.2	(4,926)	(4,495)	9.6
Fair value loss on derivatives[(i)]	(8,738)	-	N.M	(13,333)	-	N.M
Amortisation of transaction costs capitalised[(iv)]	(1,125)	(1,060)	6.1	(2,170)	(2,242)	(3.2)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(135)	(131)	3.1	(271)	(261)	3.8
Finance costs	(35,130)	(18,391)	91.0	(63,310)	(45,080)	40.4
Net finance costs	(31,839)	(4,939)	N.M	(62,461)	(4,436)	N.M

(i) Fair value gain/loss on derivatives relates to the re-measurement of interest rate swap and cross-currency interest rate swap contracts entered into by H-REIT to partially hedge its interest cost.

*(ii) The exchange gain of CDLHT for 2H 2023 mainly arose from the depreciation of the Sterling Pound ("**GBP**"), Euro ("**EUR**") and US Dollar ("**USD**") denominated borrowings against SGD, while the exchange loss for FY 2023 mainly arose from the appreciation of GBP and EUR denominated borrowings against SGD, as well as depreciation of the Group's foreign currency (except for GBP and EUR) denominated cash and receivables against SGD. During the comparative period in 2H 2022, the exchange gain was mainly from the depreciation of GBP, EUR and USD denominated borrowings against SGD, while the exchange loss recognised by CDLHT for FY 2022 was largely attributed to the depreciation of the Group's foreign currency denominated cash and receivables against SGD.*

(iii) The interest paid/payable to banks for 2H 2023 and FY 2023 was higher yoy mainly as a result of higher funding costs on the Group's floating rate loans and fixed rates loans re-financed at higher rates, as well as increased interest expense from amounts drawn to finance the Group's asset enhancement works.

(iv) The amortisation costs in 2H 2023 and FY 2023 relate to the amortisation of transaction costs arising from CDLHT's borrowings.

(i) This relates to the annual revaluation of land and buildings included as part of property, plant and equipment under the revaluation model adopted by CDLHT. Please refer to Section 1(b)(i) footnote (c) on page 8 of the Announcement for details.

(j) This relates to net fair value gain recognised from the revaluation of CDLHT's investment properties as at 31 December 2023. Please refer to Section 1(b)(i) footnote (b) on page 7 of the Announcement for details.

(k) Non-controlling interests relate to the interest owned by the minority shareholders in relation to Pullman Hotel Munich and Hotel Cerretani Firenze.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2023

1 (b)(i) Statements of Financial Position together with a comparative statement at the end of the immediately preceding financial year

	Footnote	H-REIT Group		HBT Group[a]		CDL Hospitality Trusts	
		31 Dec 2023 S$'000	31 Dec 2022 S$'000	31 Dec 2023 S$'000	31 Dec 2022 S$'000	31 Dec 2023 S$'000	31 Dec 2022 S$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,750,215	2,631,976	-	-	2,232,899	2,104,672
Investment property under development	(b)	-	-	131,423	59,660	131,423	59,660
Property, plant and equipment	(c)	71,814	67,399	288,444	284,416	814,611	783,250
Deferred tax assets		751	737	721	426	1,472	1,162
Finance lease receivables		4,345	1,327	-	-	4,345	1,327
Financial derivative assets	(d)	8,300	26,336	-	-	8,300	26,336
Other receivables		145,801	87,078	529	529	677	677
		2,981,226	2,814,853	421,117	345,031	3,193,727	2,977,084
Current assets							
Inventories		-	-	2,451	2,391	2,451	2,391
Trade and other receivables		45,997	41,163	23,705	22,410	27,446	26,228
Finance lease receivables		800	476	-	-	800	476
Financial derivative assets	(d)	6,210	83	-	-	6,210	83
Cash and cash equivalents		57,202	71,379	14,798	25,549	72,000	96,928
		110,209	113,101	40,954	50,350	108,907	126,106
Total assets		**3,091,435**	**2,927,954**	**462,071**	**395,381**	**3,302,634**	**3,103,190**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(e)	714,755	754,749	235,978	174,203	805,081	842,023
Lease liabilities	(f)	119,924	114,220	116,790	125,967	136,602	130,416
Rental deposits	(g)	10,829	10,823	-	-	10,829	10,823
Other payables	(h)	836	783	74	77	910	860
Financial derivative liabilities	(d)	1,476	-	-	-	1,476	-
Deferred tax liabilities	(i)	16,429	7,959	23,886	17,155	43,151	25,878
		864,249	888,534	376,728	317,402	998,049	1,010,000
Current liabilities							
Loans and borrowings	(e)	347,213	238,753	-	-	347,213	238,753
Lease liabilities	(f)	960	637	8,896	8,010	1,100	731
Trade and other payables	(h)	45,088	35,144	67,221	59,831	60,260	49,848
Financial derivative liabilities	(d)	30	163	-	-	30	163
Provision for taxation	(j)	6,850	7,424	2,870	3,127	9,720	10,551
		400,141	282,121	78,987	70,968	418,323	300,046
Total liabilities		**1,264,390**	**1,170,655**	**455,715**	**388,370**	**1,416,372**	**1,310,046**
Net assets		**1,827,045**	**1,757,299**	**6,356**	**7,011**	**1,886,262**	**1,793,144**
Represented by:							
Unitholders' funds		1,819,229	1,750,373	6,356	7,011	1,878,446	1,786,218
Non-controlling interests	(k)	7,816	6,926	-	-	7,816	6,926
		1,827,045	**1,757,299**	**6,356**	**7,011**	**1,886,262**	**1,793,144**

Review of financial position

(a) *The Statement of Financial Position of HBT Group comprises the hotel operations of W Hotel, Raffles Maldives Meradhoo, the Japan Hotels, Perth Hotels, Hilton Hotel, The Lowry Hotel and UK BTR.*

(b) *In FY 2023, the increase in investment properties at CDLHT was mainly due to the recognition of net fair value gain of H-REIT Group's investment properties at the end of the financial year, as well as the additional development costs incurred and fair value gain recognised to the UK BTR development project. The details are as follows:*

The investment properties were valued by Knight Frank Pte Ltd., CBRE Limited, CBRE Valuations Pty Limited, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Colliers International Property Consultants Limited, C&W (U.K.) LLP (Italian Branch), Knight Frank LLP, all independent registered valuers, and adopted in the financial statements of the Group as at 31 December 2023 as follows:

Properties	**Tenure**	**CDL Hospitality Trusts Valuation**	
		Foreign currency (million)	**(S$ million)**
Orchard Hotel	75 years from 19 July 2006		515.0
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006		420.0
M Hotel	75 years from 19 July 2006		271.0
Studio M Hotel	99 years from 26 February 2007		206.0
Copthorne King's Hotel	99 years from 1 February 1968		146.0
W Singapore – Sentosa Cove [1]	99 years from 31 October 2006		354.0
Claymore Connect Mall	75 years from 19 July 2006		110.0
Grand Millennium Auckland	Freehold	NZ$211.0	176.2
Mercure Perth [2]	Freehold	A$45.0	40.5
Ibis Perth [2]	Freehold	A$34.5	31.1
Angsana Velavaru	99 years from 26 August 1997	US$57.0	75.4
Raffles Maldives Meradhoo [3]	99 years from 15 June 2006	US$46.0	60.9
Pullman Hotel Munich	Freehold	€104.8	152.9
Hotel Cerretani Firenze - MGallery	Freehold	€45.5	66.4
The Castings [4]	Freehold	£78.2	131.4
Hotel Brooklyn	197 years from 7 May 2021	£25.0	42.0

The valuation at H-REIT Group's investment properties incurred a net fair value gain of S$80.8 million as at 31 December 2023 (31 December 2022: net fair value gain of S$142.8 million). This net fair value change is recognised in H-REIT Group's Statement of Total Return for FY 2023 and has no impact on the income available for distribution to holders of Stapled Securities.

Included in H-REIT Group's investment properties as at 31 December 2023 is a net translation loss of S$0.1 million (31 December 2022: net translation loss of S$46.8 million) relating to its overseas properties.

[1] Under H-REIT Group, if W Hotel was valued on a standalone basis and on a master lease arrangement, the value is S$341.0 million.
[2] Under H-REIT Group, if Ibis Perth and Mercure Perth was valued on a standalone basis and on a master lease agreement, the value is A$29.5 million and A$39.5 million respectively.
[3] Under H-REIT Group, if Raffles Maldives Meradhoo was valued on a standalone basis and on a master lease agreement, the value is US$38.0 million.
[4] On 31 August 2021, HBT Group invested into the forward-funding scheme, The Castings. The independent valuation for this investment property under development was carried out using the comparative and investment methods, of which the gross development value (assuming practical completion) was derived using the investment method. In determining the fair value of the investment property under development as at 31 December 2023, the total estimated outstanding capital expenditure and a 5% contingency was deducted from this gross development value.

(c) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the Hilton Hotel and The Lowry Hotel respectively.*

The property, plant and equipment at CDLHT comprise the W Hotel, Japan Hotels, Raffles Maldives Meradhoo, the Perth Hotels, Hilton Hotel and The Lowry Hotel. For W Hotel, Raffles Maldives Meradhoo and Perth Hotels, the properties are leased by H-REIT's indirect wholly-owned subsidiaries to HBT's indirect wholly-owned subsidiaries. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT's indirect wholly-owned subsidiary. As these properties are considered property held for use as owner-occupied properties, they are classified as property, plant and equipment instead of investment property in CDLHT's financial statements.

The increase in property, plant and equipment at CDLHT is mainly due to the additions of S$14.0 million and the net fair value surplus of S$40.2 million, offset by recognition of depreciation expenses of S$21.9 million and net translation loss of S$1.4 million for the period.

As at 31 December 2023, the valuation of CDLHT properties (comprising investment properties and property, plant and equipment including ROU) resulted in a fair value gain of S$107.9 million, (31 December 2022: net fair value gain S$143.5 million). The net fair value change is recognised in CDLHT's Statement of Total Return for FY 2023 and has no impact on the income available for distribution to holders of stapled securities.

(d) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts, interest rate swaps and cross-currency interest rate swaps.*

(e) *Loans and borrowings of CDLHT of S$1.2 billion (as at 31 December 2022: S$1.1 billion), which are measured at amortised cost, comprise JPY3.1 billion (S$28.6 million) TMK bond and S$1.1 billion bank loans, as explained under Section 1(b)(ii) on pages 9 to 11 of the Announcement. Movements during the reporting period include drawdowns to fund the operating costs, UK BTR development and capital expenditure of the Group's properties.*

The net current liabilities position for CDLHT as at 31 December 2023 was mainly attributed to borrowings falling due within one year. If the borrowings falling due within one year were excluded, CDLHT would post a net current asset position of S$37.8 million as at 31 December 2023 instead. Notwithstanding the net current liabilities position, CDLHT has an established S$1.0 billion Multicurrency Medium Term Note Programme and committed revolving credit facilities (as disclosed under Section 1(b)(ii) footnote (iii) on page 10 of the Announcement) to meet its current obligations as and when they fall due.

(f) *Lease liabilities represent CDLHT's obligation to make lease payments in relation to the ROU assets recognised in accordance to SFRS(I) 16/FRS 116.*

(g) *Rental deposits mainly relate to rental deposits collected from the master lessees of Singapore hotels (excluding W Hotel) and tenants at Claymore Connect, stated at amortised cost.*

(h) *Trade and other payables for the Group relates mainly to payables for operational and trust expenses.*

(i) *The deferred tax liabilities mainly relate to the New Zealand Hotel, Perth Hotels, UK Hotels and UK BTR development project.*

(j) *Provision for taxation comprises tax provisions arising from the Group's overseas properties.*

(k) *Non-controlling interests relate to the interests owned by the minority shareholder in relation to the Pullman Hotel Munich and the Hotel Cerretani Firenze.*

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	31 Dec 2023 S$'000	31 Dec 2022 S$'000	31 Dec 2023 S$'000	31 Dec 2022 S$'000	31 Dec 2023 S$'000	31 Dec 2022 S$'000
Amount repayable after one year						
Secured borrowings	64,209	63,000	-	-	64,209	63,000
Secured TMK bond	28,830	31,372	-	-	28,830	31,372
Unsecured borrowings [(a),(b)]	624,656	664,243	90,752	87,831	715,408	752,074
	717,695	758,615	90,752	87,831	808,447	846,446
Amount repayable within one year						
Unsecured borrowings	348,000	238,865	-	-	348,000	238,865
	348,000	238,865	-	-	348,000	238,865
Total borrowings [(c)]	1,065,695	997,480	90,752	87,831	1,156,447	1,085,311

(a) *During the year, H-REIT entered into 2 fresh 5-year Sustainability-linked term loan facilities amounting to S$204.0 million to refinance its existing borrowings denominated in both SGD and GBP, as well as a 5-year term loan facility of GBP24.1 million to refinance the existing RCFs drawn earlier to acquire Hotel Brooklyn.*

(b) *In 4Q 2023, H-REIT refinanced an existing S$50.0 million committed multi-currency unsecured revolving credit facility ("**RCF**") to a Sustainability-linked RCF for 3 years. Additionally, H-REIT entered into a fresh S$50.0 million committed multi-currency unsecured Sustainability-linked RCF for 3 years which has not been utilised as at 31 December 2023.*

(c) *The borrowings are presented before the deduction of unamortised transaction costs.*

As at 31 December 2023, CDLHT's aggregate leverage ratio was 36.7%, which was within the 50% limit allowed under the Monetary Authority of Singapore Property Funds Appendix. The interest coverage ratio was 2.65[1] times as of 31 December 2023. For the purpose of computing interest coverage ratio, interest expense excludes interest expense on lease liabilities.

[1] Computed by using trailing 12 months earnings before interest, tax, depreciation and amortisation ("EBITDA") (excluding effects of any fair value changes of derivatives and investment properties and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees.

1 (b)(ii) Aggregate amount of group’s borrowings and debt securities

Details of borrowings

The facilities and borrowings of the H-REIT Group, HBT Group and CDL Hospitality Trusts are set out below:

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		31 Dec 2023			31 Dec 2023			31 Dec 2023		
Currency	Type*	Facility amount S$'000	Drawn down S$'000	Undrawn S$'000	Facility amount S$'000	Drawn down S$'000	Undrawn S$'000	Facility amount S$'000	Drawn down S$'000	Undrawn S$'000
JPY	TMK bond (¥3.1 billion)(i)	28,830	28,830	-	-	-	-	28,830	28,830	-
JPY	5-year term loan (¥3.27 billion)	30,411	30,411	-	-	-	-	30,411	30,411	-
SGD	Medium term note(iii)	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loans(iv)	300,000	-	300,000	100,000	-	100,000	400,000	-	400,000
SGD	3-year revolving credit (committed)	450,000	236,405	213,595	-	-	-	450,000	236,405	213,595
SGD	3-5-year term loans	363,840	363,840	-	-	-	-	363,840	363,840	-
USD	5-year term loans (US$105.0 million)	138,968	138,968	-	-	-	-	138,968	138,968	-
EUR	7-year term loan (€44.0 million)(ii)	64,209	64,209	-	-	-	-	64,209	64,209	-
GBP	3-5-year term loans (£134.34 million)	225,773	203,032	22,741	90,752	90,752	-	316,525	293,784	22,741
		2,602,031	**1,065,695**	**1,536,336**	**190,752**	**90,752**	**100,000**	**2,792,783**	**1,156,447**	**1,636,336**

* Apart from the TMK bond and the 7-year EUR term loan, all the borrowings of the Group are unsecured.

Excluded from the borrowings above are the lease liabilities of S$120.9 million, S$125.7 million and S$137.7 million for H-REIT Group, HBT Group and CDLHT respectively, which are secured over the finance lease receivables and right-of-use assets (recognised as part of investment properties and property, plant and equipment).

(i) Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S$28.8 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“**TMK**”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

The bondholders have a statutory preferred right, under Article 128 of the Japan Asset Liquidation Law, to receive payment of all obligations under the bond prior to other creditors out of the assets of the TMK. Such right shall be junior to the priority of the general statutory lien under the Japan Civil Code. While the assets of TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

(ii) Secured bank loan

The secured bank loan relates to a 7-year fixed rate loan of €44.0 million (S$64.2 million) drawn down by H-REIT’s indirectly-owned subsidiary, NKS Hospitality I B.V..

The securities include (i) a first legal mortgage on the property, (ii) assignment of the rights and claims under the property’s major contracts such as the lease agreement and insurance policies and (iii) pledge of shares and bank accounts of NKS Hospitality I B.V..

(iii) Unsecured medium term notes

H-REIT’s wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “**Issuer**”) has in place a S$1.0 billion Multi-currency Medium Term Note Programme (the “**Programme**”).

As at 31 December 2023, there are no outstanding medium term notes.

(iv) Unsecured bridge loans

H-REIT and HBT have in place a S$300.0 million and S$100.0 million uncommitted multi-currency bridge loan facility with a bank respectively (the “**Bridge Loan Facilities**”) mainly to fund acquisitions.

The Bridge Loan Facilities can be drawn in multiple tranches and each tranche is to be repaid within a maximum period of one year from each draw down date or one year from the first drawn date (where the amount is drawn in multiple tranches).

As at 31 December 2023, the Bridge Loan Facilities remain unutilised.

2 Review of the performance for the six months period ended 31 DECEMBER 2023

2 (i) Breakdown of Total Revenue by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		2H 2023	2H 2022	Better/ (Worse)	2H 2023	2H 2022	Better/ (Worse)	2H 2023	2H 2022	Better/ (Worse)
		S$'000	S$'000	%	S$'000	S$'000	%	S$'000	S$'000	%
Master leases										
Singapore										
- Hotels		41,059	38,711	6.1	-	-	-	41,059	38,711	6.1
- Claymore Connect		3,769	3,351	12.5	-	-	-	3,769	3,351	12.5
New Zealand		3,599	3,478	3.5	-	-	-	3,599	3,478	3.5
Maldives	(a)	3,941	2,588	52.3	-	-	-	3,941	2,588	52.3
United Kingdom	(f)	2,133	2,005	6.4	-	-	-	2,133	2,005	6.4
Germany	(c)	6,486	5,281	22.8	-	-	-	6,486	5,281	22.8
Italy	(d)	2,963	2,447	21.1	-	-	-	2,963	2,447	21.1
		63,950	57,861	10.5	-	-	-	63,950	57,861	10.5
Managed hotels										
Singapore		8,257	10,548	(21.7)	30,840	31,650	(2.6)	30,840	31,650	(2.6)
Australia	(b)	2,773	4,420	(37.3)	10,740	11,094	(3.2)	10,740	11,094	(3.2)
Japan	(e)	2,169	1,025	111.6	4,209	2,680	57.1	4,209	2,680	57.1
Maldives	(a)	2,020	2,082	(3.0)	6,166	6,041	2.1	6,166	6,041	2.1
United Kingdom	(f)	-	-	-	22,429	21,385	4.9	22,429	21,385	4.9
		15,219	18,075	(15.8)	74,384	72,850	2.1	74,384	72,850	2.1
Total		79,169	75,936	4.3	74,384	72,850	2.1	138,334	130,711	5.8

2 (i) Breakdown of Total Revenue by Geography

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	FY 2023	FY 2022	Better/ (Worse)	FY 2023	FY 2022	Better/ (Worse)	FY 2023	FY 2022	Better/ (Worse)
		S$'000	S$'000	%	S$'000	S$'000	%	S$'000	S$'000	%
Master leases										
Singapore										
- Hotels		71,801	60,228	19.2	-	-	-	71,801	60,228	19.2
- Claymore Connect		7,577	5,738	32.0	-	-	-	7,577	5,738	32.0
New Zealand		7,251	10,483	(30.8)	-	-	-	7,251	10,483	(30.8)
Maldives	(a)	8,523	7,825	8.9	-	-	-	8,523	7,825	8.9
United Kingdom	(f)	4,165	3,502	18.9	-	-	-	4,165	3,502	18.9
Germany	(c)	10,678	9,025	18.3	-	-	-	10,678	9,025	18.3
Italy	(d)	5,576	3,385	64.7	-	-	-	5,576	3,385	64.7
		115,571	100,186	15.4	-	-	-	115,571	100,186	15.4
Managed hotels										
Singapore		15,758	16,298	(3.3)	58,719	53,052	10.7	58,719	53,052	10.7
Maldives	(a)	4,028	4,126	(2.4)	13,823	14,906	(7.3)	13,823	14,906	(7.3)
Australia	(b)	5,481	7,587	(27.8)	20,241	17,532	15.5	20,241	17,532	15.5
Japan	(e)	3,874	1,387	179.3	8,117	4,558	78.1	8,117	4,558	78.1
United Kingdom	(f)	-	-	N.M	41,085	39,122	5.0	41,085	39,122	5.0
		29,141	29,398	(0.9)	141,985	129,170	9.9	141,985	129,170	9.9
Total		144,712	129,584	11.7	141,985	129,170	9.9	257,556	229,356	12.3

2 (ii) Breakdown of Net Property Income by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		2H 2023 S$'000	2H 2022 S$'000	Better/ (Worse) %	2H 2023 S$'000	2H 2022 S$'000	Better/ (Worse) %	2H 2023 S$'000	2H 2022 S$'000	Better/ (Worse) %
Singapore										
- Hotels		44,152	46,554	(5.2)	1,790	2,027	(11.7)	44,445	47,082	(5.6)
- Claymore Connect		2,801	2,483	12.8	-	-	-	2,801	2,483	12.8
New Zealand		3,599	3,478	3.5	-	-	-	3,599	3,478	3.5
Australia	(b)	2,194	3,439	(36.2)	2,565	1,759	45.8	2,352	2,642	(11.0)
Japan	(e)	2,023	890	127.3	48	75	(36.0)	2,072	965	114.7
Maldives	(a)	3,186	4,113	(22.5)	(851)	(334)	154.8	2,484	1,698	46.3
United Kingdom	(f)	2,133	2,002	6.5	6,811	5,746	18.5	8,944	7,748	15.4
Germany	(c)	5,878	4,227	39.1	-	-	-	5,878	4,227	39.1
Italy	(d)	2,875	2,430	18.3	-	-	-	2,875	2,430	18.3
Total		68,841	69,616	(1.1)	10,363	9,273	11.8	75,450	72,753	3.7

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		FY 2023 S$'000	FY 2022 S$'000	Better/ (Worse) %	FY 2023 S$'000	FY 2022 S$'000	Better/ (Worse) %	FY 2023 S$'000	FY 2022 S$'000	Better/ (Worse) %
Singapore										
- Hotels		79,778	71,966	10.9	3,516	3,761	(6.5)	80,294	72,728	10.4
- Claymore Connect		5,633	3,940	43.0	-	-	-	5,633	3,940	43.0
New Zealand		7,251	10,483	(30.8)	-	-	-	7,251	10,483	(30.8)
Australia	(b)	4,281	5,929	(27.8)	4,750	2,287	107.7	4,168	2,990	39.4
Japan	(e)	3,595	1,100	226.8	266	54	392.6	3,862	1,154	234.7
Maldives	(a)	9,157	10,814	(15.3)	(159)	1,591	N.M	7,140	8,280	(13.8)
United Kingdom	(f)	4,165	3,502	18.9	10,988	10,044	9.4	15,153	13,546	11.9
Germany	(c)	9,459	7,395	27.9	-	-	-	9,459	7,395	27.9
Italy	(d)	5,344	3,203	66.8	-	-	-	5,344	3,203	66.8
Total		128,663	118,332	8.7	19,361	17,737	9.2	138,304	123,719	11.8

Footnotes

(a) The Maldives resorts includes a Master Lease and Managed hotel as follows:

(i) Master Lease

*There is a master lease agreement between H-REIT's indirect wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited (the "**Lessor**") and Maldives Bay Pvt Ltd (the "**Lessee**"), a subsidiary of Banyan Tree Holdings Limited. On 1 February 2023, the Lessor entered into a new master lease agreement with the Lessee for 10 years up to 31 January 2033. The revenue for the reporting period includes a minimum rent of US$500,000 per month (based on a minimum rent of US$6.0 million per annum).*

Under the lease agreement, there is a minimum rent top-up cap of US$6.0 million and no further minimum rent top-ups will be payable by Lessee to Lessor after the cumulative top-ups reaches US$6.0 million. As at 31 December 2023, Lessee paid the Lessor a top-up amount of US$1.2 million to make up for the shortfall in rent below the minimum rent of US$5.5 million for the period from 1 February 2023 to 31 December 2023. This top-up will be adjusted once the full year results for the resort are ascertained at year end.

(ii) Managed hotel

There is a lease agreement between H-REIT and HBT's indirect wholly-owned subsidiaries.

*In turn, HBT's indirect wholly owned subsidiary, CDL HBT Oceanic Maldives Private Limited ("**CDL HBT Oceanic**") engaged AccorHotels to operate the resort as Raffles Maldives Meradhoo.*

For the H-REIT Group, the revenue for FY 2023 includes S$4.0 million (US$3.0 million) rental income from HBT Group respectively. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the resort.

(b) The Perth Hotels includes Ibis Perth and Mercure Perth.

With effect from 1 May 2021, there is a lease agreement between H-REIT and HBT's indirect wholly-owned subsidiaries. In turn, HBT's indirect wholly owned subsidiaries, CDL HBT Sun Three Pty Ltd and CDL HBT Sun Four Pty Ltd engaged AAPC Properties Pty Limited (a wholly-owned subsidiary of Accor SA) to continue operating the hotels. In accordance with SFRS(I) 16/FRS 116 Leases, H-REIT Group must account for the base rent on a straight-line basis over the tenor of the lease at S$1.9 million (A$2.1 million) per annum for Ibis Perth and S$3.0 million (A$3.3 million) per annum for Mercure Perth. Accordingly, the gross revenue and NPI under H-REIT Group have been adjusted to reflect this arrangement.

For H-REIT Group, the revenue for FY 2023 includes S$5.5 million (A$6.1 million) net rental income received from HBT Group (based on the rental income accounted for on a straight-line basis, according to SFRS(I) 16/FRS 116 Leases, and variable rent, if any, arising from the gross operating profit of the Perth Hotels). For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the hotels.

*(c) H-REIT's indirect wholly-owned subsidiary owns an interest of 94.9% in Pullman Hotel Munich, which comprises the hotel and its office and retail components. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality I B.V. (the "**Lessor**") and UP Hotel Operations GmbH & Co. KG (the "**Lessee**"). Under this lease, H-REIT will receive rent of around 90% of the net operating profit of the hotel, subject to a guaranteed fixed rent of €3.6 million per annum.*

*Due to the COVID-19 pandemic, the Lessor entered into discussions on temporary rent abatement with its Lessee. A temporary 4-year rent abatement agreement for Pullman Munich was signed in April 2021 ("**Temporary Arrangement**"). Pursuant to the Temporary Arrangement, from April 2021 to 2024, the annual base rent level of the Pullman Hotel Munich has been reduced, starting with €0.6 million in 2021, stepping up annually to €1.2 million in 2022, €1.8 million in 2023, and €2.4 million in 2024, before reverting to the original base rent level of €3.6 million per annum in 2025. Notwithstanding this arrangement, under SFRS(I) 16/FRS 116 Leases, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S$4.5 million (€3.1 million) per annum. Accordingly, the gross revenue and NPI have been adjusted to reflect this arrangement in FY 2023.*

*Under the Temporary Arrangement, between April 2021 to December 2024 (the "**Restructured Term**"), after paying for its rent obligations and relevant hotel-related expenses, any losses suffered by the lessee during the Restructured Term will be first funded by the Lessee, but the Lessee will be allowed to clawback the cumulative losses incurred from future variable rent payment obligations. The variable rent formula remains unchanged throughout the Restructured Term or after, except that variable rent will be suspended until the cumulative losses are clawed back by the Lessee. As soon as the cumulative losses are fully clawed back, the Lessor shall be entitled to receive the variable rent thereafter. Lowering the base rent level in the four-year period serves to lower the level of cumulative losses suffered by the lessee and hence lower the amount of clawbacks from future available variable rent. The rationale for the Temporary Arrangement is for business continuity and working together with the lessees is important to navigate the hotel out of the crisis successfully.*

*(d) H-REIT's indirect wholly-owned subsidiary owns an interest of 95.0% in Hotel Cerretani Firenze. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality III SRL. (the "**Lessor**") and FC Operations Hotel SRL (the "**Lessee**"). Under this lease, H-REIT will receive rent of around 93% of the net operating profit of the hotel, subject to a base rent of €1.3 million per annum.*

*Due to the COVID-19 pandemic, the Lessor entered into discussions on temporary rent abatement with its Lessee. A temporary 5-year rent abatement agreement for Hotel Cerretani Firenze was signed in December 2020 ("**Temporary Arrangement**"). Pursuant to the Temporary Arrangement, from 2020 to 2024, the annual base rent level of the Hotel Cerretani Firenze has been reduced, starting with €0.2 million in 2020, stepping up to €0.6 million in 2023 and €0.9 million in 2024, before reverting to the original base rent level of €1.3 million per annum in 2025. Notwithstanding this arrangement, under SFRS(I) 16/FRS 116 Leases, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S$1.6 million (€1.1 million) per annum. Accordingly, the gross revenue and NPI has been adjusted to reflect this arrangement in FY 2023.*

*Under the Temporary Arrangement, between March 2020 to December 2024 (the "**Restructured Term**"), after paying for its rent obligations and relevant hotel related expenses, any losses suffered by the lessee during the Restructured Term will be first funded by the Lessee, but the Lessee will be allowed to clawback the cumulative losses incurred from future variable rent payment obligations. The variable rent formula remains unchanged throughout the Restructured Term or after, except that variable rent will be suspended until the cumulative losses are clawed back by the Lessee. As soon as the cumulative losses are fully clawed back, the Lessor shall be entitled to receive the variable rent thereafter. Lowering the base rent level in the five-year period serves to lower the level of cumulative losses suffered by the lessee and hence lower the amount of clawbacks from future available variable rent. The rationale for the Temporary Arrangement is for business continuity and working together with the lessees is important to navigate the hotel out of the crisis successfully.*

(e) The Japan Hotels with HBT refers to master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and CDLHT.

For H-REIT Group, the revenue for FY 2023 includes S$3.9 million (JPY403.5 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(f) The UK Hotels includes:

(i) Hilton Cambridge City Centre

Hilton Cambridge City Centre is owned by HBT's indirectly wholly-owned subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd. The hotel operator for this hotel is Hilton UK Manage Limited.

The revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.

(ii) The Lowry Hotel

The Lowry Hotel is owned and operated by HBT's indirectly wholly-owned subsidiary, The Lowry Hotel Ltd.

The revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.

(iii) Hotel Brooklyn

*There is an Occupational Lease agreement between H-REIT's indirect wholly-owned subsidiary, CDL HREIT Investments (II) Property Limited (the "**Lessor**") and HLD (Manchester) Limited (the "**Lessee**"), which is part of a group under Marshall Holdings Limited.*

Under the Occupational Lease, the lessee pays a fixed rent to the lessor, subject to upward-only rent review provisions, broadly based on inflation. The applicable annual fixed rent from 7 May 2022 to 6 May 2023 was S$4.0 million (£2.4 million). An annual rent review was carried out during the reporting period and the fixed rent of S$4.0 million (£2.4 million) has been increased to S$4.2 million (£2.5 million) from 7 May 2023 to 6 May 2024.

2 (iii) Review of the Performance

<u>Six months period ended 31 December 2023</u>

CDL Hospitality Trusts' ("**CDLHT**") gross revenue for 2H 2023 grew by 5.8% (or S$7.6 million) year-on-year ("**yoy**") to S$138.3 million. The increase in gross revenue reflects the continued recovery in global travel across all market segments. The Group saw positive momentum in RevPAR rate growth across virtually all the portfolio markets.

In tandem with the higher revenue, NPI increased by 3.7% (or S$2.7 million) yoy to S$75.5 million for 2H 2023. There was improvement throughout the portfolio except for lower NPI from the Singapore and Perth hotels, which declined collectively by S$2.9 million yoy for 2H 2023.

Moderation in demand in 4Q pared down the RevPAR growth for the Singapore Hotels in 2H 2023 to 3.5% yoy. 4Q 2022 was a period of strong pent-up demand driven by citywide events and conventions, and this extraordinary demand has normalised in 4Q 2023. The resurgence of COVID cases in Singapore during 4Q also had an adverse effect on leisure demand, particularly during the latter half of the quarter. It is noteworthy that for 4Q 2023, RevPAR for the Singapore Hotels grew by 12.0% on a same store sales basis[1] driven by an ADR growth of 21.4% against 4Q 2019. Despite the improvement to gross revenue against 2H 2022, higher property tax across the Singapore Hotels and increased operating costs from payroll and utilities across some hotels resulted in lower NPI for the Singapore Hotels by 5.6% (or S$2.6 million) yoy to S$44.4 million for 2H 2023. For context, excluding W Hotel (which was not part of CDLHT's portfolio in 2019), the NPI for the 5 M&C Singapore hotels was 12.3% higher in 2H 2023 against 2H 2019.

In New Zealand, Grand Millennium Auckland recorded a RevPAR improvement of 37.6% yoy in 2H 2023 compared to 2H 2022, during which the hotel faced a gestation period after its exit from the government contract in early June 2022. Post-pandemic operating expenses were higher as the hotel returned to normalised operations, resulting in a S$2.0 million (NZ$2.9 million) increase in operating costs, primarily arising from labour and rooms related expenses. Accordingly, NPI grew marginally by 3.5% (or S$0.1 million) yoy in 2H 2023.

The Perth Hotels achieved a collective yoy RevPAR growth of 5.8% for 2H 2023, attributed to a 5.6% increase in average rate. This improvement was largely driven by the yoy RevPAR growth of 17.8% in the fourth quarter following a recovery in citywide events with an enhanced concert and sporting events schedule. Inflationary cost pressures (such as payroll costs) and higher non-operating administrative expenses, compounded with the weaker AUD (against SGD), led to lower NPI by 11.0% (or S$0.3 million) yoy for 2H 2023. In local currency terms, the decline was 3.7% (or A$0.1 million) yoy. It is noteworthy that against 2H 2019, RevPAR improved by 15.2% through a 35.2% increase in average rate, while NPI registered a 7.2% increase[2].

For 2H 2023, the Japan Hotels continued to leverage the strong recovery in inbound travel to post a rate and occupancy driven RevPAR improvement of 74.9% yoy. Against 2H 2019, RevPAR also grew by 24.7% attributed to a robust growth of 30.7% in average rate. Collectively, the Japan portfolio registered an NPI increase of 114.7% (or S$1.1 million) yoy in 2H 2023, despite the weaker JPY (against SGD).

The Maldives Resorts recorded a 1.8% yoy increase in RevPAR for 2H 2023. Despite the competition of lower-cost alternative island destinations such as Seychelles, Mauritius, and Thailand, the Maldives achieved a 10.1% yoy growth in visitor arrivals in 2H 2023[3], affirming its popularity in the midst of evolving travel choices. However, resorts in the Maldives faced challenges amid an uptick in supply. Against a seasonally weaker 2H 2023, Angsana Velavaru recognised a minimum rent of S$4.0 million (US$3.0 million) under the new 10-year lease which commenced on 1 February 2023. At Raffles Maldives Meradhoo, the RevPAR improvement of 3.0% yoy in 2H 2023 was attributed to occupancy gains but at lower ADRs leading to lower margins. This was against the backdrop of geopolitical issues affecting its luxury source markets (i.e. Russia and Middle East). The traditionally strong December was affected by weather conditions, which resulted in some cancellations and shortened stays. Overall, the Maldives Resorts posted higher NPI of 46.3% (or S$0.8 million) yoy for 2H 2023.

In the UK, Hilton Cambridge City Centre and The Lowry Hotel recorded collective RevPAR growth of 4.1% yoy in 2H 2023. It is noteworthy that against 2H 2019, RevPAR for these two hotels grew by 6.4%, driven by a 16.5% increase in average rate, with NPI marginally ahead. In 2H 2023, Hotel Brooklyn contributed S$2.1 million compared to S$2.0 million in 2H 2022, due to an annual rent increase from the inflation-adjusted fixed lease in May each year. Collectively, the UK portfolio recorded NPI growth of 15.4% (or S$1.2 million) yoy for 2H 2023.

[1] On a proforma basis for comparability, assuming CDLHT owns W Hotel from 1 October 2019.
[2] Excludes Novotel Brisbane, which was divested on 30 October 2020.
[3] Ministry of Tourism, Republic of Maldives

In Germany, Pullman Hotel Munich registered a 7.9% yoy decline in RevPAR for 2H 2023 compared to 2H 2022 when performance was boosted by a strong events calendar comprising the European Championships, a multi-sport event held in August 2022, and the triennial bauma construction and mining trade fair in October 2022. Notwithstanding the weaker operational performance, a variable rent of S$2.8 million (€1.9 million) was recognised above the accounting straight-line base rent. In comparison, a lower variable rent of S$1.9 million (€1.3 million) was recognised in 2H 2022, due to the clawback by the lessee on its cumulative losses suffered during the pandemic as part of a temporary rent rebate agreement. Accordingly, NPI for the Germany Hotel increased by 39.1% (or S$1.7 million) yoy in 2H 2023.

Boosted by continued strong inbound and domestic demand into Florence, Hotel Cerretani Firenze reported a record second half RevPAR for 2H 2023 which improved by 32.7% yoy and 49.3% against pre-pandemic 2H 2019. Having achieved a higher variable rent of S$2.0 million (€1.3 million) in 2H 2023 compared to 2H 2022 of S$1.5 million (€1.0 million), the hotel registered NPI growth of 18.3% (or S$0.4 million) yoy for 2H 2023.

In 2H 2023, Claymore Connect benefited from both increased mall occupancy as well as higher rental levels. The yoy increase of 12.8% (or S$0.3 million) in NPI was primarily attributed to the increase in average rent. As at 31 December 2023, the mall's committed occupancy rate was at 96.5%.

Interest costs for 2H 2023 increased mainly due to higher funding costs on the Group's floating rate loans and fixed rate loans re-financed at higher rates as well as from amounts drawn to finance the Group's asset enhancement works. As for the movements in the net finance costs, any fair value gains/losses on derivatives and interest expense incurred on the UK BTR development project (which was capitalised) does not have any impact on the distribution to Stapled Securityholders.

Overall, total distribution (after deducting income retained for working capital) was S$39.8 million in 2H 2023, 10.7% lower yoy. Included therein is capital distribution from the Group's overseas hotels of S$9.5 million arising from operating cashflows.

Distribution per Stapled Security (after deducting income retained for working capital) for 2H 2023 was 3.19 cents, 11.1% lower yoy.

2 (iii) Review of the Performance

Twelve months period ended 31 December 2023

CDLHT's gross revenue for the year increased by 12.3% (or S$28.2 million) yoy to S$257.6 million for FY 2023. The improvement was partially offset by lower contributions from the New Zealand Hotel, due to an extended gestation period following its exit from the government isolation programme in 2Q 2022, exacerbated by strong supply growth in the Auckland market.

In line with the revenue improvement, NPI increased by 11.8% (or S$14.6 million) yoy to S$138.3 million for FY 2023. The improvement was largely across the portfolio except for lower NPI from the New Zealand Hotel and Maldives Resorts, which declined collectively by S$4.4 million yoy for FY 2023.

Singapore recorded a total of 12.4 million visitor arrivals in YTD Nov 2023, a significant increase from the 5.4 million recorded in YTD Nov 2022. This represents 71.1% of YTD Nov 2019 arrivals, with visitor days recovering to 80.3% of pre-pandemic levels due to an increase in average length of stay from 3.4 days in YTD Nov 2019 to 3.8 days in YTD Nov 2023[4]. To improve portfolio competitiveness, asset enhancement exercises were carried out in stages at Grand Copthorne Waterfront Hotel and W Hotel. The entire conference facilities at Grand Copthorne Waterfront Hotel underwent renovation works from April 2023 to July 2023, while 34,157 room nights were taken out of inventory for room refurbishment works until August 2023. At W Hotel, refurbishment of the specialty restaurant, SKIRT, and ballroom was carried out in July and August 2023.

Notwithstanding the asset enhancement works, the Singapore Hotels reported full year RevPAR growth of 19.0% yoy and an improvement of 17.8%[5] against FY 2019. The overall performance was boosted by strong growth in 1H 2023, despite one of the hotels having experienced an extended gestation period in 1H 2023 after its exit from the government isolation program in early January 2023. RevPAR growth was more muted in the second half due to a high base effect from a very strong 4Q 2022 driven by pent-up demand from citywide events and conventions, which normalised in 4Q 2023. Overall, the NPI for the Singapore Hotels grew by a respectable 10.4% (or S$7.6 million) yoy to S$80.3 million for FY 2023.

Grand Millennium Auckland recorded RevPAR growth of 7.2% yoy for FY 2023, with most of the increase materialising towards the end of the year, as the hotel went through a recovery gestation period following its exit from the government isolation program in June 2022. The long gestation period was partly attributed to slow recovery of international and Trans-Tasman flight capacities. FY 2023 operating expenses increased by 39.8% (or S$5.4 million) yoy following the hotel's exit from the government isolation program and the return to normalised operational processes. Coupled with weaker NZD (against SGD), the New Zealand Hotel recorded a yoy NPI decline of 30.8% (or S$3.2 million) yoy in FY 2023.

The Perth Hotels posted a RevPAR improvement of 29.3% yoy for FY 2023, mainly attributable to a stronger yoy performance in the January to April 2023 period against 2022, when demand was impacted by border closures into Western Australia. Against FY 2019, RevPAR growth grew by 13.9% for FY 2023, contributed by a stronger event calendar in 4Q 2023 which resulted in higher average rates. Accordingly, NPI growth of 39.4% (or S$1.2 million) yoy was recorded for FY 2023.

In Japan, FY 2023 was a period of robust inbound travel recovery with the Japan Hotels posting a remarkable RevPAR increase of 101.2% yoy. The pent up demand was evident following restrictions on foreign arrivals being fully lifted from October 2022[6]. Notwithstanding the lagging recovery of the Chinese tourists, one of Japan's key source markets, the Japan Hotels reported a rate-driven RevPAR improvement of 12.6% over FY 2019. The Japan Hotels achieved record full year average rate and RevPAR since acquisition of ¥10,138 and ¥8,838 respectively. Accordingly, FY 2023 NPI for the Japan portfolio improved by 234.7% (or S$2.7 million) yoy.

For FY 2023, RevPAR for the Maldives Resorts fell marginally by 2.7% yoy, despite a growth in visitor arrivals. Increased resort supply and the full reopening of alternative destinations such as Seychelles, Mauritius and Thailand (which had border restrictions until the latter part of 2Q 2022) affected the overall performance of the Maldives Resorts. For FY 2023, Angsana Velavaru recognised a total rent of S$8.5 million (US$6.3 million), an increase of 8.9% (or S$0.7 million) yoy. Raffles Maldives Meradhoo posted a FY 2023 RevPAR decline of 8.0% yoy, due to geopolitical issues also affecting its luxury source markets (i.e. Russia and Middle East). The traditionally strong December was affected by weather conditions, which resulted in some cancellations and shortened stays. Higher occupancy driven operating costs and expenses impacted the overall profitability of the resort. Accordingly, NPI from the Maldives Resorts declined by 13.8% (or S$1.1 million) yoy for FY 2023.

[4] Singapore Tourism Analytics Network
[5] On a proforma basis for comparability, assuming CDLHT owns W Hotel from 1 January 2019
[6] Kyodo News, "Japan scraps COVID border controls in hopes of reviving tourism boom", 11 October 2022

In the UK, Hilton Cambridge City Centre and The Lowry Hotel recorded RevPAR growth of 8.6% yoy for FY 2023. Against FY 2019, RevPAR for these two hotels grew by 3.8% driven by a 15.0% increase in average rate. For Hilton Cambridge City Centre, the hotel achieved its record average rate and RevPAR of £185 and £132 respectively for FY 2023 since acquisition. The Lowry Hotel also recorded its highest ever RevPAR of £135 for any reporting year. The fixed rent for Hotel Brooklyn increased by 5.0% (annual inflation rent adjustment) to £2.5 million (S$4.3 million) for the rental period of 7 May 2023 to 6 May 2024. Collectively, NPI from the UK portfolio increased by 11.9% (or S$1.6 million) yoy for FY 2023.

The Germany Hotel reported RevPAR growth of 14.0% yoy for FY 2023. With corporate travel demand yet to recover to pre-pandemic levels as well as a weaker event calendar in 2023 against 2019, RevPAR for FY 2023 was 10.1% below that of FY 2019. In FY 2023, the hotel recorded a NPI increase of 27.9% (or S$2.1 million) yoy, due to the recognition of S$3.3 million (€2.3 million) in variable rent above the accounting straight-line base rent. In comparison, a lower variable rent of S$1.9 million (€1.3 million) was recognised in FY 2022, due to the clawback by the lessee on its cumulative losses suffered during the pandemic as part of a temporary rent rebate agreement.

Hotel Cerretani Firenze recorded stellar RevPAR growth of 46.6% yoy for FY 2023 and 41.3% against FY 2019, bolstered by strong demand from all inbound and domestic markets. Notably, in 2023, the hotel achieved record full year average rate and RevPAR since acquisition of €297 and €223 respectively. The hotel registered an NPI growth of 66.8% (or S$2.1 million) yoy due to the recognition of significantly higher variable rent of S$3.7 million (€2.5 million) above the accounting straight-line base rent. In comparison, S$1.5 million (€1.1 million) variable rent above the base rent was recorded for FY 2022.

For FY 2023, Claymore Connect, reported 43.0% (or S$1.7 million) yoy growth in NPI. This improvement was primarily attributed to the additional new leases secured, increased rent for existing leases and renewals, and continuing efforts to minimise operational expenses.

Interest costs for FY 2023 increased mainly due to higher funding costs on the Group's floating rate loans and on re-financing of fixed rate loans, as well as from amounts drawn to finance the Group's asset enhancement works. To manage interest costs, the Group had entered into two interest rate swaps to partially hedge against the interest rate volatility on some of its SGD borrowings. As for the movements in net finance costs, any fair value gains/losses on derivatives and the interest expense incurred on the UK BTR development project (which was capitalised) does not have any impact on the distribution to Stapled Securityholders.

CDLHT's revalued its properties as at 31 December 2023 and recorded a net fair value gain of S$107.9 million, with the remaining revaluation surplus recognised in Statements of Movements in Unitholders' Funds (refer to pages FS6 and FS8 of the Condensed Interim Financial Statements announcement). These revaluation gains/losses do not have any impact on the distribution to Stapled Securityholders. As at 31 December 2023, CDLHT's total investment properties and property, plant and equipment value (including the UK BTR) ("**Total Portfolio Value**") increased by S$231.4 million or 7.8% yoy to S$3.2 billion as at 31 December 2023. On a same store basis, excluding UK BTR, the total investment properties and properties, plant and equipment would have increased by 5.5% or S$159.6 million yoy.

Overall, the total distribution (after deducting income retained for working capital) was S$71.0 million, 1.8% higher yoy. Included herein is a capital distribution from the Group's overseas hotels of S$12.7 million (FY 2022: S$6.4 million) arising from operating cashflows.

DPS (after deducting income retained for working capital) for FY 2023 was 5.70 cents, 1.2% higher yoy.

Statistics for CDLHT's Hotels

Singapore Hotels Statistics

	4Q 2023	4Q 2022*	Better/ (Worse)	2H 2023*	2H 2022*	Better/ (Worse)	FY 2023*	FY 2022*	Better/ (Worse)
Average Occupancy Rate	79.2%	85.5%	(6.3)pp	83.1%	86.8%	(3.7)pp	76.2%	76.1%	0.1pp
Average Daily Rate	S$246	S$257	(4.2)%	S$261	S$241	8.1%	S$260	S$219	18.8%
RevPAR	S$195	S$220	(11.3)%	S$217	S$209	3.5%	S$198	S$166	19.0%

** A total of 26,488 room nights and 7,666 room nights were out of inventory for Studio M Hotel and Grand Copthorne Waterfront Hotel respectively for FY 2022 due to rooms refurbishment works. This was against the 34,157 room nights that were out-of-order at Grand Copthorne Waterfront Hotel for FY 2023, as renovation continued into 2023 and completed in August 2023. Excluding the out-of-order rooms for 4Q 2023 and 4Q 2022, occupancy would be 79.2% and 88.4% respectively, while RevPAR would be S$195 and S$227 respectively. For 2H 2023 and 2H 2022, occupancy would be 83.2% and 88.2% respectively, while RevPAR would be S$217 and S$213 respectively. For FY 2023 and FY 2022, occupancy would be 79.1% and 79.0% respectively while RevPAR would be S$205 and S$173 respectively.*

Overseas Hotels – RevPAR by Geography

	4Q 2023	4Q 2022	Better/ (Worse) (%)	2H 2023	2H 2022	Better/ (Worse) (%)	FY 2023	FY 2022	Better/ (Worse) (%)
New Zealand (NZ$)	143	126	13.4	135	98	37.6	137	128	7.2
Australia (A$)	138	117	17.8	120	113	5.8	112	87	29.3
Japan (¥)	10,363	6,565	57.9	9,369	5,355	74.9	8,838	4,393	101.2
Maldives (US$)	314	338	(7.0)	268	263	1.8	313	322	(2.7)
United Kingdom (£)**	132	130	1.5	144	138	4.1	133	123	8.6
Germany (€)	97	108	(10.9)	109	119	(7.9)	98	86	14.0
Italy (€)***	196	159	23.2	235	177	32.7	223	152	46.6

*** Excludes Hotel Brooklyn which is under a fixed rent occupational lease.*
**** The RevPAR of the Italy Hotel is based on total inventory regardless of the three-week closure from 16 January 2023 for water pipe works. Excluding the closure dates, the RevPAR for FY 2023 would be €237.*

3 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

No forecast has been disclosed.

4 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to the UNWTO World Tourism Barometer, international tourism ended 2023 at 88% of pre-pandemic levels. Supported by strong travel demand, international tourism is well on track to fully recover to pre-pandemic levels in 2024, subject to the pace of recovery in Asia and the evolution of existing economic and geopolitical downside risks[7].

[7] UNWTO, "International tourism to reach pre-pandemic levels in 2024", 19 January 2024

In Singapore, CDLHT's core market, growth in visitor arrivals is expected to continue in 2024[8]. The recovery of inbound visitors from China, Singapore's largest source market of foreign visitors pre-pandemic, is only 36.8% of YTD Nov 2019[9]. A mutual 30-day visa-waiver arrangement between Singapore and China, which will commence on 9 February 2024[10], just ahead of the Chinese New Year holidays, could support the return of Chinese travellers. Demand drivers such as tourism offerings, events and concerts are expected to support the hospitality sector, and attract longer staying visitors. Further enhancements to Singapore's infrastructure and tourist attractions in the longer term will strengthen Singapore's value proposition. For CDLHT's Singapore Hotels, energy prices will be lower in 2024 due to a forward contract being locked in at lower tariffs than that of 2023.

The performance of CDLHT's overseas portfolio is expected to remain bolstered by the broad recovery in regional and international tourism. In general, while outbound travel from China has been lethargic, it is expected that there should be progressive improvement in 2024, which should be beneficial to CDLHT's portfolio.

Tourism New Zealand continues to focus on attracting high quality visitors who spend more, stay longer, visit multiple regions and travel throughout the year[11]. Meanwhile, Western Australia's tourism recovery continues to be supported by improving flight connectivity and various tourism initiatives. Japan's tourism sector has recovered strongly and the positive trends are likely to persist, supported by the country's surging popularity as a travel destination. Despite facing competitive pressures and the potential implications of recent political tensions between India and Maldives, the resurgence of the Chinese market, which was the largest inbound source market in 2019 pre-pandemic, could help to support demand. According to the VisitBritain forecast, inbound visits to the UK for 2024 are forecasted at 39.5 million, representing 97% of the 2019 level and 5% higher than in 2023[12]. In Europe, the Germany and Italy Hotels remain supported by a general recovery in travel and events.

While the various geographical markets are expected to be supported by their respective demand drivers, geopolitical factors such as the ongoing Russia-Ukraine and Israel-Hamas wars could perpetuate uncertainty to global tourism. General operational cost inflation remains an area Managers are working on with operators across the portfolio to protect margins.

Construction of CDLHT's residential Build-to-Rent building in Manchester, UK, remains on track for practical completion in mid-2024. Works on the apartments, building façade and amenity spaces are ongoing. Mobilisation of the property has commenced, in preparation for the lease-up phase. Residential rental growth in Manchester remains robust and the property is well-positioned to benefit from the favourable demand and supply dynamics. The property is expected to open within a month of practical completion with a gestation period of around 12 months before stabilisation.

While funding costs remain high, the US Federal Reserve's latest summary of economic projections in December 2023, indicates that three rate cuts, assumed to be a quarter-percentage-point decrease each, may take place in 2024[13]. CDLHT will benefit from interest rate declines when they are widely expected to occur in 2024. Meanwhile, the Managers will monitor the interest rates closely for hedging opportunities via interest rate swaps and cross currency swaps.

As at 31 December 2023, CDLHT has a healthy balance sheet, with a gearing of 36.7% and cash reserves of about S$72.0 million. In addition, CDLHT also has approximately S$213.6 million of committed revolving credit facilities available for drawdown, S$22.7 million undrawn committed term loan to fund the UK BTR development over the construction period, and S$400.0 million in short-term uncommitted bridge loan facilities available for acquisitions.

Over the past year, the Managers have implemented asset enhancement initiatives to augment its hotels' competitive standing in the respective markets. In 3Q 2023, enhancements to W Hotel's lobby and restaurant were completed, elevating guest experience and reinforcing the hotel's positioning as a leading luxury hotel in Sentosa. At Grand Copthorne Waterfront Hotel, an extensive enhancement of meeting facilities and full renovation of 549 rooms were completed in July 2023 and August 2023 respectively. In addition, at Grand Millennium Auckland, a refurbishment of the all-day dining restaurant and a refresh of the lobby lounge was completed in November 2023 and December 2023 respectively. Works are also commencing for the ballroom renovation, which will be completed in phases.

Going forward, CDLHT will continue to work closely with the lessees and operators to execute strategic asset enhancement opportunities to ensure that the portfolio stays ahead of the competition, and pursue suitable acquisitions to augment and diversify its income streams.

[8] The Straits Times, "Singapore travel and hospitality players upbeat on full return of visitors in 2024", 19 December 2023
[9] Source: Singapore Tourism Analytics Network
[10] The Straits Times, "Singapore-China mutual visa exemption to start on Feb 9 in time for CNY holidays", 25 January 2024
[11] Tourism New Zealand, "Strong off peak holiday arrivals support New Zealand economy", 17 November 2023
[12] VisitBritain, "2024 inbound tourism forecast", 20 December 2023
[13] CNBC, "The Fed is expected to cut interest rates in 2024. Here's how investors can prepare", 3 January 2024

By Order of the Board

Enid Ling Peek Fong
Company Secretary
M&C REIT Management Limited
(Company Registration No. 200607091Z)
(as Manager of CDL Hospitality Real Estate Investment Trust)

30 January 2024

By Order of the Board

Enid Ling Peek Fong
Company Secretary
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
(as Trustee-Manager of CDL Hospitality Business Trust)

30 January 2024