CDL HOSPITALITY TRUSTS
SECOND HALF 2021 SUMMARY OF GROUP PERFORMANCE

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS
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 2021

INTRODUCTION

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$2.9 billion as at 31 December 2021. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), a real estate investment trust, and CDL Hospitality Business Trust ("**HBT**"), a business trust (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 2021, CDLHT's portfolio comprises 18 operational properties (including a total of 4,631 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the portfolio include:

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

Following the lease expiry of the Perth Hotels, Sunshine Hotels Australia Pty Ltd in its capacity as trustee of Sun Trust Three (which is a wholly-owned subsidiary of H-REIT) and CDL HBT Sun Three Pty Ltd (incorporated in Australia on 12 March 2021 and is an indirect wholly-owned subsidiary of HBT) (in the case of Ibis Perth) as well as Sunshine Hotels in its capacity as trustee of Sun Trust Four (which is a wholly-owned subsidiary of H-REIT) and CDL HBT Sun Four Pty Ltd (incorporated in Australia on 12 March 2021 and is an indirect wholly-owned subsidiary of HBT) (in the case of Mercure Perth) appointed AAPC Properties Pty Limited (a wholly-owned subsidiary of Accor SA) to provide hotel management services to the two Perth hotels from 1 May 2021 onwards.

HBT Group owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of H-REIT Group's Australia Hotels, Japan Hotels, Raffles Maldives Meradhoo, and W Hotel. It 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 2021

SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS

	1 Jul 2021 to 31 Dec 2021 ("2H 2021") S$'000	1 Jul 2020 to 31 Dec 2020 ("2H 2020") S$'000	Increase/ (Decrease) %	1 Jan 2021 to 31 Dec 2021 ("FY 2021") S$'000	1 Jan 2020 to 31 Dec 2020 ("FY 2020") S$'000	Increase/ (Decrease) %
Revenue	91,499	65,499	39.7	157,724	117,558	34.2
Net property income	49,133	39,604	24.1	86,110	69,325	24.2
Total return before revaluation and fair value adjustments on properties	16,457	767	N.M	23,955	(3,612)	N.M
Income available for distribution to Stapled Securityholders (before retention)	24,673	24,507	0.7	41,295	44,898	(8.0)
Less:						
Income retained for working capital	(2,468)	(2,451)	0.7	(4,130)	(4,490)	(8.0)
Income to be distributed to Stapled Securityholders (after retention)	22,205	22,056	0.7	37,165	40,408	(8.0)
Capital distribution[1]	15,398	20,000	(23.0)	15,398	20,000	(23.0)
Total distribution to Stapled Securityholders (after retention)	37,603	42,056	(10.6)	52,563	60,408	(13.0)
Total distribution per Stapled Security (before retention)[2] (cents)						
For the period	3.26	3.64	(10.4)	4.61	5.32	(13.3)
Total distribution per Stapled Security (after retention)[2] (cents)						
For the period	3.06	3.44	(11.0)	4.27	4.95	(13.7)

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

[2] This includes capital distribution.

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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 2021	2H 2020	Increase/ (Decrease)	2H 2021	2H 2020	Increase/ (Decrease)	2H 2021	2H 2020	Increase/ (Decrease)
		S$'000	S$'000	%	S$'000	S$'000	%	S$'000	S$'000	%
Revenue										
Rental revenue		49,879	46,958	6.2	-	-	-	39,185	38,627	1.4
Hotel revenue		-	-	-	52,340	26,872	94.8	52,314	26,872	94.7
	(a)	49,879	46,958	6.2	52,340	26,872	94.8	91,499	65,499	39.7
Property expenses										
Operation and maintenance expenses		-	-	-	(18,132)	(5,753)	N.M	(18,132)	(5,753)	N.M
Employee benefit expenses		-	-	-	(10,607)	(7,780)	36.3	(10,607)	(7,780)	36.3
Rental expenses	(c)	-	-	-	(4,294)	(5,056)	(15.1)	105	(139)	N.M
Property tax	(d)	(1,497)	(2,633)	(43.1)	(504)	460	N.M	(2,001)	(2,173)	(7.9)
Other property expenses	(e)	5,925	(3,407)	N.M	(9,666)	(6,643)	45.5	(11,731)	(10,050)	16.7
		4,428	(6,040)	N.M	(43,203)	(24,772)	74.4	(42,366)	(25,895)	63.6
Net property income		54,307	40,918	32.7	9,137	2,100	N.M	49,133	39,604	24.1
H-REIT Manager's management fees		(5,581)	(5,094)	9.6	-	-	-	(5,581)	(5,094)	9.6
H-REIT Trustee's fees		(182)	(204)	(10.8)	-	-	-	(182)	(204)	(10.8)
HBT Trustee-Manager's management fees		-	-	-	(575)	(262)	N.M	(575)	(262)	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(131)	(105)	24.8	(131)	(105)	24.8
Valuation fees		(50)	(83)	(39.8)	(33)	13	N.M	(83)	(70)	18.6
Depreciation	(f)	(819)	(955)	(14.2)	(8,780)	(6,111)	43.7	(11,321)	(10,207)	10.9
Other expenses	(g)	5,447	(4,969)	N.M	(223)	(105)	N.M	(2,227)	(5,075)	(56.1)
Finance income		10,150	15,836	(35.9)	1,174	-	N.M	10,026	18,749	(46.5)
Finance costs		(18,555)	(24,751)	(25.0)	(4,252)	(4,628)	(8.1)	(21,823)	(26,534)	(17.8)
Net finance costs	(h)	(8,405)	(8,915)	(5.7)	(3,078)	(4,628)	(33.5)	(11,797)	(7,785)	51.5
Net income/(loss) before fair value adjustment		44,717	20,698	N.M	(3,683)	(9,098)	(59.5)	17,236	10,802	59.6
Loss on disposal of investment properties and related cessation of business of foreign operation	(i)	-	(8,951)	N.M	-	-	-	-	(8,795)	N.M
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	(j)	911	(1,454)	N.M	4,460	(13,581)	N.M	13,337	(51,568)	N.M
Net fair value gain/(loss) on investment properties	(k)	18,237	(181,055)	N.M	438	-	N.M	30,509	(133,955)	N.M
Total return/(Net loss) before tax		63,865	(170,762)	N.M	1,215	(22,679)	N.M	61,082	(183,516)	N.M
Tax credit/(expense)		557	(3,672)	N.M	(276)	2,432	N.M	(779)	(1,240)	(37.2)
Total return/(Net loss)		64,422	(174,434)	N.M	939	(20,247)	N.M	60,303	(184,756)	N.M
Attributable to:										
Unitholders		64,638	(173,347)	N.M	939	(20,247)	N.M	60,519	(183,669)	N.M
Non-controlling interests	(l)	(216)	(1,087)	(80.1)	-	-	-	(216)	(1,087)	(80.1)
Total return/(Net loss)		64,422	(174,434)	N.M	939	(20,247)	N.M	60,303	(184,756)	N.M

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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

		H-REIT Group			HBT Group [(b)]			CDL Hospitality Trusts		
	Foot-note	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		94,200	90,733	3.8	-	-	-	76,883	79,689	(3.5)
Hotel revenue		-	-	-	80,867	37,869	N.M	80,841	37,869	N.M
	(a)	94,200	90,733	3.8	80,867	37,869	N.M	157,724	117,558	34.2
Property expenses										
Operation and maintenance expenses		-	-	-	(24,867)	(9,172)	N.M	(24,867)	(9,172)	N.M
Employee benefit expenses		-	-	-	(20,419)	(12,900)	58.3	(20,419)	(12,900)	58.3
Rental expenses	(c)	-	-	-	(6,333)	(5,743)	10.3	241	(211)	N.M
Property tax	(d)	(4,841)	(5,890)	(17.8)	255	(143)	N.M	(4,586)	(6,033)	(24.0)
Other property expenses	(e)	(13,508)	(9,226)	46.4	(16,241)	(10,691)	51.9	(21,983)	(19,917)	10.4
		(18,349)	(15,116)	21.4	(67,605)	(38,649)	74.9	(71,614)	(48,233)	48.5
Net property income		75,851	75,617	0.3	13,262	(780)	N.M	86,110	69,325	24.2
H-REIT Manager’s management fees		(9,458)	(10,128)	(6.6)	-	-	-	(9,458)	(10,128)	(6.6)
H-REIT Trustee’s fees		(362)	(407)	(11.1)	-	-	-	(362)	(407)	(11.1)
HBT Trustee-Manager’s management fees		-	-	-	(854)	(559)	52.8	(854)	(559)	52.8
HBT Trustee-Manager’s trustee fees		-	-	-	(243)	(224)	8.5	(243)	(224)	8.5
Valuation fees		(136)	(179)	(24.0)	(47)	(8)	N.M	(183)	(187)	(2.1)
Depreciation	(f)	(1,671)	(1,901)	(12.1)	(15,942)	(11,032)	44.5	(21,453)	(16,190)	32.5
Other expenses	(g)	(3,444)	(8,066)	(57.3)	(556)	(357)	55.7	(4,000)	(8,424)	(52.5)
Finance income		17,891	19,202	(6.8)	-	23	N.M	17,667	20,634	(14.4)
Finance costs		(36,464)	(41,169)	(11.4)	(8,255)	(7,103)	16.2	(39,428)	(44,599)	(11.6)
Net finance costs	(h)	(18,573)	(21,967)	(15.5)	(8,255)	(7,080)	16.6	(21,761)	(23,965)	(9.2)
Net income/(loss) before fair value adjustment		42,207	32,969	28.0	(12,635)	(20,040)	(37.0)	27,796	9,241	N.M
Loss on disposal of investment properties and related cessation of business of foreign operation	(i)	-	(8,951)	N.M	-	-	-	-	(8,795)	N.M
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	(j)	911	(1,454)	N.M	4,460	(13,581)	N.M	13,337	(51,568)	N.M
Net fair value gain/(loss) on investment properties	(k)	18,237	(181,055)	N.M	438	-	N.M	30,509	(133,955)	N.M
Total return/(Net loss) before tax		61,355	(158,491)	N.M	(7,737)	(33,621)	(77.0)	71,642	(185,077)	N.M
Tax (expense)/credit		(2,092)	(6,150)	(66.0)	(689)	2,092	N.M	(3,841)	(4,058)	(5.3)
Total return/(Net loss)		59,263	(164,641)	N.M	(8,426)	(31,529)	(73.3)	67,801	(189,135)	N.M
Attributable to:										
Unitholders		59,396	(163,521)	N.M	(8,426)	(31,529)	(73.3)	67,934	(188,015)	N.M
Non-controlling interests	(l)	(133)	(1,120)	(88.1)	-	-	-	(133)	(1,120)	(88.1)
Total return/(Net loss)		59,263	(164,641)	N.M	(8,426)	(31,529)	(73.3)	67,801	(189,135)	N.M

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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 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Net income/(loss) for the period	939	(20,247)	N.M	(8,426)	(31,529)	(73.3)
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation surplus/(Revaluation deficit) on property, plant and equipment	7,642	(4,338)	N.M	7,642	(4,338)	N.M
Tax effect on revaluation surplus/(deficit) on property, plant and equipment	(2,031)	3,083	N.M	(2,023)	3,102	N.M
	5,611	(1,255)	N.M	5,619	(1,236)	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(2,337)	4,303	N.M	(202)	2,418	N.M
- hedge of net investment in a foreign operation	1,651	(2,653)	N.M	(540)	(1,347)	(59.9)
- monetary items forming part of net investment in a foreign operation	(2,385)	3,747	N.M	981	2,226	(56.0)
	(3,071)	5,397	N.M	239	3,297	(92.8)
Other comprehensive income for the period, net of tax	2,540	4,142	(38.7)	5,858	2,061	N.M
Total comprehensive income for the period	3,479	(16,105)	N.M	(2,568)	(29,468)	(91.3)

Review of financial performance

(a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 2 (i), page 14 to 15 of the Announcement.

(b) Revenue and property expenses for HBT Group in 2H 2021 and FY 2021 have increased as compared to the corresponding period last year primarily due to the inclusion of the operating results for the W Hotel (acquired on 16 July 2020) as well as the two Perth hotels following its entry into a hotel management agreement with AAPC Properties Pty Limited on 1 May 2021. Accordingly, the yoy employee benefit expenses has correspondingly increased.

(c) Rental expenses for HBT Group comprise the rentals from W Hotel and the two Perth hotels with effect from 16 July 2020 and 1 May 2021.

(d) CDLHT recorded yoy net savings in property tax in 2H 2021 and FY 2021 mainly due to a property tax refund of S$812K (GBP440K) arising from the business rate relief granted by the UK government for The Lowry Hotel and property tax refund of S$1.7 million from SG Hotels.

(e) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. In FY 2021, H-REIT Group's expenses have increased primarily due to impairment loss recognised of S$7.7 million in relation to intra-group trade receivables due from HBT, which is the lessee of Raffles Maldives Meradhoo. The impairment loss was made as the resort's operational performance had been adversely affected by the pandemic. Excluding this impairment loss (which has no impact to the Stapled Group), H-REIT Group's other property expenses in FY 2021 would have been S$5.8 million (instead of S$13.5 million). On a same store basis and excluding the impairment loss, H-REIT Group would have recorded an NPI of S$83.6 million (instead of S$75.9 million) in FY 2021. In comparison, last year's other property expenses included an impairment of S$3.4 million relating to the rental receivables from the Germany and Italy Hotels.

Also included in other property expenses for 2H 2021 was a reversal of impairment loss of S$8.4 million in relation to intra-group trade receivables due from HBT, which is the lessee of Raffles Maldives Meradhoo. Excluding this reversal of impairment loss, H-REIT Group's other property expenses in 2H 2021 would have been S$2.5 million (instead of other property income of S$5.9 million). On a same store basis and excluding the reversal of impairment loss, H-REIT Group would have been recorded an NPI of S$45.9 million (instead of S$54.3 million).

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

(g) Other expenses comprise mainly professional fees and administrative expenses. H-REIT Group incurred lower fees and administrative expenses in FY 2021 mainly due to the absence of impairment loss on non-trade receivables (S$6.0 million).

(h) *Net finance costs*

	H-REIT Group			H-REIT Group		
	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	19	139	(86.3)	39	443	(91.2)
Interest income received/receivable from HBT Group(v)	124	28	N.M	224	31	N.M
Interest income from finance lease	35	79	(55.7)	108	165	(34.5)
Fair value gain on derivatives(i)	9,972	-	N.M	17,520	-	N.M
Exchange gain (ii)	-	15,590	N.M	-	18,563	N.M
Finance income	10,150	15,836	(35.9)	17,891	19,202	(6.8)
Exchange loss (ii)	(7,686)	-	N.M	(15,028)	-	N.M
Interest paid/payable to banks(iii)	(8,508)	(8,391)	1.4	(16,709)	(17,703)	(5.6)
Interest expense on lease liabilities	(1,442)	(1,561)	(7.6)	(2,918)	(2,202)	32.5
Fair value loss on derivatives(i)	-	(13,912)	N.M	-	(19,590)	N.M
Amortisation of transaction costs capitalised(iv)	(793)	(766)	3.5	(1,558)	(1,433)	8.7
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(126)	(121)	4.1	(251)	(241)	4.1
Finance costs	(18,555)	(24,751)	(25.0)	(36,464)	(41,169)	(11.4)
Net finance costs	(8,405)	(8,915)	(5.7)	(18,573)	(21,967)	(15.5)

	HBT Group			HBT Group		
	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Fair value gain on derivatives(i)	-	-	-	-	23	N.M
Exchange gain (ii)	1,174	-	N.M	-	-	-
Finance income	1,174	-	N.M	-	23	N.M
Exchange loss (ii)	-	(1,142)	N.M	(89)	(899)	(90.1)
Interest paid/payable to banks(iii)	(1,490)	(1,407)	5.9	(2,833)	(2,710)	4.5
Interest paid/payable to H-REIT Group(v)	(124)	(28)	N.M	(224)	(31)	N.M
Interest expense on lease liabilities	(2,561)	(1,973)	29.8	(4,956)	(3,309)	49.8
Amortisation of transaction costs capitalised(iv)	(77)	(78)	(1.3)	(153)	(154)	(0.6)
Finance costs	(4,252)	(4,628)	(8.1)	(8,255)	(7,103)	16.2
Net finance costs	(3,078)	(4,628)	(33.5)	(8,255)	(7,080)	16.6

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	19	139	(86.3)	39	444	(91.2)
Interest income from finance lease	35	79	(55.7)	108	165	(34.5)
Fair value gain on derivatives(i)	9,972	-	N.M	17,520	-	N.M
Exchange gain(ii)	-	18,531	N.M	-	20,025	N.M
Finance income	10,026	18,749	(46.5)	17,667	20,634	(14.4)
Exchange loss(ii)	(9,018)	-	N.M	(14,059)	-	N.M
Interest paid/payable to banks(iii)	(9,998)	(9,798)	2.0	(19,542)	(20,413)	(4.3)
Interest expense on lease liabilities	(1,811)	(1,859)	(2.6)	(3,865)	(2,791)	38.5
Fair value loss on derivatives(i)	-	(13,912)	N.M	-	(19,567)	N.M
Amortisation of transaction costs capitalised(iv)	(870)	(844)	3.1	(1,711)	(1,587)	7.8
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(126)	(121)	4.1	(251)	(241)	4.1
Finance costs	(21,823)	(26,534)	(17.8)	(39,428)	(44,599)	(11.6)
Net finance costs	(11,797)	(7,785)	51.5	(21,761)	(23,965)	(9.2)

(i) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT's and HBT's income from overseas as well as EUR/USD cross-currency interest rate swap contracts entered into by H-REIT to partially hedge its interest cost.

(ii) The exchange loss of CDLHT for 2H 2021 and FY 2021 mainly arose from the appreciation of Sterling Pound ("GBP") and US dollar ("USD") denominated borrowings against SGD, as well as depreciation from Euro ("EUR") denominated receivables against SGD. During the comparative period in 2H 2020 and FY 2020, the exchange gain arose mainly from the appreciation of Australian Dollars ("AUD") and New Zealand dollar ("NZD") denominated receivables and cash balances against SGD.

(iii) The interest paid/payable to banks for FY 2021 was lower yoy mainly due to lower funding costs on the Group's floating rate loans.

(iv) The amortisation costs relate to the amortisation of transaction costs arising from CDLHT's borrowings.

(v) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to mainly support the operational cashflow of the UK Hotels ("Intra-group loan").

(i) On 15 July 2020, CDLHT completed the sale of NCQ for a total consideration of S$375.9 million and recognized a gain on disposal of S$5.2 million in FY 2020.

Subsequently, on 30 October 2020, CDLHT completed the sale of Novotel Brisbane in Australia for a total consideration of A$67.3 million and recognized a loss on disposal of S$14.0 million in FY 2020.

Collectively, both transactions gave rise to a net loss of S$8.8 million.

(j) 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 10 of the Announcement for details.

(k) This relates to net fair value gain recognised from the revaluation of CDLHT's investment properties as at 31 December 2021. Please refer to Section 1(b)(i) footnote (b) on page 9 of the Announcement for details.

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

(m) Income available for distribution[(i)]

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2H 2021 S$'000	2H 2020 S$'000	FY 2021 S$'000	FY 2020 S$'000
Total return of H-REIT	16,971	(120,444)	31,485	(111,851)
Total comprehensive income of HBT	(11,503)	(21,702)	(13,468)	(23,012)
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Net fair value (gain)/loss on investment properties	(3,447)	105,302	(3,447)	105,302
- Amortisation of transaction costs	760	724	1,490	1,377
- Income in relation to gain on disposal of investment properties	-	(5,040)	-	(5,040)
- Fair value (gain)/loss on financial derivatives	(9,972)	13,912	(17,520)	19,590
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	126	121	251	241
- Exchange loss/(gain)	7,686	(19,091)	12,917	(20,286)
- H-REIT Manager's fees paid/payable in Stapled Securities	4,464	4,076	7,566	8,103
- H-REIT Trustee's fees	182	204	362	407
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	460	210	683	447
- HBT Trustee-Manager's trustee fees	131	105	243	224
- Impairment loss on subsidiaries[(iii)]	16,558	66,274	16,558	66,274
- Other items	2,257	(144)	4,175	3,122
Income available for distribution to Stapled Securityholders (before retention)	24,673	24,507	41,295	44,898
Less : Income retained for working capital	(2,468)	(2,451)	(4,130)	(4,490)
Income to be distributed to Stapled Securityholders (after retention)	22,205	22,056	37,165	40,408
Capital distribution [(ii)]	15,398	20,000	15,398	20,000
Total distribution to Stapled Securityholders (after retention)	37,603	42,056	52,563	60,408
Comprising :				
- Taxable income	15,828	14,623	26,213	29,549
- Tax exempt income	6,377	7,433	10,952	10,859
- Capital distribution	15,398	20,000	15,398	20,000
	37,603	42,056	52,563	60,408

(i) The distribution of CDLHT represents the aggregate of distributions by H-REIT and HBT.

(ii) For FY 2021, the capital distribution comprise capital distribution from UK properties of S$2.9 million and partial distribution of proceeds from the sale of NCQ (S$2.9 million) and Novotel Brisbane (S$9.6 million) amounting to S$12.5 million.

(iii) This relates to impairment loss on H-REIT's cost of investment in its Maldives, New Zealand and Australia subsidiaries and HBT's cost of investment in its Maldives subsidiary and reversal of impairment in UK subsidiary. In the prior year, impairment loss was recognised on H-REIT's cost of investment in its Maldives, New Zealand and Australia subsidiaries and HBT's cost of investment in its Japan and UK subsidiaries. These have no impact on the income available for distribution.

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 2021

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 2021 S$'000	31 Dec 2020 S$'000	31 Dec 2021 S$'000	31 Dec 2020 S$'000	31 Dec 2021 S$'000	31 Dec 2020 S$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,419,305	2,403,183	-	-	1,921,748	1,978,356
Investment property under development	(b)	-	-	27,661	-	27,661	-
Property, plant and equipment	(c)	72,631	80,822	334,284	279,605	792,701	709,039
Deferred tax assets		789	835	163	163	952	998
Finance lease receivables		1,803	4,098	-	-	1,803	4,098
Financial derivative assets	(d)	4,762	-	-	-	4,762	-
Other receivables		72,845	10,264	212	212	361	361
		2,572,135	2,499,202	362,320	279,980	2,749,988	2,692,852
Current assets							
Inventories		-	-	2,403	1,947	2,403	1,947
Trade and other receivables		35,148	59,973	22,340	15,704	28,876	27,732
Finance lease receivables		395	826	-	-	395	826
Cash and cash equivalents		107,137	113,570	32,327	17,532	139,464	131,102
		142,680	174,369	57,070	35,183	171,138	161,607
Total assets		**2,714,815**	**2,673,571**	**419,390**	**315,163**	**2,921,126**	**2,854,459**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(e)	676,877	641,745	-	96,976	676,877	738,721
Lease liabilities	(f)	73,382	77,820	139,600	93,342	91,407	92,750
Rental deposits	(g)	10,126	10,005	-	-	10,126	10,005
Other payables	(i)	801	810	92	-	893	810
Financial derivative liabilities	(d)	948	13,707	-	-	948	13,707
Deferred tax liabilities	(h)	6,703	11,298	13,939	10,851	21,672	22,149
		768,837	755,385	153,631	201,169	801,923	878,142
Current liabilities							
Loans and borrowings	(e)	323,714	289,804	170,824	10,115	421,842	289,804
Lease liabilities	(f)	941	1,847	5,995	4,025	1,046	2,071
Trade and other payables	(i)	31,750	33,957	49,891	57,965	45,195	43,979
Provision for taxation	(j)	8,429	11,707	65	1,021	8,494	12,728
		364,834	337,315	226,775	73,126	476,577	348,582
Total liabilities		**1,133,671**	**1,092,700**	**380,406**	**274,295**	**1,278,500**	**1,226,724**
Net assets		**1,581,144**	**1,580,871**	**38,984**	**40,868**	**1,642,626**	**1,627,735**
Represented by:							
Unitholders' funds		1,573,852	1,573,044	38,984	40,868	1,635,334	1,619,908
Non-controlling interests	(k)	7,292	7,827	-	-	7,292	7,827
		1,581,144	**1,580,871**	**38,984**	**40,868**	**1,642,626**	**1,627,735**

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, the Perth Hotels and the UK Hotels.

(b) In FY 2021, S$75.9 million Australia properties were reclassified to property, plant and equipment after HBT Group acquired its hotel business on 30 April 2021. The decrease was partially offset by the recognition of net fair value gain of H-REIT Group's investment properties at the end of the financial year. The details are as follows:

The investment properties were valued by CBRE Pte. Ltd., CBRE GmbH, CIVAS (NSW) Pty Ltd (trading as Colliers International), JLL Morii Valuation & Advisory K.K., CBRE Valuation S.p.A., Jones Lang LaSalle Incorporated, Savills (UK) Limited, all independent registered valuers, and adopted in the financial statements of the Group as at 31 December 2021 as follows:

Properties	Tenure	CDL Hospitality Trusts Valuation	
		Foreign currency (million)	(S$ million)
Orchard Hotel	75 years from 19 July 2006		443.0
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006		356.0
M Hotel	75 years from 19 July 2006		239.0
Studio M Hotel	99 years from 26 February 2007		166.0
Copthorne King's Hotel	99 years from 1 February 1968		115.0
W Singapore – Sentosa Cove [1]	99 years from 31 October 2006		314.0
Claymore Connect Mall	75 years from 19 July 2006		88.0
Grand Millennium Auckland	Freehold	NZ$230.0	212.2
Mercure Perth [3]	Freehold	A$45.0	44.1
Ibis Perth [3]	Freehold	A$31.0	30.4
Angsana Velavaru	50 years from 26 August 1997	US$52.5	71.1
Raffles Maldives Meradhoo [2]	50 years from 15 June 2006	US$41.0	55.5
Pullman Hotel Munich	Freehold	EUR104.1	159.6
Hotel Cerretani Firenze - MGallery	Freehold	EUR40.3	61.8
The Castings[4]	Freehold	GBP15.2	27.7

The valuation at H-REIT Group's investment properties incurred a net fair value gain of S$18.2 million as at 31 December 2021 (31 December 2020: net fair value loss of S$181.1 million). This net fair value change is recognised in H-REIT Group's Statement of Total Return for FY 2021 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 2021 is a net translation loss of S$18.2 million (31 December 2020: net translation gain of S$32.4 million) relating to its overseas properties.

The COVID-19 pandemic has impacted the travel and hospitality sectors tremendously. In recognition of the potential for market conditions to change rapidly in response to measures and restrictions to control the outbreak, significant market uncertainty still exists. Accordingly, the valuations of certain investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 31 December 2021 only. Values may change more quickly and significantly than under normal market conditions.

[1] Under H-REIT Group, if W Hotel was valued on a standalone basis and on a master lease arrangement, the value is S$311.0 million.
[2] Under H-REIT Group, if RMM was valued on a standalone basis and on a master lease agreement, the value is US$39.5 million.
[3] Under H-REIT Group, if IP and MP was valued on a standalone basis and on a master lease agreement, the value is A$29.0 million and A$43.5 million respectively.
[4] On 31 August 2021, HBT Group invested into the forward-funding scheme, The Castings. The carrying amount of this investment property under development was based on independent valuation as at 31 December 2021 which considered the expenditure incurred from 31 August 2021 to 31 December 2021.

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

The property, plant and equipment at CDLHT comprise the W Hotel, Japan Hotels, Raffles Maldives Meradhoo, the Perth Hotels and the UK Hotels. 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 reclassification of the Australia properties from investment properties to property, plant and equipment after HBT Group acquired its hotel business. There were also recognition of depreciation expenses of S$21.5 million and a net translation loss of S$5.8 million for the period, offset by additions of S$16.7 million.

As at 31 December 2021, the valuation of CDLHT properties (comprising investment properties and property plant and equipment including ROU) resulted in a fair value gain of S$43.8 million, (31 December 2020: net fair value loss S$185.5 million). The net fair value change is recognized in CDLHT's Statement of Total Return for FY2021 and has no impact on the income available for distribution to holders of stapled securities.

The COVID-19 pandemic has impacted the travel and hospitality sectors tremendously. In recognition of the potential for market conditions to change rapidly in response to measures and restrictions to control the outbreak, significant market uncertainty still exists. Accordingly, the valuations of certain property, plant and equipment are currently subject to material valuation uncertainty. The carrying amounts of the property, plant and equipment were current as at 31 December 2021 only. Values may change more quickly and significantly than under normal market conditions.

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

(e) Loans and borrowings of CDLHT of S$1.10 billion (as at 31 December 2020: S$1.03 billion), which are measured at amortised cost, comprise JPY3.1 billion (S$36.5 million) TMK bond and S$1.07 billion bank loans, as explained under Section 1(b)(ii) on pages 11 to 13 of the Announcement. During the reporting period, CDLHT withdrew approximately S$69.3 million from its revolving credit facility to fund operating costs and capital expenditure of the Group's properties.

The net current liabilities position for CDLHT as at 31 December 2021 was mainly attributed to borrowings falling due within one year. 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 13 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 relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.

(h) The deferred tax liabilities mainly relate to the Australia, UK and Japan properties.

(i) Trade and other payables for the Group relates mainly to payables for operational and trust expenses. Included in HBT Group's payables are amounts owing in respect of the rebranding works on Raffles Maldives Meradhoo.

(j) Provision for taxation comprise 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 2021 S$'000	31 Dec 2020 S$'000	31 Dec 2021 S$'000	31 Dec 2020 S$'000	31 Dec 2021 S$'000	31 Dec 2020 S$'000
Amount repayable after one year						
Secured borrowings	67,454	71,449	-	-	67,454	71,449
Secured TMK bond	36,549	39,773	-	-	36,549	39,773
Unsecured borrowings [(a),(c),(d)]	575,878	533,781	-	97,270	575,878	631,051
	679,881	645,003	-	97,270	679,881	742,273
Amount repayable within one year						
Unsecured borrowings [(b)]	324,140	290,176	98,269	-	422,409	290,176
	324,140	290,176	98,269	-	422,409	290,176
Total borrowings[(e)]	1,004,021	935,179	98,269	97,270	1,102,290	1,032,449

(a) *On 29 July 2021, H-REIT entered into a fresh 5-year facility agreement to refinance the S$83.6 million term loan which will matured on 12 August 2021.*

(b) *On 23 August 2021, H-REIT, a Term loan (GBP66.5 million) was refinanced by a 1 year floating rate term loan (GBP50 million) along with a drawdown of GBP16.5 million from a revolving credit facility.*

(c) *On 14 December 2021, H-REIT refinanced an existing S$150 million revolving credit facility for 3 years.*

(d) *On 24 December 2021, H-REIT entered into a term loan facility of GBP79 million which will be drawdown progressively and on-lent to HBT for its residential built-to-rent forward funding scheme in Manchester, United Kingdom as announced on 31 August 2021.*

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

As at 31 December 2021, CDLHT’s aggregate leverage ratio was 39.1%, which was within the 50% limit allowed under the Monetary Authority of Singapore Property Funds Appendix. The interest coverage ratio was 3.3[1] times as of 31 December 2021. For purpose of computing interest coverage ratio, interest expense excludes interest expense on lease liabilities.

[1] The interest coverage ratio is computed on a trailing 12 months basis.

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 2021			31 Dec 2021			31 Dec 2021		
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)	36,549	36,549	-	-	-	-	36,549	36,549	-
JPY	5-year term loan (¥3.27 billion)	38,553	38,553	-	-	-	-	38,553	38,553	-
SGD	Medium term note(iii)	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan(iv)	300,000	-	300,000	100,000	-	100,000	400,000	-	400,000
SGD	2-3 years revolving credit (committed)	450,000	217,373	232,627	-	-	-	450,000	217,373	232,627
SGD	5-year term loans	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US$181.2 million)	245,363	245,363	-	-	-	-	245,363	245,363	-
EUR	7-year term loan (€44.0 million)(ii)	67,454	67,454	-	-	-	-	67,454	67,454	-
GBP	3-5 years term loans (£183.0 million)	234,754	125,129	109,625	98,269	98,269	-	333,023	223,398	109,625
		2,646,273	**1,004,021**	**1,642,252**	**198,269**	**98,269**	**100,000**	**2,844,542**	**1,102,290**	**1,742,252**

* 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$74.3 million, S$145.6 million and S$92.5 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 a 5-year Japanese yen denominated bond of JPY3.1 billion (S$36.5 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 a 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 borrowing

The secured bank loan relates to a 7-year fixed rate loan of S$67.5 million (€44.0 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 note

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 2021, there are no outstanding medium term notes.

(iv) Unsecured bridge loan

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") to fund acquisitions, capital expenditure and working capital requirements.

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 2021, the Bridge Loan Facilities remain unutilised.

2 Review of the performance for the six months period and year ended 31 December 2021

2 (i) Breakdown of Total Revenue by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %
Master leases										
Singapore										
- Hotels		16,585	16,937	(2.1)	-	-	-	16,585	16,937	(2.1)
- Claymore Connect		1,885	2,035	(7.4)	-	-	-	1,885	2,035	(7.4)
Maldives	(a)	4,070	(306)	N.M	-	-	-	4,070	(306)	N.M
Australia	(b)	-	3,925	N.M	-	-	-	-	3,925	N.M
NewZealand		11,842	10,947	8.2	-	-	-	11,842	10,947	8.2
Germany	(c)	3,919	4,393	(10.8)	-	-	-	3,919	4,393	(10.8)
Italy	(d)	884	696	27.0	-	-	-	884	696	27.0
		39,185	38,627	1.4	-	-	-	39,185	38,627	1.4
Managed hotels										
Singapore		5,494	6,070	(9.5)	19,061	15,987	19.2	19,061	15,987	19.2
Maldives	(a)	2,031	2,043	(0.6)	6,604	2,501	N.M	6,604	2,501	N.M
Australia	(b)	2,922	-	N.M	4,774	-	N.M	4,748	-	N.M
Japan	(e)	247	218	13.3	1,799	1,567	14.8	1,799	1,567	14.8
United Kingdom	(f)	-	-	-	20,102	6,817	N.M	20,102	6,817	N.M
		10,694	8,331	28.4	52,340	26,872	94.8	52,314	26,872	94.7
Total		49,879	46,958	6.2	52,340	26,872	94.8	91,499	65,499	39.7

2 (i) Breakdown of Total Revenue by Geography

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Master leases										
Singapore										
- Hotels		33,514	39,048	(14.2)	-	-	-	33,514	39,048	(14.2)
- Claymore Connect		3,574	4,638	(22.9)	-	-	-	3,574	4,638	(22.9)
Maldives	(a)	6,621	685	N.M	-	-	-	6,621	685	N.M
Australia	(b)	1,597	8,358	(80.9)	-	-	-	1,597	8,358	(80.9)
New Zealand		21,640	16,507	31.1	-	-	-	21,640	16,507	31.1
Germany	(c)	8,189	8,740	(6.3)	-	-	-	8,189	8,740	(6.3)
Italy	(d)	1,748	1,713	2.0	-	-	-	1,748	1,713	2.0
		76,883	79,689	(3.5)	-	-	-	76,883	79,689	(3.5)
Managed hotels										
Singapore		8,016	6,070	32.1	31,352	15,987	96.1	31,352	15,987	96.1
Maldives	(a)	4,028	4,141	(2.7)	13,314	4,100	N.M	13,314	4,100	N.M
Australia	(b)	4,698	833	N.M	7,192	-	N.M	7,166	-	N.M
Japan	(e)	575	-	N.M	3,437	3,830	(10.3)	3,437	3,830	(10.3)
United Kingdom	(f)	-	-	-	25,572	13,952	83.3	25,572	13,952	83.3
		17,317	11,044	56.8	80,867	37,869	N.M	80,841	37,869	N.M
Total		94,200	90,733	3.8	80,867	37,869	N.M	157,724	117,558	34.2

2 (ii) Breakdown of Net Property Income by Geography

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %	2H 2021 S$'000	2H 2020 S$'000	Increase/ (Decrease) %
Singapore										
- Hotels		21,123	20,480	3.1	1,677	2,134	(21.4)	21,300	21,243	0.3
- Claymore Connect		900	1,037	(13.2)	-	-	-	900	1,037	(13.2)
Maldives	(a)	13,620	1,357	N.M	1,038	(572)	N.M	4,636	(1,258)	N.M
Australia	(b)	2,526	3,925	(35.6)	(197)	-	N.M	(460)	3,925	N.M
New Zealand		11,842	10,947	8.2	-	-	-	11,842	10,947	8.2
Germany	(c)	3,425	1,507	N.M	-	-	-	3,425	1,507	N.M
Italy	(d)	791	1,616	(51.1)	-	-	-	791	1,616	(51.1)
Japan	(e)	80	49	63.3	163	18	N.M	243	67	N.M
United Kingdom	(f)	-	-	-	6,456	520	N.M	6,456	520	N.M
Total		54,307	40,918	32.7	9,137	2,100	N.M	49,133	39,604	24.1

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %	FY 2021 S$'000	FY 2020 S$'000	Increase/ (Decrease) %
Singapore										
- Hotels		37,505	39,656	(5.4)	3,202	2,134	50.0	37,707	40,419	(6.7)
- Claymore Connect		1,398	2,445	(42.8)	-	-	-	1,398	2,445	(42.8)
Maldives	(a)	1,955	4,009	(51.2)	2,392	(2,489)	N.M	8,084	(2,621)	N.M
Australia	(b)	5,814	8,358	(30.4)	(205)	-	N.M	1,869	8,358	(77.6)
New Zealand		21,640	16,507	31.1	-	-	-	21,640	16,507	31.1
Germany	(c)	5,786	2,676	N.M	-	-	-	5,786	2,676	N.M
Italy	(d)	1,507	1,472	2.4	-		-	1,507	1,472	2.4
Japan	(e)	246	494	(50.2)	140	(113)	N.M	386	381	1.3
United Kingdom	(f)	-	-	-	7,733	(312)	N.M	7,733	(312)	N.M
Total		75,851	75,617	0.3	13,262	(780)	N.M	86,110	69,325	24.2

Footnotes

(a) The Maldives resorts include 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.

Under the lease agreement, there was a minimum rent top-up cap of US$6.0 million and no further minimum rent top-ups was payable by Lessee to Lessor after the cumulative top-ups reached US$6.0 million. Following the final utilisation of the remaining cumulative minimum rent top-ups in FY 2019, there has been no further top-ups available for 2H 2021.

(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 2021 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 include Ibis Perth and Mercure Perth. For the corresponding period last year, the Perth hotels also included Novotel Brisbane, which was divested on 30 October 2020.

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$2.2 million (A$2.1 million) per annum for Ibis Perth and S$3.5 million (A$3.4 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 2021 includes S$4.7 million (A$4.7 million) net rental income received from HBT Group (based on the rental income accounted for on a straight-lining 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 effective interest of 94.5% 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. In FY 2021, an impairment of S$1.2 million (€0.7 million) was recognised in relation to the rental receivables from this Lessee.

*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 a base rent level of €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$4.9 million (€3.1 million) per annum. Accordingly, the gross revenue and NPI have been adjusted to reflect this new arrangement from April 2021 to December 2021.*

*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 annually to a base rent level of €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$1.7 million (€1.1 million) per annum. Accordingly, the gross revenue and NPI has been adjusted to reflect this new arrangement in FY 2021.*

*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 clawbacked 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 2021 includes S$0.6 million (JPY46.7 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 31 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) <u>Hilton Cambridge City Centre</u>

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) <u>The Lowry Hotel</u>

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.

2 (iii) Review of the Performance

Six months period ended 31 December 2021

CDLHT's gross revenue increased by 39.7% year-on-year ("**yoy**") to S$91.5 million for 2H 2021, out of which S$80.1 million (inclusive of S$20.4 million fixed rent) was contributed by its Singapore, New Zealand, United Kingdom ("**UK**") and Maldives Resorts. The increase in gross revenue was supported by the recovery of lodging demand following the relaxation of travel restrictions and broader distribution of vaccines. The pace of recovery varied across the regions and the Group saw positive momentum in room demand and rate growth in some portfolio markets. For its Singapore and New Zealand Hotels, performance continued to be supported by government demand for isolation facilities for most of the period.

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

Total arrivals to Singapore grew to 211,303 visitors for the July to December 2021 period, with the highest increases materialising in November and December 2021[1] as a result of the VTL arrangements. Room occupancies largely remained supported by demand for dedicated isolation facilities, staycation and long stay project groups, while major MICE events, large-scale wedding banquets and social functions continued to be absent. The Singapore Hotels recorded a rate-driven RevPAR increase of 11.0%[2] yoy for 2H 2021 due to strong staycation demand in Singapore during the year-end festive season. Overall, NPI from the Singapore Hotels improved marginally by 0.3% yoy for 2H 2021.

In the Maldives, the borders to South Asian countries reopened from 15 July 2021 after a two-month suspension. A total of 811,383 tourists arrived in 2H 2021[3], representing 96.6% of pre-pandemic levels (2H 2019). Angsana Velavaru recorded strong volume-driven RevPAR growth, having successfully captured Maldives' top source markets namely Russia and India. While Raffles Maldives Meradhoo was briefly closed for three months in 2H 2020 (July to September 2020), the resort remained operational in 2021 except for a six-week closure from June till 16 July 2021 for maintenance works. Collectively, the Maldives' resorts achieved a robust RevPAR recovery coming off a low base of US$75 for 2H 2020 to US$280 for 2H 2021.

The contribution from the Perth Hotels was based on actual trading performance for 2H 2021, following the expiry of the fixed-rent leases on 30 April 2021. The Perth Hotels traded at relatively low occupancies due to restrictions imposed on interstate travel into Western Australia since July 2021. Coupled with the absence of contribution from Novotel Brisbane, NPI from the Australia portfolio declined by S$4.4 million yoy for 2H 2021.

In New Zealand, Grand Millennium Auckland continued to serve as a managed isolation facility throughout 2H 2021. Overall, the New Zealand Hotel recorded higher rental income, with an NPI improvement of 8.2% yoy for 2H 2021 due to higher room utilisation.

In Tokyo, following the lifting of the state of emergency from early October 2021, trading volume steadily improved, bringing occupancy levels to 68.9% in 4Q 2021 against 59.5% in 3Q 2021. Coupled with the non-athlete related group demand brought about by the Tokyo 2020 Olympic Games from late July to early September 2021, the Japan Hotels recorded an occupancy-driven RevPAR growth of 27.2% yoy to ¥2,909 for 2H 2021 coming off a low base of ¥2,287 for 2H 2020.

[1] Singapore Tourism Board ("**STB**") statistics
[2] Assumes CDLHT owns W Hotel from 1 January for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.
[3] Ministry of Tourism, Republic of Maldives

For the UK Hotels, the pent-up demand from the domestic leisure segment was a key demand driver since the easing of all remaining travel restrictions from mid-July 2021[4]. Beyond the leisure demand, business performance at Hilton Cambridge City Centre was supported by its base crew business, one-off corporate groups and long-staying defence business. Additionally at The Lowry Hotel, the return of spectator-filled football and other events created overall compression allowing the hotel to yield room rates. Collectively, the UK Hotels achieved a strong RevPAR recovery coming off a low base of £42 for 2H 2020 to £113 for 2H 2021.

The implementation of the European Covid Digital Certificate[5] helped to facilitate inter-regional travel for EU citizens and residents, supporting the steady recovery of intra-Europe travel. This benefitted Pullman Hotel Munich, which reported an improvement in RevPAR to €42 for 2H 2021 coming off a low base at €18 for 2H 2020. For the reporting period, NPI (recognised based on the Straight-lined Rent) was higher in the absence of a S$2.3 million (€1.4 million) impairment recognised against the rental receivables from the lessee in 2H 2020.

While Hotel Cerretani Firenze – MGallery was closed for three and a half months in 2H 2020, it was operational for the entire 2H 2021 period. As such, the Italy Hotel recorded an improvement in RevPAR to €64 for 2H 2021 from €13 for 2H2020. For the reporting period, NPI (recognised based on Straight-lined Rent) was lower in the absence of a S$1.0 million (€0.7 million) reversal of impairment recognised in 2H 2020.

At Claymore Connect, retail activity gradually picked up in the latter half of the year due to rising vaccination rates and the resumption of group gatherings of up to five pax at F&B establishments from 12 July onwards. Claymore Connect recorded lower NPI of 13.2% yoy due to ongoing rent concessions extended to maintain mall occupancy. The committed occupancy of the mall was 85.8% as of 31 December 2021.

Interest costs for 2H 2021 increased slightly by 2.0% yoy, due to higher borrowings.

CDLHT revalued its properties as at 31 December 2021 and recorded an overall net fair value gain of S$43.8 million (refer to Section 1(b)(i) footnote (b) and (c) on pages 9 to 10 of the Announcement for details). Accordingly, CDLHT's total investment properties and property, plant and equipment value (excluding Rights-of-use assets) increased by 2.1% or S$54.5 million yoy to S$2.65 billion. The increase is also partly attributed to the inclusion of The Castings during the year. On the same store basis (stripping out The Castings), the total investment properties and property, plant and equipment value (excluding Rights-of-use assets) would have increased by 1.0% or S$26.8 million yoy. These revaluation gains do not have any impact on the distribution to Stapled Securityholders.

Although NPI in 2H 2021 increased by S$9.5 million yoy, this did not translate into higher distribution mainly due to several factors. Firstly, capital distribution (including distribution of divestment proceeds from prior periods) in 2H 2021 was 23% (or S$4.6 million) lower yoy. Secondly, even though the NPI for UK Hotels and Raffles Maldives Meradhoo increased by S$7.5 million yoy, the improvement (net of interest costs, administration expense and taxes) did not contribute to a corresponding increase in distribution, as part of the increase was largely due to the low base effect attributed to losses in NPI recorded in 2H 2020 for some of the hotels. Thirdly, 2H 2021 NPI for the Germany and Italy Hotels was recorded based on straight line accounting rent (in accordance with SFRS(I) 16/ FRS 116). No distribution (after deducting interest costs) was available from the Germany and Italy Hotels as the actual rent received (under the restructured rent arrangement with the lessee) was lower than the accounting rent recorded for the period.

Correspondingly, the total distribution (after deducting income retained for working capital) in 2H 2021 was S$37.6 million, 10.6% lower yoy. Included therein is a capital distribution from UK properties of S$2.9 million and partial distribution of sales proceeds from the past hotel divestments of S$12.5 million (collectively S$15.4 million).

The distribution per Stapled Security ("**DPS**") (after deducting income retained for working capital) for 2H 2021 declined by 11.0% yoy to 3.06 cents.

[4] CNBC, "England takes leap into the unknown, lifting Covid rules as cases surge", 19 Jul 2021
[5] European Commission, EU Digital COVID Certificate

2 (iii) Review of the Performance

Twelve months period ended 31 December 2021

On the back of accelerated vaccine distribution and the gradual relaxation of travel restrictions imposed by governments, the portfolio markets have experienced varying levels of recovery. CDLHT's gross revenue for FY 2021 grew by 34.2% yoy to S$157.7 million, out of which S$135.6 million (inclusive of S$40.6 million fixed rent) was contributed by its Singapore, New Zealand, Maldives and UK properties. Occupancies for the Singapore and New Zealand hotels were sustained by the demand for accommodation facilities used for isolation purposes.

In tandem with the increased revenue, NPI increased by 24.2% or S$16.8 million yoy to S$86.1 million. Higher NPI contributions were recorded for all of the markets except for the Singapore and Australia properties, which declined by S$10.2 million or 20.0% yoy. Despite the full year contribution from W Hotel (acquired on 16 July 2020), which reported an increase in NPI of S$0.5 million yoy, this was more than offset by the absence of contribution from the divestments of NCQ and Novotel Brisbane totalling S$9.3 million in FY 2020. On a same store basis (stripping out W Hotel, NCQ and Novotel Brisbane), the organic NPI growth was S$25.6 million or 47.5% yoy, from a relatively low base reported in FY 2020 when the pandemic started.

Total arrivals to Singapore declined by 88.0% yoy to 0.3 million for 2021, owing primarily to depressed arrivals from 1Q to 3Q 2021[6] with arrival recovery only materialising from November 2021 due to the opening of VTL lanes in 4Q. Room occupancies were primarily supported by government demand for dedicated isolation facilities, strong transient leisure business to Sentosa and long-stay corporate groups. Average room rates improved marginally compared to the same period last year. The performance of the Singapore Hotels in FY 2021 was also impacted by the absence of major MICE events, large wedding banquets and social functions, which were curtailed once again due to travel, capacity and social distancing restrictions throughout the year. FY 2021 RevPAR for the Singapore Hotels increased marginally by 1.0%[7], while NPI contribution decreased by 6.7% yoy due to the absence of NCQ.

In the Maldives, total tourist arrivals for 2021 recovered to 78% of 2019 pre-pandemic levels[8], despite a two-month temporary suspension of issuance of tourist visas for arrivals from South Asian countries, as well as varying quarantine requirements imposed on return to several EU nations during 1H 2021. Angsana Velavaru posted a RevPAR of US$188 for FY 2021 coming off a low base of US$69 for FY 2020 due to a 4-month blanket suspension of visas-on-arrival[9] followed by limited resumption of international flights. While Raffles Maldives Meradhoo was temporarily closed from 1 April 2020 for a six-month period in order to minimise operating losses, the resort was largely operational for FY 2021, aside for a six-week closure from 1 June 2021 for maintenance works. Collectively, the Maldives Resorts achieved NPI of S$8.1 million for FY 2021 reversing a loss of S$2.6 million in FY 2020.

The Perth Hotels received fixed rent for the first four months of 2021 with contribution for the remaining eight months being recognised based on the hotels' trading performance as the leases expired on 30 April 2021. Demand was heavily curtailed by international border closures (aside from a three month quarantine-free trans-Tasman bubble from April 2021 to July 2021[10]) and limited interstate travel into Western Australia amidst strict controls implemented from July 2021. Set against a backdrop of weak demand coupled with the absence of contribution from Novotel Brisbane, NPI for the Australia portfolio declined by S$6.5 million (or 77.6%) yoy for FY 2021. On a same store basis (excluding Novotel Brisbane), the decline was S$2.6 million or 58.0% yoy.

In New Zealand, Grand Millennium Auckland continued to be contracted as a managed isolation facility throughout FY 2021. Consequently, NPI contribution increased by S$5.1 million (or 31.1%) yoy for FY 2021.

[6] Singapore Tourism Board ("**STB**")
[7] Assumes CDLHT owns W Hotel from 1 January for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.
[8] Ministry of Tourism, Republic of Maldives
[9] Visit Maldives, Maldives, "Maldives will re-open for international tourists on 15th July 2020", 23 June 2020
[10] Reuters, "Bubble burst: New Zealand suspends quarantine-free travel with Australia", 23 July 2021

Visitor arrivals to Japan remain stunted for the majority of 2021, reaching less than 1% of pre-pandemic levels over the same period in 2019[11], as entry of non-resident foreign nationals continued to be barred for most of 2021. While there was brief relaxation of border controls from early November 2021[12], allowing entry of short-term business travellers, foreign students and other visa holders, it was quickly reversed later in the month with only Japanese and returning foreign residents allowed entry[13] after the discovery of the Omicron variant. The momentary uplift from the Tokyo 2020 Olympic Games and the short-lived border easement in 2H 2021 was insufficient to significantly impact demand for the year. Consequently, the Japan Hotels posted a RevPAR decline of 6.1% yoy for FY 2021, mainly attributed to the higher base in 1Q 2020 when there was a few months of normal pre-pandemic trading.

CDLHT's UK Hotels provided accommodation only to essential workers, elite sports teams and entertainment groups in early 2021, following a third national lockdown implemented since early January 2021[14]. Leisure travel was permitted from mid-May 2021[15] with all remaining legal restrictions subsequently lifted from mid-July 2021. Strong domestic leisure demand ensued, supported by the summer holidays and the encouraging return of one-off incentives & corporate groups and sporting events. This led to a strong recovery in the trading performance in 2H 2021, which contributed to an uplift in the RevPAR improvement from £40 for FY 2020 to £72 for FY 2021.

In Germany, non-essential travel was permitted from May 2021 as the country eased its pandemic curbs amidst receding infection rates. Pullman Hotel Munich posted a marginal RevPAR increase of 4.9% yoy for FY 2021. This was supported by a steady recovery in 2H 2021 negating the impact of a weaker yoy performance in 1Q 2021 compared to normal trading in 1Q 2020 as the pandemic lockdown only took place from mid-March 2020. For FY 2021, NPI (recognised based on Straight-line Rent) was higher due to a lower impairment of S$1.2 million (€0.7 million) recognised against the rental receivables from the lessee as compared to S$4.7 million (€3.0 million) recognised in FY 2020.

Italy's ban on inter-region travel was lifted from end-April 2021[16] and the Italy Hotel re-opened on 26 May 2021 after an extended closure period. Despite borders reopening to most visitors in the later half of 2021, weak international demand persisted owing to constantly evolving restrictions and requirements. Accordingly, occupancies were predominantly driven by domestic leisure and intra-Europe travel. The Italy Hotel recorded a RevPAR improvement from €23 for FY 2020 to €35 for FY 2021, as it was open for seven months in 2021 vs five months in 2020. NPI of S$1.5 million for FY 2021 represented a slight growth of 2.4% over FY 2020.

At Claymore Connect, although the COVID-19 restrictions curtailed trading of certain F&B tenants, mall visitation improved in 2021 as consumers adapted to the environment. The relaxation of gathering limits to five pax and rising vaccination rates throughout the year helped to support mall traffic. FY 2021 NPI for Claymore Connect fell 42.8% yoy primarily due to rental rebates/reductions given to tenants in view of the continually challenging trading environment. During the year, the mall continued to focus on tenant retention, securing new leases and reducing operating costs.

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

CDLHT revalued its properties as at 31 December 2021 and recorded an overall net fair value gain of S$43.8 million (refer to Section 1(b)(i) footnote (b) and (c) on pages 9 to 10 of the Announcement for details). Accordingly, CDLHT's total investment properties and property, plant and equipment value (excluding Rights-of-use assets) increased by 2.1% or S$54.5 million yoy to S$2.65 billion. The increase is also partly attributed to the inclusion of The Castings during the year. On the same store basis (stripping out The Castings), the total investment properties and property, plant and equipment value (excluding Rights-of-use assets) would have increased by 1.0% or S$26.8 million yoy. These revaluation gains do not have any impact on the distribution to Stapled Securityholders.

[11] The Japan Times, Japan, "Foreign visitors to Japan in 2021 fell to record low 245,900", 19 January 2022
[12] The Straits Times, Singapore, "Japan eases border rules to allow business travellers, students", 5 November 2021
[13] Reuters "Japan reverses border easing, bars foreign visitors due to Omicron", 29 November 2021
[14] BBC.uk, "Covid: England's third national lockdown legally comes into force", 6 January 2021
[15] Gov.uk, "Further easing of COVID restrictions confirmed for 17 May", 10 May 2021
[16] Ministry of Health, Italy, "Covid-19, Minister of Health Speranza signs new Ordinances to contain the spread of the virus", 26 Apr 2021

Although NPI for FY 2021 increased by S$16.8 million yoy, this did not translate into higher distribution mainly due to several factors. Firstly, capital distribution (including distribution of divestment proceeds from prior periods) in FY 2021 was 23% (or $4.6 million) lower yoy. Secondly, even though the NPI for UK Hotels and Raffles Maldives Meradhoo increased by S$12.8 million yoy, the improvement (net of interest costs, administration expense and taxes) did not contribute to a corresponding increase in distribution, as part of the increase was largely due to the low base effect attributed to losses in NPI recorded in FY 2020. Thirdly, the FY 2021 NPI for the Germany and Italy Hotels was recorded based on straight line accounting rent (in accordance with SFRS(I) 16/ FRS 116). No distribution (after deducting interest costs) was available from the Germany and Italy Hotels as the actual rent received (under the restructured rent arrangement with the lessee) was lower than the accounting rent recorded for the period.

Total distribution (after deducting income retained for working capital) was S$52.6 million in FY 2021, 13.0% lower yoy. Included therein is a capital distribution from UK properties of S$2.9 million and partial distribution of sales proceeds from the past hotel divestments of S$12.5 million (collectively S$15.4 million).

DPS (after deducting income retained for working capital) for FY 2021 was 4.27 cents, 13.7% lower yoy.

Statistics for CDLHT's hotels are set out below:

Singapore Hotels Statistics

5 Singapore Hotels[17]

	4Q 2021*	4Q 2020*	Increase/ (Decrease)	2H 2021*	2H 2020*	Increase/ (Decrease)	FY 2021**	FY 2020**	Increase/ (Decrease)
Average Occupancy Rate	80.4%	86.8%	(6.4)pp	77.9%	89.6%	(11.7)pp	75.7%	79.6%	(3.9)pp
Average Daily Rate	S$102	S$76	33.8%	S$92	S$73	25.8%	S$87	S$88	(1.1)%
RevPAR	S$82	S$66	24.0%	S$71	S$65	9.3%	S$66	S$70	(6.0)%

** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. Excluding the out-of-order rooms, for 4Q 2021 and 4Q 2020, occupancy would be 85.8% and 92.7% respectively, while RevPAR would be S$87 and S$70 respectively. For 2H 2021 and 2H 2020, occupancy would be 83.1% and 95.6% respectively, while RevPAR would be S$76 and S$70 respectively.*

*** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020 and room refurbishment was carried out at Copthorne King's Hotel until April 2020. Excluding the out-of-order rooms, for FY 2021 and FY 2020, occupancy would be 80.8% and 83.4% respectively, while RevPAR would be S$70 and S$73 respectively.*

6 Singapore Hotels[18] **(including W Hotel)**

	4Q 2021*	4Q 2020*	Increase/ (Decrease)	2H 2021*	2H 2020*	Increase/ (Decrease)	FY 2021**	FY 2020**	Increase/ (Decrease)
Average Occupancy Rate	78.3%	84.5%	(6.3)pp	75.3%	86.1%	(10.8)pp	72.8%	76.0%	(3.2)pp
Average Daily Rate	S$137	S$106	29.4%	S$121	S$96	26.8%	S$112	S$106	5.5%
RevPAR	S$107	S$89	19.8%	S$91	S$82	11.0%	S$82	S$81	1.0%

** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. Excluding the out-of-order rooms, for 4Q 2021 and 4Q 2020, occupancy would be 83.0% and 89.7% respectively, while RevPAR would be S$114 and S$95 respectively. For 2H 2021 and 2H 2020, occupancy would be 79.9% and 91.3% respectively, while RevPAR would be S$97 and S$87 respectively.*

*** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020 and room refurbishment was carried out at Copthorne King's Hotel until April 2020. Excluding the out-of-order rooms, for FY 2021 and FY 2020, occupancy would be 77.2% and 79.3% respectively, while RevPAR would be S$86 and S$84 respectively.*

[17] Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Studio M Hotel (collectively, the "**5 Singapore Hotels**"). Excludes NCQ which was divested on 15 July 2020.
[18] Comprises the 5 Singapore Hotels and W Hotel (collectively, the "**6 Singapore Hotels**"), and assumes CDLHT owns W Hotel from 1 January for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

Overseas Hotels – RevPAR by Geography

	4Q 2021	4Q 2020	Increase/ (Decrease) (%)	2H 2021	2H 2020	Increase/ (Decrease) (%)	FY 2021	FY 2020	Increase/ (Decrease) (%)
Maldives (US$)	410	146	N.M	280	75	N.M	256	86	N.M
Australia (A$)^	42	56	(24.4)	38	49	(22.8)	49	48	3.7
New Zealand (NZ$)	181	177	2.3	185	164	12.7	175	144	20.9
Germany (€)	40	10	N.M	42	18	N.M	28	27	4.9
Italy (€)	71	10	N.M	64	13	N.M	35	23	50.9
Japan (¥)	3,036	2,769	9.7	2,909	2,287	27.2	2,729	2,906	(6.1)
United Kingdom (£)	109	30	N.M	113	42	N.M	72	40	78.4

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

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

Overview

As the COVID-19 pandemic continues to evolve, the Omicron variant has triggered new travel restrictions[19]. In addition to the ongoing vaccination efforts by countries across the world, the emergence of the new variant has also accelerated the rollout of COVID-19 booster shots[20].

According to preliminary estimates by UNWTO, global tourism experienced a 4% upturn in 2021, compared to 2020. However, international tourist arrivals were still 72% below the pre-pandemic year of 2019. Rising rates of vaccination, combined with easing of travel restrictions due to increased cross-border coordination and protocols, have helped to release pent-up leisure demand. Prior to the full impact of the Omicron variant and surge in cases, international tourism rebounded moderately in 2H 2021[21].

CDLHT has observed a varying pace of recovery across its portfolio markets, mainly due to the differing degrees of restrictions, vaccination rates and domestic market dynamics. Looking ahead, the eventual recovery of international tourism will also depend on factors such as coordination on travel protocols, return of traveller confidence and corporate travel policies.

Portfolio Markets

Two of CDLHT's six Singapore Hotels continue to operate as facilities used for isolation purposes. The other four Singapore Hotels are expected to be supported primarily through staycations, small meeting groups and long stay project groups.

Singapore has achieved one of the world's highest vaccination rates, with 88% of its total population fully inoculated and booster shots administered to about 55%[22]. While the pace of relaxation of mobility curbs may have slowed in recent months, Singapore remains on track in its strategy to live with COVID-19 as endemic[23].

Making progress towards the resumption of international travel, Singapore has launched a total of 24 Vaccinated Travel Lanes ("**VTLs**") with three others deferred until further notice[24]. Although new ticket sales for VTL flights and

[19] The Straits Times, "Omicron-related rules cause setbacks for international air travel", 8 December 2021
[20] The Straits Times, "The world rushes to get booster shots against Omicron, but questions remain", 10 December 2021
[21] UNWTO, "Tourism grows 4% in 2021 but remains far below pre-pandemic levels",18 January 2022
[22] Ministry of Health, Singapore
[23] The Straits Times, "All eyes on S'pore's reopening progress and VTL expansion for 2022 economic outlook", 3 January 2022
[24] Immigration & Checkpoints Authority, Singapore

buses were temporarily suspended from 23 December 2021 to 20 January 2022 amidst Omicron concerns[25], ticket sales have since resumed at reduced quotas.

In one of the strongest signals that Singapore remains committed to reopening and returning to normalcy, the STB has announced a new seven-year deal to continue hosting the Formula One race here, with the upcoming race scheduled for 2 October 2022. The agreement, which is the longest renewal with the Formula One Group, is intended to help reposition Singapore again as a business and lifestyle destination and ensure the country maintains its competitive edge in the long term[26].

In the near term, Singapore's tourism sector will continue to be supported primarily by the domestic tourism business. CDLHT's Singapore hotels that are trading to the public will continue to focus on capturing a greater share of the staycation market.

In the Oceania region, entry to both New Zealand and Australia remains strictly controlled to prevent the spread of COVID-19. New Zealand's phased border re-opening plans, which were scheduled to commence from January 2022, have been delayed until the end of February 2022 over concerns of the rapid global spread of the Omicron variant[27]. Grand Millennium Auckland continues to be contracted as a managed isolation facility and this is expected to continue into 2Q 2022.

While capacity restrictions within Western Australia ("**WA**") have been lifted, proof of vaccination is required at some large venues and events. Reopening of WA's domestic and interstate borders has been delayed indefinitely or at least until the percentage of triple dose vaccinations reaches 80%[28]. Ahead of the easing of WA's border restrictions, CDLHT's Perth Hotels will continue to rely on domestic business and occupancy is expected to remain low.

In Japan, strict border restrictions remain in place after the easing of border restrictions was reversed in November 2021, following the emergence of the Omicron variant[29]. Prior to the reopening of Japan's international borders, the hospitality sector will continue to be supported by domestic travel, subject to the restriction measures in place.

The Maldives remains open to international travellers and tourist arrivals have increased steadily. Tourist arrivals in 4Q 2021 have recovered to the same level as 4Q 2019, marking the strongest months for Maldives tourism since the start of the pandemic[30]. In celebration of the country's golden jubilee year of tourism in 2022, over 60 in-person events, including fairs and roadshows, are scheduled to promote tourism into the Maldives[31].

In the UK, international borders remain open except for countries on the red list[32]. Hotels across the UK continue to experience strong domestic demand and benefit from the easing of border restrictions. Prior to the emergence of the Omicron variant, inbound arrivals were forecast to increase to 24.0 million and spending to increase to £19.2 billion for 2022, representing 59% and 67% of the visits and spend levels seen in 2019, respectively[33]. The spread of the Omicron variant is expected to curtail demand during 1Q 2022.

On 31 August 2021, CDLHT invested in a residential Build-to-Rent forward-funding scheme in Manchester, UK. Demolition of the existing buildings has been completed and the construction of the new Build-to-Rent building has commenced in accordance with the planned schedule.

In the Eurozone, Germany reinstated restrictions in late December 2021, which include a spectator ban on large-scale events[34]. In Italy, the tiered system of localised Covid restrictions remain in place. While the unvaccinated face strict constraints even in the 'white' zone, those with a vaccine pass will experience little change to their daily lives in 'white', 'yellow' and 'orange' zones[35]. Both country's borders remain largely open to international travellers, subject to vaccination requirements[36,37]. While demand in 1Q 2022 will be affected due to the emergence of Omicron, the respective domestic markets are expected to lead the recovery ahead of the progressive return of large-scale events, which will be subject to the easing of restrictions.

[25] CNA, "Singapore freezes new ticket sales for VTL flights and buses from Dec 23 to Jan 20 amid Omicron concerns", 22 December 2021
[26] The Straits Times, "Formula One: Singapore renews deal until 2028; this year's night race on Oct 2", 27 January 2022
[27] Reuters, "New Zealand delays border re-opening over Omicron concerns", 21 December 2021
[28] CNA, "Western Australia stays shut as COVID-19 deaths rise in rest of country", 21 January 2022
[29] CNA, "Japan to stick to strict COVID-19 border measures and push for higher wages: PM Kishida", 21 December 2021
[30] Ministry of Tourism, Republic of Maldives
[31] Visit Maldives, "The Maldives has welcomed 1.3 millionth tourist for the year 2021, despite the many challenges faced this year due to the COVID-19 pandemic", 27 December 2021
[32] Gov.uk
[33] VisitBritain, "2022 tourism forecast", 29 November 2021
[34] The Federal Government of Germany
[35] The Local, "Four more Italian regions in Covid 'orange' risk zone from Monday", 21 January 2022
[36] Federal Ministry of the Interior and Community, Germany
[37] Ministry of Health, Italy

Revision of Principal Investment Strategy

On 26 July 2021, CDLHT announced the revision of its principal investment strategy to also include real estate which is or will be primarily used for other accommodation and/or lodging purposes (including properties used for rental housing, co-living, student accommodation and senior housing).

The revision of CDLHT’s principal investment strategy aims to provide CDLHT with better growth by increasing the diversification of its portfolio, enhancing income stability, as well as increasing the pool of investment opportunities. (Please refer to CDLHT’s announcement on 26 July 2021 for more details, including the rationale on the Revision of Principal Investment Strategy.)

CDLHT will continue to evaluate suitable divestment opportunities to unlock underlying asset values and/or recycle capital for better returns and pursue suitable acquisitions to diversify and augment its income streams.

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 2021

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representatives examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the REIT Manager and the Trustee-Manager (together with the REIT Manager, the "Managers") on future events.

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

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

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)

28 January 2022

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)

28 January 2022