CDL HOSPITALITY TRUSTS

ANNUAL REPORT

2024

VISION

To be one of the leading hospitality and lodging trusts with a portfolio of quality assets globally, with a commitment to sustainability

MISSION

To achieve sustainable distributions and growth in total returns by:

- Pursuing quality assets with growth potential
- Enhancing portfolio performance through active asset management
- Optimising the portfolio through capital recycling
- Adopting forward-thinking strategies

On the cover:
Lobby Lounge of Grand Millennium Auckland, refurbished in 2023

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Grand Ballroom, Grand Copthorne Waterfront Hotel

OVERVIEW OF CDL HOSPITALITY TRUSTS

CORPORATE PROFILE

CDL Hospitality Trusts ("**CDLHT**") is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), the first hotel real estate investment trust in Singapore, and CDL Hospitality Business Trust ("**HBT**"), a business trust. CDLHT was listed on the Main Board of Singapore Exchange Securities Trading Limited on 19 July 2006.

CDLHT is one of Asia's leading hospitality trusts with assets under management of S$3.5 billion and market capitalisation of S$1.1 billion as at 31 December 2024.

As at 31 December 2024, CDLHT owns 22 properties across 8 countries, with a total of 4,924 hotel rooms, 352 BTR apartments, 404 PBSA beds and a retail mall. The portfolio comprises six hotels and a retail mall in Singapore, two hotels in Australia, one hotel in New Zealand, two hotels in Japan, four hotels and two living assets in the United Kingdom, one hotel in Germany, one hotel in Italy and two resorts in the Maldives. The substantial value of its assets is concentrated in central locations of Singapore.

The hotel portfolio is operated by lessees and/or hotel managers, which include international hotel management companies such as Millennium Hotels and Resorts, AccorHotels, Marriott International, Inc. and Hilton Hotels and Resorts or white label hotel management companies such as EVENT Hotels and Michels & Taylor.

CDLHT's portfolio of quality hotels in Singapore, Australia and New Zealand are largely marketed as "superior" or 5-star hotels, and are strategically located in or near the central business districts in key cities or in prime tourist destinations. CDLHT's only retail mall, Claymore Connect, is located in the main shopping belt of Singapore. The Japan Hotels are known as business hotels in the local context and are located within close proximity to major transportation networks and tourist attractions in Tokyo.

CDLHT's two luxury resorts in the Maldives, which is a top-tier premium destination, renowned for the exclusive "one-island one-resort" concept, offer guests two distinct experiences with beachfront and overwater villas within each resort.

The hotels in UK are strategically located in prime city centre locations within Cambridge, Exeter and Manchester, close to major popular tourist attractions. Hilton Cambridge City Centre is an upper upscale hotel in the heart of Cambridge. Hotel Indigo Exeter is an upscale lifestyle boutique hotel in Exeter, right on the city's main retail high street. In Manchester, The Lowry Hotel, a 5-star luxury property, offers an elegant riverside experience, while voco Manchester – City Centre is a stylish upscale lifestyle hotel with edgy décor and unique design elements.

For the living assets in the UK, The Castings, a residential build-to-rent ("**BTR**") asset, is situated in Manchester, while Benson Yard, a purpose-built student accommodation ("**PBSA**") asset, is located in Liverpool, a thriving university city.

Beyond the UK, Pullman Hotel Munich, an upscale hotel, is conveniently located near a major business park in Munich, Germany. In Italy, Hotel Cerretani Firenze, a four-star hotel, is set in the heart of Florence's historic city centre.

In terms of future pipeline, CDLHT has entered into a forward purchase turnkey arrangement for a lifestyle hotel, Moxy Singapore Clarke Quay, with a subsidiary of City Developments Limited ("**CDL**") under a conditional development and sale agreement in November 2019, with the development expected to achieve TOP in end 2026 (date subject to change).

SKIRT Restaurant, W Singapore - Sentosa Cove

CDLHT'S STRATEGY

H-REIT's principal investment strategy is to invest in a diversified portfolio of income-producing real estate, which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes *(including, without limitation, hotels, serviced apartments, resorts, motels, other lodging facilities and properties used for rental housing, co-living, student accommodation and senior housing)* globally.

HBT's principal investment strategy is to invest in a diversified portfolio of real estate or development projects, which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes *(including, without limitation, hotels, serviced apartments, resorts, motels, other lodging facilities and properties used for rental housing, co-living, student accommodation and senior housing)* globally and may also include the operation and management of the real estate assets held by H-REIT and HBT.

Generally, investments will be made where such investments are considered to be value-enhancing, DPS/DPS yield accretive or have potential for capital appreciation, and are feasible in the light of regulatory, commercial, political and other relevant considerations.

The objectives of M&C REIT Management Limited, as manager of H-REIT (the "**H-REIT Manager**"), and M&C Business Trust Management Limited, as trustee-manager of HBT (the "**HBT Trustee-Manager**", and collectively the "**Managers**") are to maximise the rate of return of Stapled Security Holders and to make regular distributions. The Managers plan to achieve these objectives through the following strategies:

Acquisition Growth Strategy

The Managers will pursue acquisition opportunities of quality assets with growth potential and adopt a medium to long term view to investments, while considering the need for diversification of the portfolio by geography, sub-asset classes within the accomodation space and asset profile.

Potential sources of acquisitions by CDLHT are likely to arise from:

- CDLHT's relationship with the Sponsor group, Millennium & Copthorne Hotels Limited ("**M&C**") and CDL. M&C is an international hotel owner and operator and a wholly-owned subsidiary of CDL, a leading global real estate company listed in Singapore. CDLHT can leverage on the Sponsor group's expertise, market reach and tap on the group's network in the global hospitality and living sectors for its acquisitions. In addition, CDLHT can seek partnership and co-operation opportunities with the Sponsor group as it expands globally. The Sponsor group also provides a source of potential acquisition pipeline.
- Opportunities arising from divestment of assets by hospitality service providers who are looking to free up capital for business expansion or investment funds that have a finite period to divest acquired assets.
- Opportunities arising from divestment of assets by owners or developers.
- Opportunities to acquire under-performing assets with turnaround potential by implementing value-added strategies such as re-flagging, management change and asset enhancements.

Asset Management Strategy

The Managers actively engage its master lessees and operators to maximise the operating performance and cash flow of the assets, including leveraging on CDLHT's relationship with Sponsor group and associated economies of scale, as well as tapping on M&C's extensive experience in the hospitality industry. In addition, the Managers seek to implement various asset enhancement initiatives to optimise the assets' potential and quality, and improve value and competitiveness of the portfolio.

Capital Recycling Strategy

The Managers will monitor and evaluate the potential of the properties under management and assess opportunities for divestment periodically. Divestments may be undertaken to recycle capital in search of better growth prospects and returns, rebalance the portfolio and/or unlock underlying asset values, so as to optimise returns for Stapled Security Holders or achieve greater financial flexibility.

Capital And Risk Management Strategy

The Managers will use a combination of debt and/or equity, or funds from divestment proceeds (if available) to fund future acquisitions and property enhancements.

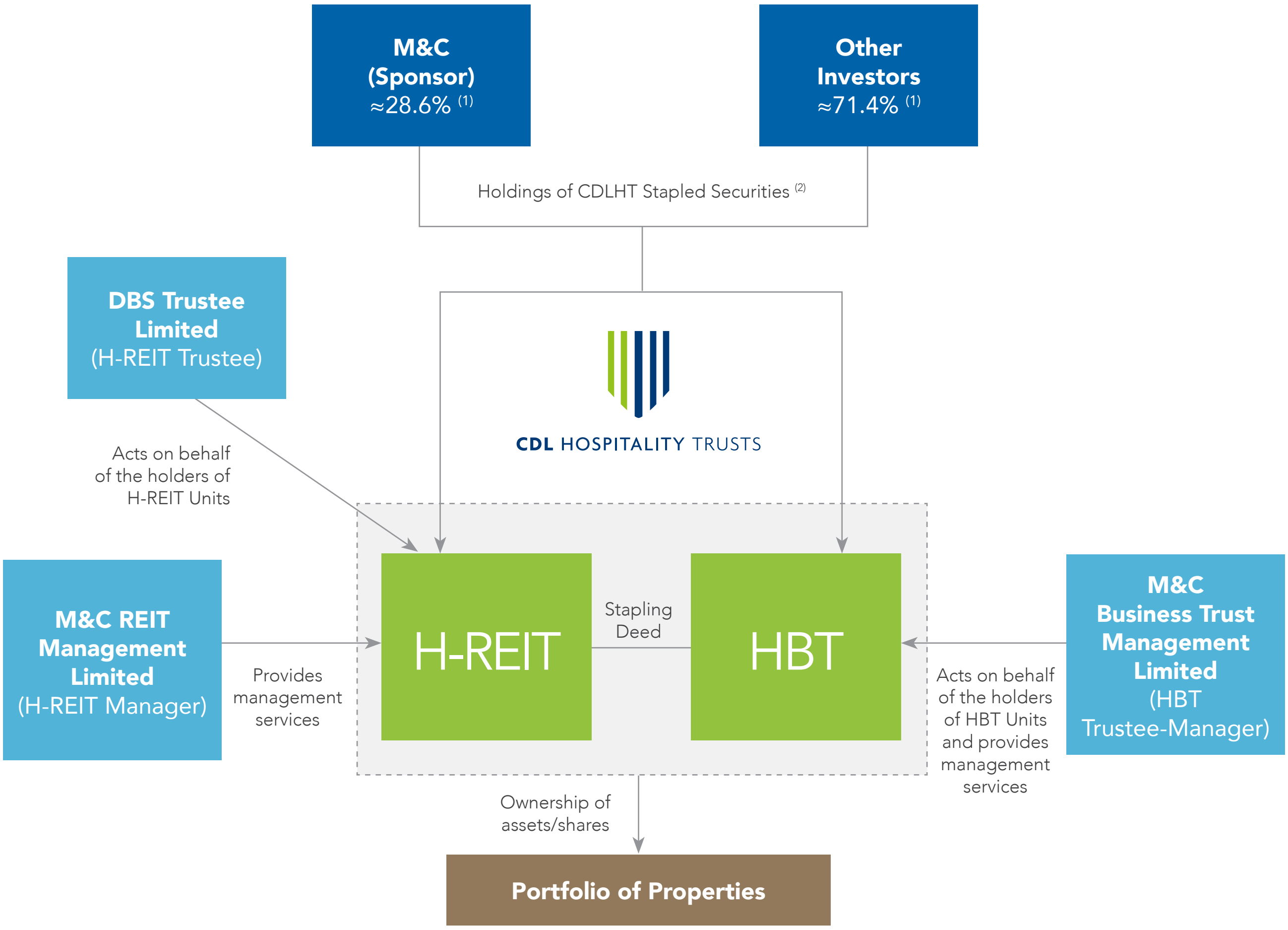
The objectives of the Managers in relation to capital and risk management are to:

- maintain a strong balance sheet and ensure H-REIT remains within the aggregate leverage limit set out in the Property Funds Appendix;
- minimise the cost of debt financing;
- secure diversified funding sources from both financial institutions and capital markets as CDLHT grows in size and scale;
- manage the exposure arising from adverse market movements in interest rates and foreign exchange through appropriate hedging strategies; and
- manage the liquidity risk with credit lines from financial institutions and a S$1.0 billion multi-currency medium term note programme.

OVERVIEW OF CDL HOSPITALITY TRUSTS

STAPLED STRUCTURE OF CDLHT

CDLHT is a stapled group comprising H-REIT, a real estate investment trust, and HBT, a business trust. As at 31 December 2024, CDLHT owns 22 properties across eight countries.



OPERATIONAL STRUCTURE OF CDLHT

H-REIT Group is the owner and lessor of (i) hotel assets which are leased to the Sponsor group, external lessees or HBT Group and (ii) non-hotel assets which are leased to individual tenants (such as retail/ office/ residential tenants or educational institutions).

HBT Group is the owner of (i) Hilton Cambridge City Centre and Hotel Indigo Exeter which are managed by third party hotel management companies; (ii) The Lowry Hotel which is self-managed; and (iii) The Castings which is leased to individual residential tenants.

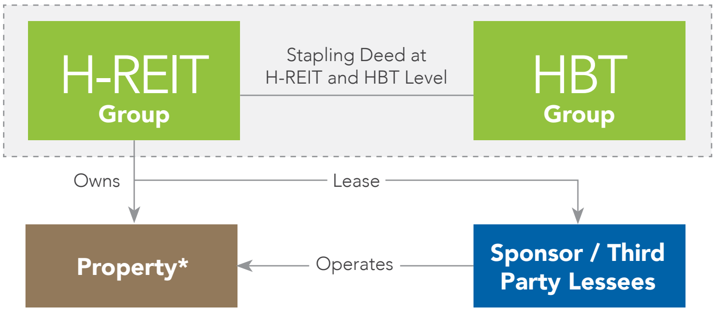
HBT may act as the master lessee of H-REIT's hotels under the following circumstances:

- It is appointed by H-REIT, in the absence of any other master lessee(s) being appointed at the expiry of the lease term. HBT can appoint professional hotel managers to manage or self-manage these hotels.
- H-REIT acquires hotels and if there are no other suitable master lessees, H-REIT will lease these acquired hotels to HBT. HBT will then become a master lessee for these hotels and can appoint professional hotel managers to manage or self-manage these hotels.

HBT Group currently acts as the master lessee to six of the properties held under H-REIT Group, namely W Hotel, Mercure Perth, Ibis Perth, Raffles Maldives Meradhoo, Hotel MyStays Asakusabashi and Hotel MyStays Kamata. These properties are managed by third-party hotel management companies.

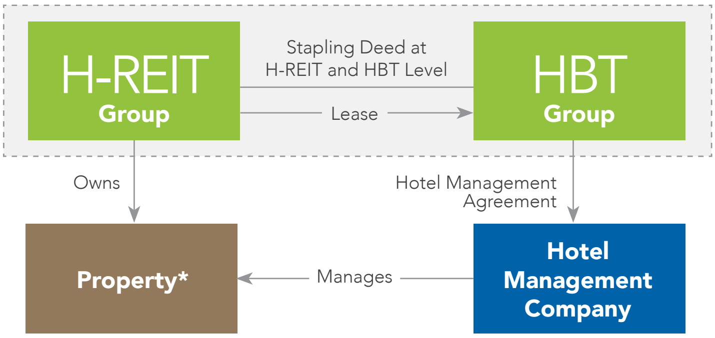
(1) Holdings of Stapled Securities as at 6 March 2025.
(2) CDLHT comprises stapled units of H-REIT and HBT ("**Stapled Securities**") with each Stapled Security consisting of a unit in H-REIT and a unit in HBT.

OWNED BY H-REIT GROUP AND LEASED TO SPONSOR GROUP OR THIRD PARTY LESSEES



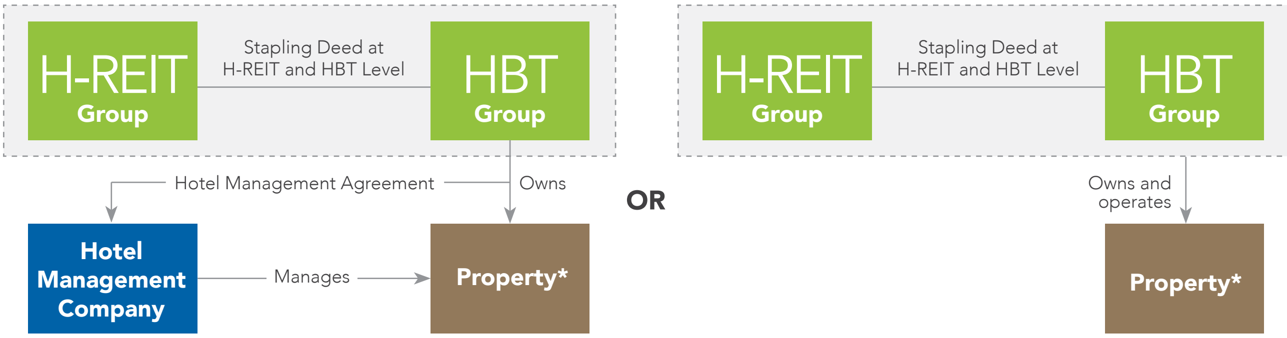
* Properties that come under this operating structure are:
- Singapore Hotels excluding W Singapore – Sentosa Cove
- Grand Millennium Auckland
- Angsana Velavaru
- voco Manchester – City Centre
- Pullman Hotel Munich
- Hotel Cerretani Firenze

OWNED BY H-REIT GROUP AND LEASED TO HBT GROUP



* Properties that come under this operating structure are:
- W Singapore – Sentosa Cove
- Raffles Maldives Meradhoo
- Japan Hotels
- Perth Hotels

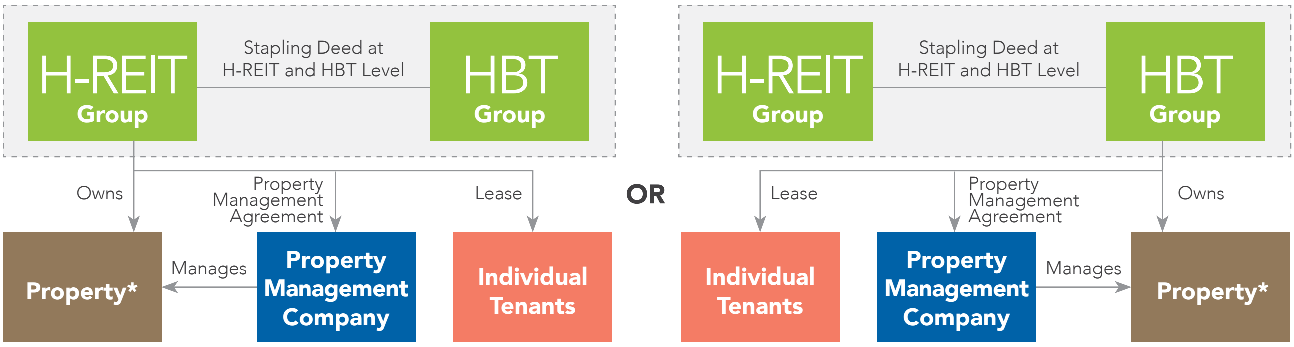
OWNED BY HBT GROUP



* Properties that come under this operating structure are:
- Hilton Cambridge City Centre
- Hotel Indigo Exeter

* Property that comes under this operating structure:
- The Lowry Hotel

OWNED BY HREIT GROUP / HBT GROUP AND LEASED TO INDIVIDUAL TENANTS



* Properties that come under this operating structure are:
- Claymore Connect (Retail Mall)
- Benson Yard (PBSA)
- Retail and office units at Pullman Hotel Munich

* Properties that come under this operating structure are:
- The Castings (BTR)
- Retail units at Hotel Indigo Exeter

OVERVIEW OF CDL HOSPITALITY TRUSTS

GLOBAL REACH OF SPONSOR, M&C

CDLHT stands to benefit from the Sponsor's financial strength, experience, market reach and network in the global hotel and hospitality industry. The Sponsor owns as well as operates, manages or franchises a portfolio of over 145 hotels worldwide.

MILLENNIUM
HOTELS AND RESORTS

NORTH AMERICA

Anchorage
Avon
Boston
Chagrin Falls
Chicago
Durham
Kissimmee
Los Angeles
Nashville
New York
Scottsdale
St. Louis

EUROPE

Georgia
Tbilisi

France
Paris

Italy
Rome

United Kingdom
Aberdeen
Cardiff
Dudley
Gatwick
Glasgow
Liverpool
London
Manchester
Newcastle
Plymouth
Slough-Windsor

Turkey
Istanbul
Konya

MIDDLE EAST

United Arab Emirates (UAE)
Abu Dhabi
Dubai
Sharjah

Qatar
Doha

Kuwait
Al Jahra
Al Salmiya
Kuwait City

Iraq
Basra
Sulaymaniyah

Oman
Muscat
Salalah

Saudi Arabia
Hail
Jazan
Jeddah
Madinah
Makkah
Tabuk

Palestine
Ramallah

CHINA & TAIWAN

China
Beijing
Chengdu
Fuqing
Hangzhou
Shanghai
Suzhou
Wenzhou
Wuxi
Wuyishan
Xiamen
Zunyi

Taiwan
Taichung
Taipei

Hong Kong

REST OF ASIA

Singapore

Indonesia
Jakarta

Malaysia
Cameron Highlands
Kuala Lumpur
Penang

Thailand
Phuket

Philippines
Manila

Japan
Osaka
Tokyo

South Korea
Seoul

OCEANIA

New Zealand
Auckland
Bay of Islands
Dunedin
Greymouth
Masterton
New Plymouth
Palmerston North
Queenstown
Rotorua
Taupo
Te Anau
Wellington

Australia
Brisbane

FINANCIAL HIGHLIGHTS

STATEMENT OF TOTAL RETURN

	FY 2024	FY 2023	Variance
Net property income (S$'000)	135,223	138,304	(2.2)%
Total distribution (before retention for working capital) (S$'000)	73,111	77,443	(5.6)%
Total distribution (after retention for working capital) (S$'000)	66,850	70,970	(5.8)%
Distribution per Stapled Security (after retention) (cents)	5.32	5.70	(6.7)%

BALANCE SHEET

As at 31 December 2024, CDLHT's exposure to derivatives [(1)] represents a negligible percentage of its net assets and market capitalisation.

	As at 31 Dec 2024 S$'000	As at 31 Dec 2023 S$'000	Variance
Investment properties [(2)]	2,478,796	2,232,899	11.0%
Investment property under development (The Castings)	-	131,423	N.M.
Property, plant and equipment	846,454	814,611	3.9%
Total assets	3,452,601	3,302,634	4.5%
Borrowings (excludes lease liabilities) [(3)]	1,342,165	1,156,447	16.1%
Net assets	1,840,286	1,886,262	(2.4)%


Front Desk, Grand Copthorne Waterfront Hotel

(1) The fair value of the derivatives as at 31 December 2024 is disclosed under Note 11 on page 249 of the Annual Report.
(2) All properties, excluding W Hotel, the Japan Hotels, Raffles Maldives Meradhoo, the Perth Hotels, Hilton Cambridge City Centre, The Lowry Hotel and Hotel Indigo Exeter, are accounted for as investment properties.
(3) The borrowings are presented before the deduction of unamortised transaction costs.

FINANCIAL HIGHLIGHTS

KEY FINANCIAL INDICATORS

The year-on-year ("**yoy**") increase in the aggregate leverage ratio of 4.0 percentage points is partly attributable to the acquisitions of Hotel Indigo Exeter and Benson Yard on 6 November 2024 and 19 December 2024 respectively. This increase does not have a material impact to the risk profile of CDLHT as there is ample debt headroom of S$610.1 million (based on the regulatory leverage limit of 50%) as at 31 December 2024.

	As at 31 Dec 2024	As at 31 Dec 2023	Variance
Gearing (1)	40.7%	36.7%	4.0 pp
Weighted average cost of debt	4.0%	4.2%	(0.2) pp
Weighted average debt to maturity (years)	2.3	2.2	0.1
Net asset value per unit (2)	S$1.45	S$1.50	(3.3)%
Interest coverage ratio (3)	2.30x	2.79x	(0.49)x

INTEREST COVERAGE RATIO (ICR) SENSITIVITY (4)

The H-REIT Manager is committed to optimising asset performance and cash flow while maintaining prudent debt levels to capitalise on acquisition opportunities. In line with the Monetary Authority of Singapore's regulations, an aggregate leverage limit of 50% and a minimum interest coverage ratio ("**ICR**") of 1.5 times are adhered to. Hedging strategies are also implemented to mitigate risks from fluctuations in interest rates and foreign exchange rates. Below shows the sensitivity analyses on the impact to the ICR of H-REIT Group under each of the following scenarios: (i) a 10% decrease in EBITDA; and (ii) a 100 basis points increase in weighted average interest rate:

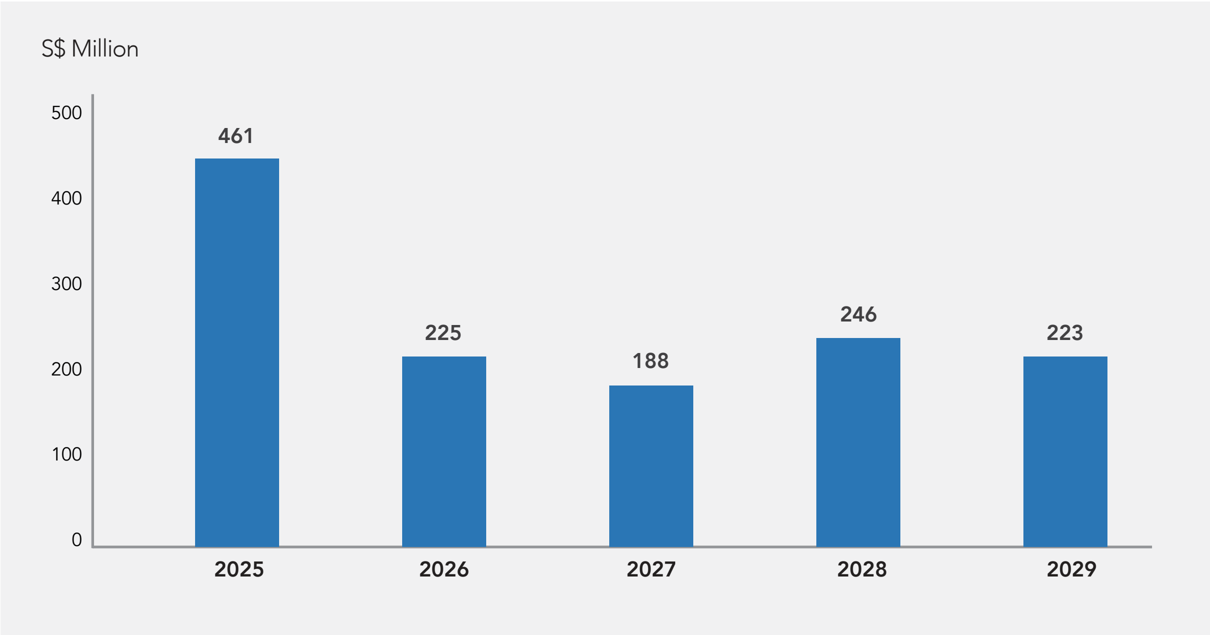
As at 31 Dec 2024	Assumptions	
	10% Decrease in EBITDA	100 bps Increase in Weighted Average Interest Rate (5)
2.30x	2.07x	1.84x


Entrance to Orchard Cafe, Orchard Hotel

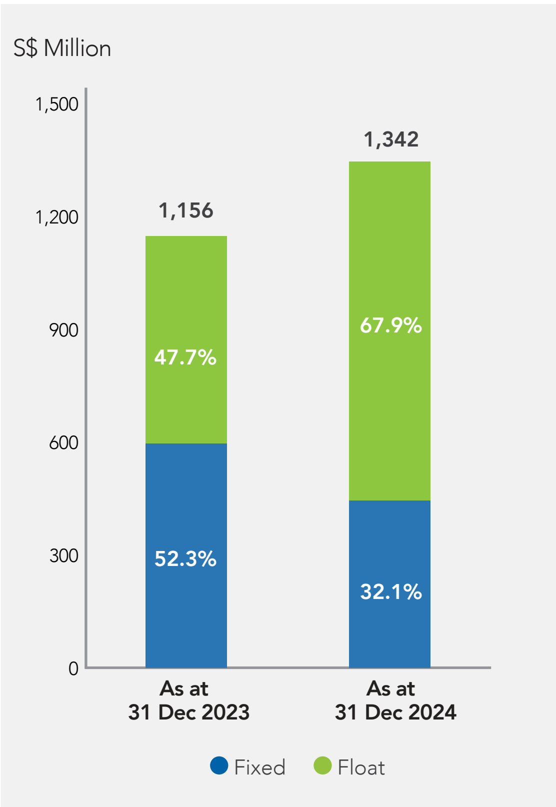
(1) For purposes of gearing computation, the total assets exclude the effect of FRS 116/SFRS(I) 16 Leases (adopted wef 1 January 2019). Refer to Note 30 on page 290 of the Annual Report.
(2) The number of Stapled Securities issued and to be issued as at 31 December 2024 was 1,264,205,735 as compared to 1,251,723,978 as at 31 December 2023.
(3) Refers to ICR for H-REIT Group, computed by using trailing 12 months' EBITDA, divided by the trailing 12 months' interest expense and borrowing-related fees.
(4) For H-REIT Group, in accordance with the MAS' Code on Collective Investment Schemes dated 28 November 2024.
(5) Assuming 100 bps increase in the weighted average interest rate of all hedged and unhedged borrowings for H-REIT Group.

DEBT PROFILE OF CDLHT [1]

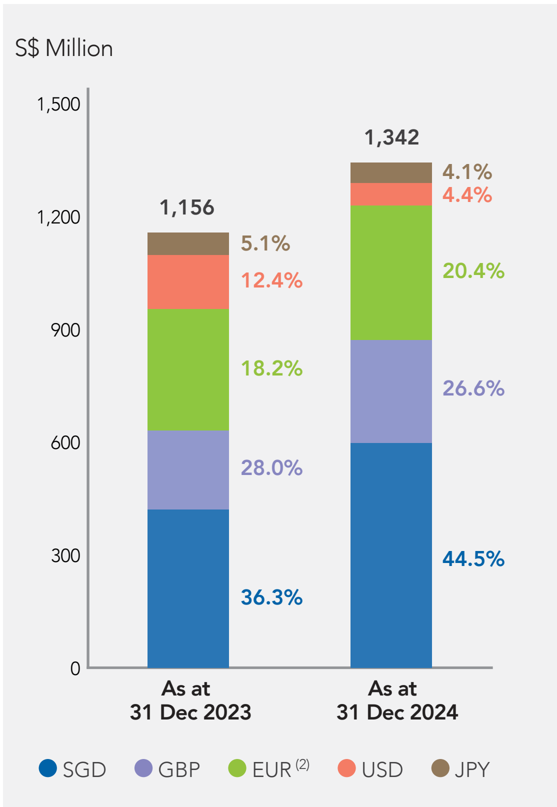
Debt Maturity Profile



Fixed-rate Versus Floating-rate Borrowings



Debt Currency Profile



(1) Excludes lease liabilities.
(2) Includes term loan fixed via EUR/SGD cross currency swap, effective exposure is in EUR.

CHAIRMAN'S STATEMENT

"2024 marked a pivotal year of progress for CDLHT in the execution of the expanded mandate into living asset classes to secure stable, long-term growth. By complementing our core hotel portfolio with longer-stay accommodation assets, we have enhanced CDLHT's resilience and created additional avenues for value creation."

On behalf of the Board of Directors of the H-REIT Manager and the HBT Trustee-Manager (collectively the "**Managers**"), I am pleased to present our Annual Report for the financial year ended 31 December 2024 ("**FY 2024**").

RESILIENT PERFORMANCE

In a year marked by persistent inflation, elevated interest rates and heightened geopolitical uncertainties, CDL Hospitality Trusts demonstrated resilience by delivering stable performance amid macroeconomic headwinds. Normalisation of demand across some markets was observable after a period of extraordinary post-pandemic growth. Against this backdrop, it was encouraging that RevPAR growth was achieved in most of the portfolio markets with the exception of Singapore and New Zealand. Net property income ("**NPI**") declined by 2.2% (or S$3.1 million) yoy to S$135.2 million for the year.

Total distribution for FY 2024 declined to S$66.9 million, representing a 5.8% yoy decrease. This was partly due to The Castings (newly opened residential Build-to-Rent (BTR) asset) still being in its gestation phase, which resulted in its NPI contribution being insufficient to compensate for the one-off pre-opening expenses and associated interest costs. Additionally, the overall decline in NPI and higher interest cost across the rest of the portfolio, as well as the absence of a one-off liquidation proceeds of S$0.9 million from an Australian subsidiary, contributed to the decrease. Consequently, the distribution per stapled security fell 6.7% yoy to 5.32 cents for FY 2024. Excluding the one-off liquidation proceeds recognised in FY 2023, the yoy reduction in Distribution per Stapled Security ("**DPS**") would have been 5.5%.

As at 31 December 2024, total portfolio value increased by 4.6% (S$146.3 million) yoy to S$3.3 billion. On a same store basis, excluding new acquisitions - Hotel Indigo Exeter and Benson Yard, the increase would have been 1.3% (S$42.2 million) yoy, mainly driven by the higher valuation of the UK, Japan and Australia portfolio.

PIVOTING FOR LONG-TERM GROWTH AND INCOME STABILITY

2024 marked a pivotal year of progress for CDLHT in the execution of the expanded mandate into living asset classes to secure stable, long-term growth. By complementing our core hotel portfolio with longer-stay accommodation assets, we have enhanced CDLHT's resilience and created additional avenues for value creation.

Despite broader economic headwinds, the UK real estate market has shown resilience: capital values have largely stabilised and the living asset segment remains attractive. These macro conditions validate our strategic pivot.

The Castings, our residential BTR asset in Manchester, opened on 16 July 2024 and has ramped up quickly. The property achieved a commendable physical occupancy of 59.1% as at 31 December 2024 and is expected to stabilise by the third quarter of 2025.

On 19 December 2024, we made our second investment in the living asset class, by acquiring Benson Yard, a Purpose-Built Student Accommodation (PBSA) asset in Liverpool. Benson Yard was newly opened in February 2023 and stands out from the competition as a best-in-class PBSA. As at 31 December 2024, committed occupancy for the current Academic Year 2024/2025 stood at 95.5% with leasing for the next Academic Year 2025/2026 currently outpacing that of the previous year. Benson Yard is well positioned to benefit from the favourable UK and Liverpool PBSA demand and supply dynamics.

Our UK investments—in both the BTR and PBSA categories—have tapped into favourable long-term demographic trends, and we are confident they will deliver steady income growth as they ramp up to full occupancy. Notably, the addition of these longer-stay assets will enhance our income resilience, reinforcing the benefits of a diversified lodging portfolio.


Deluxe Ensuite, Benson Yard (PBSA)

In addition, on 6 November 2024, CDLHT further expanded its hotel footprint in the UK with the acquisition of Hotel Indigo Exeter and two retail units. The freehold hotel, which fully opened in October 2023, is newly converted featuring modern design elements and high-quality finishes. The hotel benefits from its excellent location, being in the heart of Exeter city centre and right next to the main retail high street. The hotel serves the wider South West England region and visitors to the University of Exeter.

The inorganic contribution from these three high-quality assets, which are virtually brand new—The Castings, Benson Yard and Hotel Indigo Exeter—is expected to support earnings in 2025.

MARKET REVIEW AND OUTLOOK

In our core market of Singapore, a robust event and concert calendar, coupled with the commencement of visa-free travel between China and Singapore, provided strong momentum in the early part of the year. As the market transitioned towards a more normalised demand environment following the sharp post-pandemic rebound, performance moderated in the second half. Consequently, the Singapore Hotels reported a 2.1% yoy decline in RevPAR for FY 2024. For context, this remained 15.4% above FY 2019 levels, reflecting the sector's continued strength relative to pre-pandemic benchmarks.

Singapore's tourism sector continued on a steady recovery trajectory in 2024, welcoming 16.5 million visitors–equivalent to 86.5% of the peak pre-pandemic level in 2019 [(1)]. The growth in visitor arrivals contributed to a 14.0% yoy increase in visitor days [(1)]. However, the expansion of new hotel supply, which rose nearly 5% over the past 18 months (as at 31 December 2024), absorbed the demand and heightened competition in the hospitality market. Key source markets—including China, Indonesia and India—have yet to fully rebound, with collective arrivals at 83.0% of 2019 levels [(1)]. This presents further upside potential, which could serve as an additional catalyst for the sector's sustained recovery in the future, though the competitive environment may further intensify in 2025.

Looking ahead, Singapore's position as a premier global destination is set to be further reinforced by an expanding array of world-class attractions. Following the successful debut of the new Bird Paradise in 2023, the launch of Minion Land at Universal Studios Singapore—the first in Southeast Asia—and Rainforest Wild Asia, Singapore's fifth wildlife park, have enriched the city's family-friendly offerings. In 2025, the opening of the Singapore Oceanarium, three times the size of its predecessor, will further enhance its tourism landscape. Additionally, Disney Adventure, Walt Disney's first Asia-based cruise ship and its largest, with a capacity of 6,700 passengers, will be homeported in Singapore and is scheduled to set sail in December 2025.

(1) Singapore Tourism Analytics Network

CHAIRMAN'S STATEMENT

Moxy Singapore Clarke Quay (Artist's impression)

These developments, coupled with a S$300 million boost to Singapore's Tourism Development Fund [(2)], underscore the nation's proactive approach to sustaining its attractiveness as a key travel destination.

CDLHT is poised to strengthen its footprint in Singapore with the expected completion of the forward purchase of Moxy Singapore Clarke Quay in end 2026. By securing a stronger foothold in the lifestyle hotel segment, CDLHT will diversify its Singapore offerings and enhance its appeal to new customer segments. This 475-key lifestyle hotel will expand our Singapore portfolio to 3,030 rooms, further solidifying our presence in one of the world's most sought-after hospitality markets.

In New Zealand, Grand Millennium Auckland recorded a 5.9% lower RevPAR yoy for FY 2024, due to ongoing refurbishment works from April to November 2024. The Auckland hotel market remains in a prolonged recovery phase, adjusting to an influx of significant new supply in recent years while contending with a sluggish economy and uncertainty surrounding Chinese inbound tourism. In 2024, arrivals from China, the second largest pre-pandemic source market, stood at just 61.0% of 2019 arrival levels [(3)].

In Australia, the Perth Hotels delivered a strong 9.4% yoy RevPAR growth in FY 2024, driven by occupancy gains due to a robust lineup of events in the city, particularly during the traditionally weaker winter months. Ongoing room renovations at Ibis Perth, which began in May 2024, took 14.9% of the hotel's inventory out of order during the year. Recovery momentum remains intact, with 2024 international arrivals at Perth Airport exceeding 2019 levels by 8.2% [(4)]. Further upside potential remains, as 2024 Chinese visitor arrivals—Australia's top pre-pandemic market—were still at only 62.0% of 2019 levels [(5)], indicating room for additional growth.

In Japan, momentum continued in FY 2024, supported by substantial inbound travel demand, with visitor arrivals reaching 36.9 million, an increase of 47.1% yoy and surpassing 2019 arrivals by 15.6% [(6)]. The Japan Hotels achieved an impressive 20.8% yoy increase in RevPAR and registered their highest full-year average rate and RevPAR of ¥11,537 and ¥10,681 respectively, since their acquisition in 2014. Inbound travel to Japan is expected to reach new highs in 2025, supported by the country's popularity and the weak yen. CDLHT's Tokyo hotels are well-positioned to capitalise on the rising demand. Further, visitor numbers will continue to thrive as the Japanese government aims to attract 60 million visitors annually by 2030 [(7)].

(2) EDB Singapore, "Singapore to pump $300 million into tourism as part of broader economic plan", 6 March 2024
(3) Stats NZ
(4) Perth Airport International Arrivals
(5) Tourism Australia
(6) Japan National Tourism Organisation
(7) AFP, "Record 36.8 million tourists visited Japan in 2024 in return to pre-Covid-19 boom", 15 January 2025


Presidential Suite, The Lowry Hotel

In the Maldives, the two resorts collectively recorded a 4.3% yoy increase in RevPAR, largely supported by occupancy growth resulting from the yoy growth in tourist arrivals. However, the resorts' overall performance continues to face some headwinds due to the rising luxury resort supply and competition, coupled with the strong currency and increase in visitor taxes.

In the UK, Hilton Cambridge City Centre and The Lowry Hotel recorded a 3.9% yoy growth in RevPAR for FY 2024, primarily driven by improved corporate demand in Cambridge, which offset the shortfall in Manchester due to a weaker event calendar and the absence of several large non-repeat groups from 2023. Remarkably, Hilton Cambridge City Centre achieved record average rate and RevPAR since acquisition, at £187 and £142 respectively. The fixed rent from voco Manchester – City Centre, which follows an annual inflation-adjusted fixed rent structure, increased 4.5% to £2.65 million for the rental period from 7 May 2024 to 6 May 2025. Despite uncertainties in the UK economy, high-profile events like the Women's Rugby World Cup, with matches scheduled in Exeter and Manchester during August and September 2025, could benefit the UK hotels. Hotel Indigo Exeter, acquired in November 2024, will make its first full year NPI contribution in 2025.

In Munich, the recovery of corporate travel demand along with a healthier sporting and concert calendar, drove RevPAR up by 12.1% yoy. Notably, the FY 2024 RevPAR of €110 was the highest since the acquisition in 2017. International arrivals to Munich are anticipated to remain strong owing to a vibrant event calendar.

In Florence, Hotel Cerretani Firenze recorded a 5.1% improvement in RevPAR and achieved record full year average rate and RevPAR of €316 and €234 respectively since its acquisition. Following an exceptional period of growth, demand is expected to stabilise at a more normalised level in the near term.

The performance of our overseas portfolio hotels is expected to vary in the near term, as some markets have stabilised, while others are in the process of recovery.

VALUE CREATION THROUGH PROACTIVE ASSET ENHANCEMENTS

The Managers consistently assess CDLHT's portfolio to identify opportunities for asset optimisation and value creation. We pursue asset enhancement initiatives and actively manage lessees and operators to enhance the value and competitiveness of our assets, enabling CDLHT to harness the growth potential of the properties.

After almost a year, Ibis Perth has completed its extensive renovation, which included an upgrade of all 192 rooms, as well as the lobby, public areas, bar, restaurant and the addition of a new gym. With a more contemporary and lifestyle-orientated positioning, the hotel will be well-placed to attract higher-rated business and fully capitalise on its excellent central location.

CHAIRMAN'S STATEMENT

The Aviary, Grand Millennium Auckland

Grand Millennium Auckland has completed the first phase of rooms refurbishment and has substantially finished renovation works at the atrium bar. These initiatives complement the previous enhancements to the ballroom, all-day dining restaurant and lobby lounge. Renovation works at the public areas and the second phase of rooms refurbishment, scheduled from April to November 2025, will boost the competitiveness of the asset ahead of the opening of the nearby New Zealand International Convention Centre in early 2026.

W Singapore – Sentosa Cove has embarked on a comprehensive renovation of all its rooms in February 2025, with completion slated for end November 2025. The renovation has been planned in phases to minimise disruption during peak demand periods. This room rejuvenation will reinforce the hotel's competitive position in the luxury lifestyle segment amid increasing competition and will complement enhancements made to the lobby, ballroom and restaurant in 2023.

PRUDENT CAPITAL MANAGEMENT

Maintaining a robust financial position remains a key priority for CDLHT, ensuring both stability and agility in navigating evolving market conditions. As at 31 December 2024, our gearing ratio stood at 40.7% (8), with a debt headroom of S$610.1 million (9).

In line with our commitment to sustainable financing, approximately S$310.8 million or 82% of maturing loans were refinanced as sustainability-linked loans in FY 2024, bringing our total sustainability-linked facilities to S$666.0 million at year-end. This reinforces the focus on responsible capital management while aligning the financing strategy with global sustainability goals.

Recognising the ongoing volatility in interest rates, four interest rate swaps were entered into during the year to hedge exposures on SGD and JPY borrowings. Additionally, our low fixed to floating borrowings profile positions us well to benefit from prospective interest rate declines in the near to medium term.

With a disciplined approach to capital management, CDLHT maintains a strong unencumbered asset position of 95.6% of property value, providing financial flexibility and enhances our ability to secure favourable financing terms. This prudent and forward-looking stance ensures that CDLHT remains well-positioned for sustainable growth, balancing risk management with the ability to capitalise on accretive acquisitions and portfolio-enhancing initiatives.

ADVANCING TOWARDS A SUSTAINABLE FUTURE

CDLHT continues to advance its sustainability agenda, reinforcing our commitment to responsible investing, governance excellence, and stakeholder engagement. In a significant step forward, we established the Board Sustainability Committee on 5 April 2024 to provide dedicated oversight and strategic direction for our ESG initiatives, ensuring sustainability remains embedded in our long-term business strategy.

(8) For the purpose of gearing computation, the total assets exclude the effect of FRS 116/SFRS(I) 16 Leases (adopted wef 1 January 2019).
(9) Computed on basis of the regulatory gearing limit of 50.0%.

On the governance front, we strengthened our leadership in corporate transparency, advancing 22 places to secure second place in the Singapore Governance and Transparency Index 2024 – REIT and Business Trust Category. This recognition underscores our commitment to best-in-class governance practices. Additionally, CDLHT was honoured with the Shareholder Communications Excellence Awards (REITs & Business Trusts Category) at the Securities Investors Association (Singapore) Investors' Choice Awards 2024, reflecting our continuous efforts to enhance transparency and investor engagement.

Further milestones and initiatives are detailed in the Board Statement within the Sustainability Report, highlighting our ongoing progress towards a resilient and sustainable future.

CONCLUDING REMARKS

Looking ahead, we remain focused on prudent capital management and disciplined growth amid elevated interest rates, geopolitical uncertainties, and economic volatility driven by tariff threats and trade tensions. While international travel continues to recover, hospitality growth is expected to moderate as post-pandemic pent-up demand stabilises.

CDLHT will continue to enhance its portfolio through asset rejuvenation, diversification into longer-stay lodging, and selective acquisitions, ensuring we remain well-positioned to navigate uncertainties and deliver long-term value to Stapled Security Holders.

APPRECIATION

On behalf of the Boards and management team, I extend my heartfelt gratitude to our Stapled Security Holders for their continued trust and support. I am also deeply appreciative of our stakeholders—including lessees, operators, business partners, and service providers worldwide—whose collaboration and expertise have been instrumental in CDLHT's continued success.

I would also like to thank my fellow members of the Boards for their insightful leadership, and the management team and staff of the Managers and the H-REIT Trustee for their commitment and invaluable contributions in steering CDLHT forward.

I look forward to engaging with our Stapled Security Holders at our Annual General Meetings on 24 April 2025.

Chan Soon Hee, Eric
Chairman
Dated as of 21 March 2025

Aerial Shot of Solar Panels, Angsana Velavaru

PORTFOLIO SUMMARY

NUMBER OF PROPERTIES

17 Hotels, **2** Resorts,
1 BTR, **1** PBSA and
1 Retail Mall

Orchard Hotel

Grand Copthorne Waterfront Hotel

NUMBER OF UNITS

4,924 Hotel Rooms
352 BTR Units
404 PBSA Beds

M Hotel

Copthorne King's Hotel

Studio M Hotel

Claymore Connect

W Singapore – Sentosa Cove

Hotel MyStays Asakusabashi

Hotel MyStays Kamata

Grand Millennium Auckland

Mercure Perth

Ibis Perth

Angsana Velavaru

Raffles Maldives Meradhoo

Hilton Cambridge City Centre

The Lowry Hotel

voco Manchester – City Centre

Hotel Indigo Exeter

The Castings (BTR)

Benson Yard (PBSA)

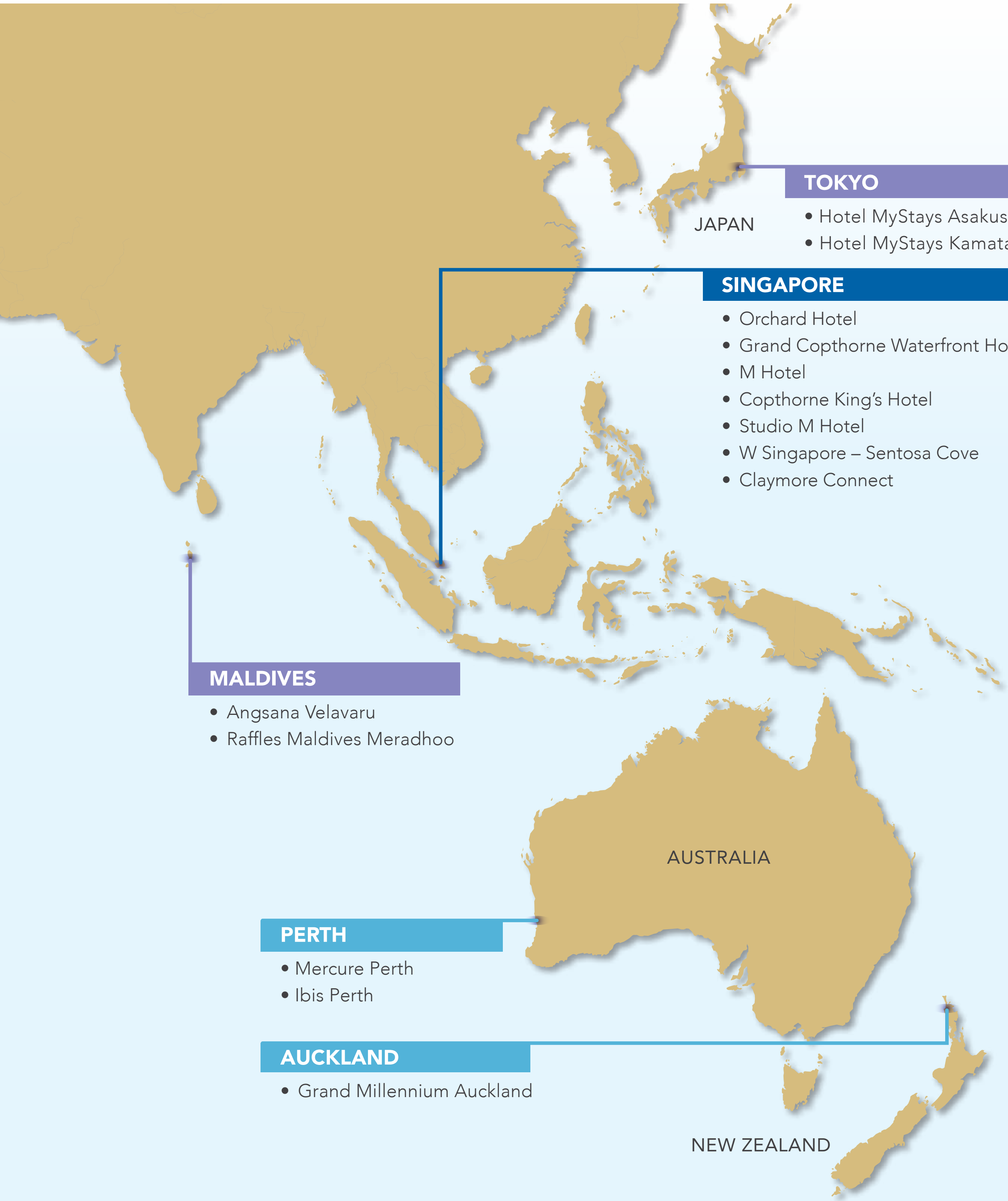
Pullman Hotel Munich

Hotel Cerretani Firenze – MGallery

PORTFOLIO SUMMARY

GEOGRAPHICAL SPREAD OF ASSETS UNDER MANAGEMENT

ASIA & OCEANIA



TOKYO
- Hotel MyStays Asakusabashi
- Hotel MyStays Kamata

SINGAPORE
- Orchard Hotel
- Grand Copthorne Waterfront Hotel
- M Hotel
- Copthorne King's Hotel
- Studio M Hotel
- W Singapore – Sentosa Cove
- Claymore Connect

MALDIVES
- Angsana Velavaru
- Raffles Maldives Meradhoo

PERTH
- Mercure Perth
- Ibis Perth

AUCKLAND
- Grand Millennium Auckland

GEOGRAPHICAL SPREAD OF ASSETS UNDER MANAGEMENT

EUROPE

CAMBRIDGE
- Hilton Cambridge City Centre

LIVERPOOL
- Benson Yard (PBSA)

EXETER
- Hotel Indigo Exeter

MANCHESTER
- The Lowry Hotel
- voco Manchester – City Centre
- The Castings (BTR)

MUNICH
- Pullman Hotel Munich

FLORENCE
- Hotel Cerretani Firenze – MGallery

PORTFOLIO SUMMARY

KEY PROPERTY DETAILS

	No. of Keys/ Units/ Beds	Title
SINGAPORE		
Orchard Hotel	656	75-year leasehold interest commencing 19 Jul 2006
Grand Copthorne Waterfront Hotel	573	
M Hotel	415	
Copthorne King's Hotel	311	99-year leasehold interest commencing 1 Feb 1968
Studio M Hotel	360	99-year leasehold interest commencing 26 Feb 2007
W Singapore – Sentosa Cove	240	99-year leasehold interest commencing 31 Oct 2006
Claymore Connect	N.A.	75-year leasehold interest commencing 19 Jul 2006
NEW ZEALAND		
Grand Millennium Auckland	453	Freehold
AUSTRALIA		
Mercure Perth	239	Strata Freehold
Ibis Perth	192	Freehold
MALDIVES		
Angsana Velavaru	113	99-year leasehold interest commencing 26 Aug 1997
Raffles Maldives Meradhoo	38	99-year leasehold interest commencing 15 Jun 2006
JAPAN		
Hotel MyStays Asakusabashi	139	Freehold
Hotel MyStays Kamata	116	Freehold
UNITED KINGDOM		
Hilton Cambridge City Centre	198	125-year leasehold interest commencing 25 Dec 1990
The Lowry Hotel	165	150-year leasehold interest commencing 18 Mar 1997
voco Manchester – City Centre	189	~197-year leasehold interest commencing 7 May 2021
Hotel Indigo Exeter	104	Freehold
The Castings (BTR)	352	Freehold
Benson Yard (PBSA) (5)	404	Freehold
GERMANY		
Pullman Hotel Munich (6)	337	Freehold
ITALY		
Hotel Cerretani Firenze – MGallery (7)	86	Freehold

(1) All properties were valued as at 31 December 2024.
(2) The lease term may be extended for a further term of 50 years pursuant to lessee's (CDLHT) option to renew under the lease granted by the head lessor (Cambridge City Council).
(3) The consideration is still subject to net working capital and post completion adjustments that are yet to be finalised.
(4) This refers to the total capitalised development costs.
(5) Including an adjacent piece of vacant land.
(6) Purchase price is based on a 94.5% effective interest whereas the valuation is based on 100% interest before adjustment of non-controlling interests.
(7) Purchase price is based on a 95.0% effective interest whereas the valuation is based on 100% interest before adjustment of non-controlling interests.

Remaining Term of Land Lease	Date of Acquisition	Purchase Price in Millions	Valuation in Millions (1)
		S$330.1	S$517.0
57 years	19 Jul 2006	S$234.1	S$428.0
		S$161.5	S$272.0
42 years	19 Jul 2006	S$86.1	S$146.0
81 years	3 May 2011	S$154.0	S$206.0
81 years	16 Jul 2020	S$324.0	S$332.0
57 years	19 Jul 2006	S$34.5	S$120.0
-	19 Dec 2006	NZ$113.0	NZ$219.0
-	18 Feb 2010	A$36.2	A$49.5
-	18 Feb 2010	A$21.6	A$42.0
72 years	31 Jan 2013	US$71.0	US$57.0
80 years	31 Dec 2013	US$59.6	US$46.0
-	19 Dec 2014	¥3,200	¥6,100
-	19 Dec 2014	¥2,600	¥3,280
91 years (2)	1 Oct 2015	£61.5	£59.5
122 years	4 May 2017	£52.5	£46.0
193 years	22 Feb 2022	£22.8	£26.0
-	6 Nov 2024	£19.4 (3)	£19.5
-	31 Aug 2021	£82.0 (4)	£92.0
-	19 Dec 2024	£37.3	£39.4
-	14 Jul 2017	€98.9	€104.5
-	27 Nov 2018	€40.6	€47.8

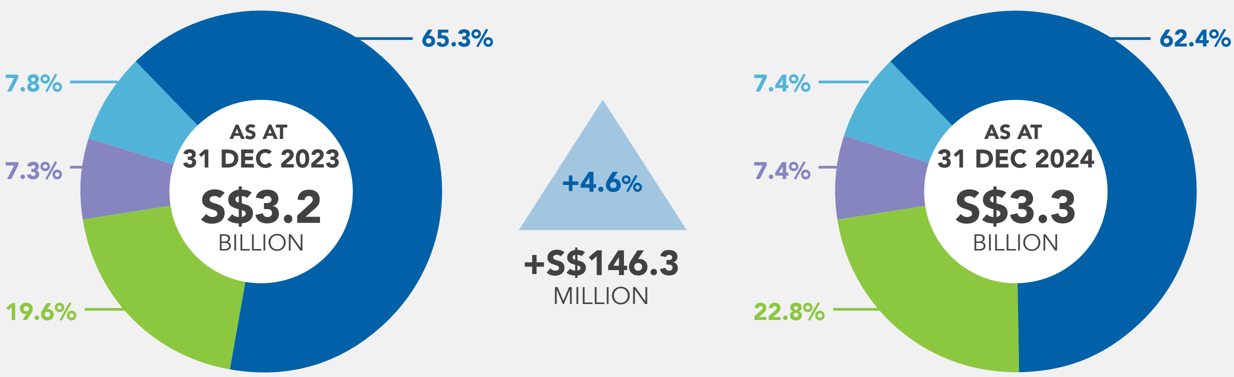
PORTFOLIO SUMMARY

PORTFOLIO VALUE

CDLHT's portfolio comprises 22 properties (total of 4,924 hotels rooms, 352 BTR apartments, 404 PBSA beds and a retail mall). As at 31 December 2024, CDLHT's portfolio value increased S$146.3 million or 4.6% yoy to S$3.3 billion. The living assets saw a notable increase of S$92.3 million or 70.3% yoy in value, driven by the completion of The Castings (BTR) and the acquisition of Benson Yard (PBSA). On a same store basis, excluding Hotel Indigo Exeter and Benson Yard which were acquired in 4Q 2024, the portfolio value would have increased by 1.3% or S$42.2 million yoy. Any gains/losses arising from revaluations of the properties do not have any impact on the distribution to Stapled Security Holders.

Portfolio Value by Geography [1]

As at Year End



SINGAPORE	**65.3%**
EUROPE	**19.6%**
UK (Hotels)	8.5%
UK (Living Assets)	4.1%
Germany [2]	4.8%
Italy [2]	2.1%
OTHER ASIA	**7.3%**
Maldives	5.0%
Japan	2.2%
OCEANIA	**7.8%**
New Zealand	5.5%
Australia	2.3%

SINGAPORE	**62.4%**
EUROPE	**22.8%**
UK (Hotels)	9.6%
UK (Living Assets)	6.7%
Germany [2]	4.4%
Italy [2]	2.0%
OTHER ASIA	**7.4%**
Maldives	5.0%
Japan	2.4%
OCEANIA	**7.4%**
New Zealand	5.0%
Australia	2.3%

(1) Numbers and percentages may not add up due to rounding.
(2) On the basis of a 100% interest before adjustment of non-controlling interests.

Change in Portfolio Value Year-on-year

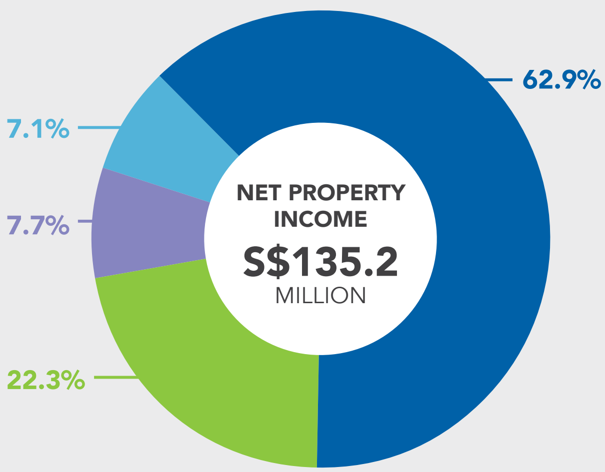
In local currency terms, valuation for all markets registered an increase except for Singapore and Germany which decreased slightly.

	As at 31 Dec 2023 (in millions)	As at 31 Dec 2024 (in millions)	Variance (%)	As at 31 Dec 2023 (in millions)	As at 31 Dec 2024 (in millions)	Variance (%)
	Local Currency			Singapore Dollar		
Singapore	S$2,077.4	S$2,076.1	(0.1)%	S$2,077.4	S$2,076.1	(0.1)%
UK (Hotels)	£161.7	£187.3	15.8%	S$271.8	S$318.8	17.3%
UK (Living Assets)	£78.2	£131.4	68.1%	S$131.4	S$223.8	70.3%
Germany (1)	€104.8	€104.5	(0.2)%	S$152.9	S$147.7	(3.4)%
Italy (1)	€45.5	€47.8	5.1%	S$66.4	S$67.5	1.7%
Maldives	US$121.3	US$121.4	0.1%	S$160.5	S$165.0	2.8%
Japan	¥7,590.0	¥9,380.0	23.6%	S$70.6	S$80.9	14.7%
New Zealand	NZ$211.0	NZ$219.0	3.8%	S$176.2	S$167.9	(4.7)%
Australia	A$79.5	A$91.5	15.1%	S$71.6	S$77.5	8.2%
Total				**S$3,178.9**	**S$3,325.2**	**4.6%**

NET PROPERTY INCOME BREAKDOWN

Net Property Income by Geography (2)

For FY 2024



SINGAPORE	**62.9%**
EUROPE	**22.3%**
UK (Hotels)	11.0%
UK (Living Assets)	0.3% (3)
Germany (1)	7.2%
Italy (1)	3.8%
OTHER ASIA	**7.7%**
Maldives	4.4%
Japan	3.3%
OCEANIA	**7.1%**
New Zealand	3.9%
Australia	3.2%

(1) On the basis of a 100% interest before adjustment of non-controlling interests.
(2) Numbers and percentages may not add up due to rounding.
(3) The Castings only opened on 16 July 2024 and is still undergoing gestation, whereas Benson Yard was only acquired on 19 December 2024.

PORTFOLIO SUMMARY

NUMBER OF TENANTS AND COMPOSITION OF GROSS RENTAL INCOME FOR PROPERTIES WITH EXTERNAL LEASES [(1)]

As at 31 December 2024, CDLHT has a total of 557 tenants for properties that were leased out, as detailed in the table below. The retail and office category is made up of Claymore Connect (27 tenants), retail/office component of Pullman Hotel Munich (12 tenants) and the two retail units at Hotel Indigo Exeter. As The Castings opened on 16 July 2024 and Benson Yard was newly acquired on 19 December 2024, the contribution to gross rental income for the living assets category was not material in FY 2024.

Category	Number of Tenants as at 31 December 2024	% of Gross Rental Income FY 2024
Hotel	9	90.3%
Retail and Office	41	7.9%
Living Assets	507	1.7%
Total	**557**	**100.0%**

TOP 10 TENANTS BY GROSS RENTAL INCOME FOR PROPERTIES WITH EXTERNAL LEASES [(1)]

For FY 2024

The top 10 tenants contributed 91.8% of the total gross rental income for properties with leases.

		S$'000	% of Total Gross Rental Income
1	Republic Hotels & Resorts Limited	28,408	24.2%
2	City Hotels Pte. Ltd.	23,851	20.3%
3	Harbour View Hotel Pte. Ltd.	12,971	11.0%
4	UP Hotel Operations GmbH & Co. KG	9,669	8.2%
5	Republic Iconic Hotel Pte. Ltd.	8,179	7.0%
6	Maldives Bay Pvt Ltd	8,020	6.8%
7	FC Operations Hotel SRL	5,412	4.6%
8	Hospitality Services Limited	5,220	4.4%
9	HLD (Manchester) Limited	4,461	3.8%
10	District 9 Holdings Pte Ltd	1,762	1.5%

● Hotels ● Retail

(1) Does not include properties which are (i) on management contracts, namely W Hotel, Raffles Maldives Meradhoo, the Japan Hotels, the Perth Hotels, Hilton Cambridge City Centre and Hotel Indigo Exeter; and (ii) self-operated and managed by HBT Group, namely The Lowry Hotel.
(2) Expiry does not take into consideration the tenure under the extension options.
(3) WALE is computed assuming the tenant for voco Manchester - City Centre does not exercise its break option to pre-terminate the lease on 15 January 2045. Assuming the tenant pre-terminates the lease, the WALE of the hotel leases will be 4.8 years. WALE is based on FY 2024 actual gross rental income for hotels with leases.
(4) Based on passing rent in the month which the lease expires and excludes gross turnover rent. Assumes that the tenants for the two retail units at Hotel Indigo Exeter do not exercise the break option to pre-terminate the leases. If the tenants pre-terminate the leases, the WALE will be 2.3 years.
(5) Based on passing rent in the month which the lease expires.
(6) Computed as a percentage of gross rental income of all properties with leases for FY 2024.

LEASE EXPIRY PROFILE AND TENANT MIX BY GROSS RENTAL INCOME FOR PROPERTIES WITH LEASES

For FY 2024

For the two tables below, properties under management contracts or self-operated are excluded as there are no external leases in place [(1)].

Properties	Tenure of Lease	Year of Expiry [(2)]	% of Gross Rental Income
Singapore IPO Hotels	20 years from 19 Jul 2006 with an option to renew for another 20 years	2026	55.5%
Pullman Hotel Munich	Hotel: 20 years from 14 Jul 2017, expiring 13 Jul 2037	2037	8.2%
	Retail/Office: Range of lease terms - for details on lease expiry profile, refer to page 97		1.0%
Studio M Hotel	20 years from 3 May 2011 with an option to renew for three consecutive additional terms of 20 years + 20 years + 10 years	2031	7.0%
Claymore Connect	Range of lease terms - for details on lease expiry profile, refer to page 73		6.9%
Angsana Velavaru	10 years from 1 Feb 2023, expiring 31 Jan 2033	2033	6.8%
Hotel Cerretani Firenze – MGallery	20 years from 27 Nov 2018, expiring 26 Nov 2038	2038	4.6%
Grand Millennium Auckland	Lease renewed for third 3-year term from 7 Sep 2022, expiring 6 Sep 2025	2025	4.4%
voco Manchester - City Centre	60 years from 7 May 2021, expiring 6 May 2081	2081	3.8%
The Castings (BTR)	Typically one year or shorter	2025/2026	1.5%
Benson Yard (PBSA)	Typical student lease term of 44 or 51 weeks. The academic year runs from 1 Sep to 31 Aug of the following year	2025	0.2%
Retail units at Hotel Indigo Exeter	Holland & Barrett Retail Limited - 10 years from 13 Mar 2023, expiring 12 Mar 2033, subject to a tenant break right on 13 Mar 2029 Mountain Warehouse Limited - 10 years from 26 Jun 2023, expiring 25 Jun 2033, subject to a break right on 26 Jun 2028	2033	0.1%

Properties	WALE as at 31 Dec 2024
All hotel leases	6.3 years [(3)]
All retail/office leases	2.5 years [(4)]
All living assets leases	0.6 years [(5)]
New leases	1.1 years [(5)]

The weighted average lease expiry ("**WALE**") are shown separately for the hotel leases, the retail/office leases and the living assets leases as the nature and profile of these leases differ and separate disclosures are more meaningful.

In FY 2024, new leases included those at Claymore Connect, The Castings, Benson Yard, Pullman Hotel Munich's retail and office spaces and the two retail units at Hotel Indigo Exeter, representing 2.2% [(6)] of total gross rental income for the year.

YEAR IN REVIEW

PERFORMANCE BY COUNTRY AND PROPERTY [1]

	FY 2024 S$'000	FY 2023 S$'000	Better/ (Worse)	FY 2024 S$'000	FY 2023 S$'000	Better/ (Worse)
PROPERTIES WITH LEASES	**Gross Rental Revenue**			**Net Property Income**		
Singapore	**81,536**	**79,377**	**2.7%**	**74,103**	**72,900**	**1.7%**
Singapore Hotels	***73,409***	***71,801***	***2.2%***	***67,981***	***67,267***	***1.1%***
Orchard Hotel	23,851	24,276	(1.8)%	22,213	22,888	(2.9)%
Grand Copthorne Waterfront Hotel	20,773	16,657	24.7%	19,143	15,439	24.0%
M Hotel	12,971	12,604	2.9%	11,969	11,878	0.8%
Copthorne King's Hotel	7,635	9,146	(16.5)%	7,007	8,454	(17.1)%
Studio M Hotel	8,179	9,117	(10.3)%	7,649	8,608	(11.1)%
Singapore Retail	***8,127***	***7,577***	***7.3%***	***6,122***	***5,633***	***8.7%***
Claymore Connect	8,127	7,577	7.3%	6,122	5,633	8.7%
New Zealand	**5,220**	**7,251**	**(28.0)%**	**5,220**	**7,251**	**(28.0)%**
Grand Millennium Auckland	5,220	7,251	(28.0)%	5,220	7,251	(28.0)%
Maldives	**8,020**	**8,523**	**(5.9)%**	**7,584**	**8,163**	**(7.1)%**
Angsana Velavaru	8,020	8,523	(5.9)%	7,584	8,163	(7.1)%
United Kingdom	**6,494**	**4,165**	**55.9%**	**4,862**	**4,165**	**16.7%**
voco Manchester – City Centre	4,461	4,165	7.1%	4,461	4,165	7.1%
The Castings	1,822	-	N.M	257	-	N.M
Benson Yard	211	-	N.M	144	-	N.M
Germany	**10,792**	**10,678**	**1.1%**	**9,706**	**9,459**	**2.6%**
Pullman Hotel Munich	10,792	10,678	1.1%	9,706	9,459	2.6%
Italy	**5,412**	**5,576**	**(2.9)%**	**5,147**	**5,344**	**(3.7)%**
Hotel Cerretani Firenze – MGallery	5,412	5,576	(2.9)%	5,147	5,344	(3.7)%
Sub-Total	**117,474**	**115,571**	**1.6%**	**106,622**	**107,282**	**(0.6)%**
MANAGED PROPERTIES [2]	**Gross Hotel Revenue**			**Net Property Income**		
Singapore	**54,729**	**58,719**	**(6.8)%**	**11,009**	**13,027**	**(15.5)%**
W Singapore – Sentosa Cove	54,729	58,719	(6.8)%	11,009	13,027	(15.5)%
Australia	**21,756**	**20,241**	**7.5%**	**4,319**	**4,168**	**3.6%**
Ibis Perth	8,381	9,072	(7.6)%	1,639	2,275	(28.0)%
Mercure Perth	13,375	11,170	19.7%	2,680	1,893	41.6%
Maldives	**11,660**	**13,823**	**(15.6)%**	**(1,692)**	**(1,023)**	**(65.4)%**
Raffles Maldives Meradhoo	11,660	13,823	(15.6)%	(1,692)	(1,023)	(65.4)%
Japan	**8,982**	**8,117**	**10.7%**	**4,486**	**3,862**	**16.2%**
Hotel MyStays Asakusabashi	5,502	4,748	15.9%	2,827	2,309	22.4%
Hotel MyStays Kamata	3,480	3,369	3.3%	1,659	1,553	6.8%
United Kingdom	**45,658**	**41,085**	**11.1%**	**10,479**	**10,988**	**(4.6)%**
Hilton Cambridge City Centre	21,656	19,668	10.1%	6,650	6,229	6.8%
The Lowry Hotel	22,589	21,417	5.5%	3,514	4,759	(26.2)%
Hotel Indigo Exeter	1,413	-	N.M	315	-	N.M
Sub-Total	**142,785**	**141,985**	**0.6%**	**28,601**	**31,022**	**(7.8)%**
Total Portfolio	**260,259**	**257,556**	**1.0%**	**135,223**	**138,304**	**(2.2)%**

(1) Numbers and percentages may not add up due to rounding.
(2) These are properties with management contracts, with the exception of The Lowry Hotel which is self-managed.

REVIEW OF FINANCIAL PERFORMANCE

According to the UNWTO World Tourism Barometer, international tourism for 2024 has rebounded to near pre-pandemic levels, with arrivals ending at 99% of 2019's levels [(1)]. Following a period of extraordinary post-pandemic growth, demand across some markets began to normalise. Against this backdrop, it was reassuring to see RevPAR growth across most of our portfolio markets, except for Singapore and New Zealand, with five hotels in the portfolio achieving record full-year RevPARs.

Gross revenue for FY 2024 increased marginally by 1.0% (or S$2.7 million) yoy to S$260.3 million. Gross revenue was higher from the Perth, Japan and Germany Hotels, as well as the UK portfolio. This increase was partially offset by lower revenue from the Singapore Hotels, Grand Millennium Auckland, Hotel Cerretani Firenze and the Maldives Resorts. Consequently, NPI decreased by 2.2% (or S$3.1 million) yoy to S$135.2 million for FY 2024.

As The Castings was still in gestation since its opening in mid-July 2024, its NPI contribution was insufficient to cover its one-off pre-opening expenses and associated interest costs. This, together with lower overall NPI and higher interest cost for the rest of the portfolio, led to a 5.8% yoy decline in total distribution (after deducting income retained for working capital) to S$66.9 million for FY 2024. In turn, DPS for FY 2024 declined by 6.7% yoy to 5.32 cents.

Total distribution includes capital distribution from overseas properties of S$10.3 million from operating cashflows. The capital distribution for FY 2024 was lower partly due to absence of a one-off liquidation proceeds of S$0.9 million from an Australian subsidiary. Excluding this one-off item from FY 2023, the reduction in total distribution would have been lower at 4.6% (instead of 5.8%) yoy. Similarly, the yoy reduction in DPS would have been 5.5% (instead of 6.7%).

Operating Expenses	FY 2024	FY 2023
Total Operating Expenses [(2)] (S$'000)	239,270	223,715
Net Asset Value [(3)] (S$'000)	1,832,378	1,878,446
Total Operating Expenses as a Percentage of Net Asset Value	**13.1%**	**11.9%**


Grand Ballroom, Orchard Hotel

(1) UNWTO, "International tourism recovers pre-pandemic levels in 2024", 20 January 2025
(2) Refers to all operating expenses (including property taxes and insurance) and all fees and charges (including acquisition fees) paid to the Managers and interested parties. The increase in operating expenses in FY 2024 was mainly due to higher property and trust expenses and interest costs. Refer to page 191 of the Financial Statements for details relating to the operating expenses.
(3) After deducting for non-controlling interests.

YEAR IN REVIEW

ASSETS' OPERATING PERFORMANCE FOR FY 2024

Singapore

CDLHT's Singapore Hotels Performance	FY 2024	FY 2023	Better / (Worse)
Average Occupancy Rate ("**AOR**") (4)	78.7%	76.2%	2.5pp
Average Daily Rate ("**ADR**")	S$246	S$260	(5.3)%
Revenue per Available Room ("**RevPAR**") (4)	S$194	S$198	(2.1)%

Singapore welcomed 16.5 million arrivals in 2024, reaching 86.5% of pre-pandemic 2019 levels. Visitor days recovered to 91.7% of 2019, contributed by a longer length of stay. Compared to 2023, visitor days grew by 14.0% (5).

On the supply side, new hotel openings added nearly 5% more room inventory to the Singapore market over the past 18 months (as at 31 December 2024). To establish base business, newly opened hotels typically adopt competitive pricing during their initial ramp-up period. Despite the normalisation of pent-up demand in the second half of the year and increased rate competition from new supply, the Singapore Hotels delivered a creditable performance, recording a full year RevPAR decline of 2.1% yoy. For context, RevPAR remained 15.4% (6) above pre-pandemic levels in FY 2019. Overall, the NPI for the Singapore Hotels declined by 1.6% (or S$1.3 million) yoy to S$79.0 million for FY 2024.

In terms of supply outlook, Singapore's hotel inventory is projected to expand by a net addition of 1,245 rooms in 2025, accounting for approximately 1.7% of total room stock as of 31 December 2024. Over the next three years, supply growth is expected to remain modest, with a compound annual growth rate ("**CAGR**") of 1.7% (7).

Claymore Connect recorded an NPI of S$6.1 million, reflecting an 8.7% (or S$0.5 million) yoy increase. This growth was largely driven by the addition of a new tenant, higher rental rates for existing leases and renewals, and optimisation efforts to streamline operational expenses. Overall, NPI for the Singapore portfolio (including Claymore Connect) totalled S$85.1 million, a slight decline of 0.9% yoy.


Hua Ting Restaurant, Orchard Hotel

(4) A total of 10,155 room nights were taken out of inventory for Studio M Hotel for FY 2024 due to room upgrading works including progressive replacement of air conditioning system. This was against the 34,157 room nights that were taken out of inventory for FY 2023 at Grand Copthorne Waterfront Hotel for rooms renovation works. Excluding the out-of-order rooms, for FY 2024 and FY 2023, occupancy would be 79.6% and 79.1% respectively while RevPAR would be S$196 and S$205 respectively.
(5) Singapore Tourism Analytics Network
(6) On a proforma basis for comparability on a same store basis, assuming CDLHT owns W Hotel from 1 January 2019.
(7) Based on statistics published by Hotels Licensing Board (3 January 2025) adjusted by CDLHT for rooms known to be taken out of and/or added to inventory. Sources: Hotels Licensing Board (3 Jan 2025), Horwath HTL (January 2025) and CDLHT research (January 2025).

Overseas

CDLHT's Overseas Hotels RevPAR	FY 2024	FY 2023	Better / (Worse)
NZ Hotel (NZ$) (8)	129	137	(5.9)%
Perth Hotels (A$) (9)	123	112	9.4%
Japan Hotels (¥)	10,681	8,838	20.8%
Maldives Resorts (US$)	327	313	4.3%
UK Hotels (£) (10)	138	133	3.9%
Germany Hotel (€)	110	98	12.1%
Italy Hotel (€)	234	223	5.1%

Grand Millennium Auckland saw a 5.9% yoy decline in RevPAR, due to ongoing refurbishment works from April to November 2024, as well as adjusting to an influx of new supply in recent years in Auckland. Additionally, food and beverage revenue was impacted by ballroom renovations in the first quarter of 2024. These factors, coupled with higher operating expenses and the effect of accounting base rent on a straight-line basis, led to a 28.0% yoy decline in NPI for FY 2024. Excluding the accounting straight-lining effect, NPI would have declined by 22.5% yoy.

CDLHT's Perth Hotels achieved a 9.4% yoy increase in RevPAR for FY 2024, driven by higher occupancy rates underpinned by a more robust event line-up in the city, particularly during the traditionally weaker winter months. Despite ongoing rooms renovation at Ibis Perth, which began in May 2024 and rendered 14.9% of the hotel's inventory out of order during the year, the Perth Hotels recorded a 3.6% (or S$0.2 million) yoy growth in NPI, largely attributed to stronger performance from Mercure Perth.

The Japan Hotels achieved a 20.8% yoy increase in RevPAR, fueled by robust inbound travel demand. Tourist arrivals reached a record high of 36.9 million in FY 2024, representing a 15.6% increase compared to FY 2019. The Japan Hotels registered their highest full year average rate and RevPAR since acquisition in 2014, at ¥11,537 and ¥10,681 respectively. Despite the depreciation of JPY against SGD, NPI for the Japan portfolio grew by 16.2% (or S$0.6 million) yoy.

The Maldives Resorts collectively reported a 4.3% yoy increase in RevPAR for FY 2024, driven by higher occupancy as a result of an 8.9% yoy growth in tourist arrivals. Despite improved operating performance at Angsana Velavaru, its NPI was affected by lower rent top ups by the lessee in FY 2024 (11). Raffles Maldives Meradhoo's RevPAR declined by 3.7% yoy, reflecting subdued luxury demand, even during the traditionally stronger fourth quarter. This was despite a strong start following the commencement of seaplane operations in late 2023 to augment the default domestic flight cum speedboat transfer. Performance was further impacted by rising operating costs, particularly in payroll and seaplane operations. Overall, the Maldives Resorts posted a lower NPI of 17.5% (or S$1.2 million) yoy for FY 2024.

In the UK, Hilton Cambridge City Centre and The Lowry Hotel reported a 3.9% yoy RevPAR growth for FY 2024, driven primarily by stronger corporate demand in Cambridge, which offset the shortfall in Manchester due to a weaker event calendar and the absence of several large non-repeat groups from 2023. Hilton Cambridge City Centre achieved its highest average rate and RevPAR, since acquisition, at £187 and £142 respectively. NPI contribution from voco Manchester – City Centre (under an annual inflation adjusted fixed rent structure) increased 7.1% yoy to S$4.5 million for FY 2024. Given the opening of The Castings (BTR in Manchester) in July 2024 (still going through gestation), recent acquisitions of Hotel Indigo Exeter in November 2024 and Benson Yard (PBSA in Liverpool) in December 2024, the collective inorganic contribution to NPI from these three assets amounted to S$0.7 million. Collectively, the NPI of the entire UK portfolio (including both hotels and living assets) was 1.2% higher yoy.

(8) A total of 25,829 out of order room nights were recorded at Grand Millennium Auckland for FY 2024 due to rooms renovation works. Excluding the out of order inventory, RevPAR for FY 2024 would have been NZ$153.
(9) A total of 10,483 out of order room nights were recorded at Ibis Perth for FY 2024 due to rooms renovation works. Excluding the out of order inventory, collective RevPAR for the Perth Hotels for FY 2024 would have been A$131.
(10) Excludes voco Manchester – City Centre which is under an occupational lease with a fixed rent structure and Hotel Indigo Exeter (acquired on 6 November 2024) for consistent comparable basis.
(11) The new 10-year lease entered into with Banyan Tree only commenced in February 2023 which contained a minimum rent of US$6.0 million per annum. The rental true-up adjustment applied only to the period from February to December 2023 whereas the same adjustment applied to the full 12 months in 2024. The rent for January is typically stronger due to seasonality, however only the January 2024 rent was subject to the annual rent true-up adjustments leading to it subsidising the weaker months in 2024. Hence, while the underlying resort performance was stronger in FY 2024 vs FY 2023, the rental top-up from the lessee is lower in FY 2024 due to the true up adjustments, resulting in the lower NPI yoy.

YEAR IN REVIEW

In Germany, Pullman Hotel Munich reported a 12.1% yoy RevPAR growth, mainly led by the recovery in corporate travel demand and a healthier event calendar in the city. Notably, the hotel achieved its highest RevPAR since its acquisition in 2017, reaching €110. NPI contribution from the hotel increased 2.6% yoy. However, the accounting requirement to recognise base rent on a straight-line basis, rather than the actual stepped-up base rent, had the effect of masking the underlying yoy rental improvement.

In Italy, Hotel Cerretani Firenze recorded a 5.1% yoy RevPAR improvement for FY 2024, achieving a record full year average rate and RevPAR since acquisition, at €316 and €234 respectively. However, NPI declined by 3.7% yoy largely due to higher operating costs and the accounting requirement to recognise base rent on a straight-line basis rather than the actual stepped-up base rent received, which resulted in a similar impact mentioned in the previous paragraph.


Studio, The Castings (BTR)

ADVANCING LONG-TERM GROWTH INITIATIVES TO BUILD INCOME RESILIENCE AND STABILITY

Operational Start of The Castings

On 31 August 2021, CDLHT invested in The Castings, a residential Build-to-Rent project located in Manchester, UK, through a forward-funding scheme. The Castings opened on 16 July 2024 and benefited from a strong leasing season in the summer. It reached a physical occupancy of 59.1% as at 31 December 2024 and is expected to stabilise around third quarter of 2025.

Manchester has demonstrated healthy residential market rental growth, with a three-year CAGR of 10.1% as of October 2024, outperforming the UK's overall three-year CAGR of 8.3% (12). Residential Build-to-Rent assets have distinct demand drivers compared to hotels. With the opening of The Castings, CDLHT will benefit from meaningful diversification of income streams, further strengthening its rental income base.


Two-bedroom, The Castings (BTR)


Resident Lounge, The Castings (BTR)

(12) Zoopla, UK Rental Market Report, December 2024

Maiden Investment into PBSA Sector in Liverpool, UK

Transaction Details, Overview of the UK and Liverpool PBSA Market

On 19 December 2024, CDLHT entered the Purpose-Built Student Accommodation (PBSA) sector with its first investment in Liverpool, UK. It acquired Benson Yard, an operational PBSA asset, along with an adjacent vacant land site for £37.3 million, funded through debt financing. The vendors in relation to the acquisition were NR Crux Ltd (in administration), NR Lyra Ltd (in administration), and their appointed administrators.

CDLHT's foray into the PBSA space is the perpetuation of the revised principal investment strategy to invest into longer stay living assets to support long-term growth through diversification and enhanced income resilience.

The UK's demographic trends remain favourable for the PBSA sector. The 18-year-old population is projected to grow from nearly 700,000 in 2020 to approximately 900,000 by 2030 [(13)]. Education participation rate is also expected to rise, with undergraduate applicants forecasted to reach one million by 2030 [(13)] — double of the number in 2006 and 33% higher than in 2024 [(14)].

In Liverpool, the PBSA market benefits from a strong student base, with over 55,000 full-time students attending well-regarded higher education institutions. The student population across the city's five higher education institutions recorded a CAGR of 2.3% [(15)] from Academic Year ("**AY**") 2016/17 to AY 2022/23. Notably, the University of Liverpool—a member of the prestigious Russell Group [(16)] and a key source of tenants for Benson Yard—continues to attract strong demand, with a 6:1 ratio of undergraduate applications to acceptances for AY 2024/25 [(14)].

Knight Frank LLP, the independent valuer, has valued the property at £39.4 million as at 29 November 2024, using the capitalisation method for Benson Yard and the residual land value method for the vacant land site, with reference to relevant market evidence. The purchase price represents a 5.4% discount to the valuation.

Property Information

Benson Yard is a 404-bed freehold PBSA recently opened in February 2023, comprising 47 studios and 357 ensuites in 5-bed, 7-bed and 8-bed clusters. It is currently managed by Fresh Property Group Limited ("**Fresh**"). Fresh is a reputable third party manager of residential-for-rent assets (mainly PBSAs) with 14 years of experience.

Adjacent to the property is a freehold vacant land site with existing planning consent for a 144-key hotel. Feasibility studies will assess the optimal use of the site, with options including the potential development of another PBSA block (subject to planning consent) in lieu of the hotel, which could complement the existing Benson Yard.

The property enjoys a prime location in Liverpool city centre, within walking distance of the University of Liverpool and Liverpool John Moores University. It is also conveniently close to the city's main rail terminals, Liverpool Lime Street and Liverpool Central. Additionally, the property is just a 4-minute walk from Bold Street, known for its vibrant mix of independent shops, restaurants, cafés, and boutiques, and a 10-minute walk from Liverpool ONE, the city's premier retail destination. For football enthusiasts, Anfield Stadium, home to Liverpool Football Club, is a 30-minute bus ride away.

As a new and best-in-class asset, Benson Yard holds a competitive edge over older PBSA properties, with only around 20% of the city's PBSA beds having opened after 2019 [(17)]. The property boasts exceptional and generous amenities, including dedicated gaming and lounging areas, private and group study spaces, a gym, a multi-purpose room that serves as both a yoga/dance studio and cinema, a sheltered outdoor courtyard and a sky lounge with expansive views of the city, catering to the evolving needs of modern students.

Liverpool's strong PBSA market is underpinned by a growing student population, its status as a Russell Group university city, and a vibrant football culture. Importantly, the property was also secured at a significant discount to replacement cost and 5.4% below valuation, positioning it well for future capital appreciation amid high institutional investment interest. With its excellent connectivity, proximity to key amenities, generous shared spaces and modern design, Benson Yard is well-positioned to attract students, enhancing its defensiveness and resilience.

(13) Universities and Colleges Admissions Service (UCAS), "What is the journey to a million?"
(14) UCAS, Undergraduate End of Cycle Data Resources 2024
(15) Higher Education Statistics Agency (HESA)
(16) An elite group of 24 world-class, research-intensive UK universities. They are characterised by their excellent research, outstanding teaching and learning experience and unrivalled links with local and national business and the public sector.
(17) Knight Frank Valuation Report dated 18 December 2024

YEAR IN REVIEW

Expanding Presence to Exeter, UK

On 6 November 2024, CDLHT completed its acquisition of Hotel Indigo Exeter and two retail units from Hotel Exe Limited, Plaza Properties (Holdings) Limited and Plaza Retail (Holdings) Limited at a purchase price of £19.4 million [18]. CBRE Limited, as independent valuer, has valued the property at £19.5 million on the basis of Market Value [19] as at the valuation date of 30 September 2024, which is in line with the purchase price. The valuation comprises the hotel component at £15.5 million and the retail component at £4.0 million.

The freehold property is an upscale lifestyle boutique hotel offering 104 rooms, with luxurious spa and gym facilities as well as two retail units. After undergoing an extensive conversion from a House of Fraser department store, the hotel fully opened in October 2023. The newly converted hotel boasts modern design elements and high-quality finishes, positioning it as a more contemporary alternative to its competitors.

It currently operates under the "Hotel Indigo" brand name, which is part of the collection of brands under the InterContinental Hotels Group, one of the premier hotel chains worldwide. The two retail units are currently tenanted out and the existing leases will continue until 2033 on a fixed rent basis with tenant break options in June 2028 and March 2029 respectively.

The property is strategically located right on the main retail high street and the Princesshay Shopping Centre (Exeter's premier shopping destination) and attracts significant footfall. It also benefits from proximity to the commercial district, major transport hubs, and iconic attractions.

Exeter serves as a gateway to the wider South West region, offering easy accessibility to tourist destinations such as Cornwall and South Devon. The city is supported by a strong transportation network, with direct train services to major cities and an international airport. It houses a growing number of national and regional businesses, particularly, leading professional services firms and the University of Exeter. The University of Exeter (a member of the Russell Group) attracts leisure travellers from visiting parents and guests during university graduation months.

The acquisition is expected to enhance value for Stapled Security Holders by adding a high-quality asset with brand new interiors in a prime Exeter city centre location, secured at a significant discount to current replacement cost. It also expands CDLHT's presence in the burgeoning lifestyle hotel market, while benefitting from limited new room supply projected in the city centre in the coming years.

Standard King, Hotel Indigo Exeter

King Suite, Hotel Indigo Exeter

Rooftop Bar, Hotel Indigo Exeter

(18) The consideration is still subject to net working capital and post completion adjustments that are yet to be finalised.
(19) As defined by the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards.

INVESTING TO ENHANCE PRODUCT COMPETITIVENESS AND STRENGTHEN MARKET STANDING

The Managers remain committed to enhancing CDLHT's portfolio through strategic asset enhancement initiatives aimed at improving quality, sustaining competitiveness, and reinforcing the market standing of the hotels. The team continuously capitalises on opportunities to optimise asset performance and drive long-term value creation by actively collaborating with lessees and property managers. These efforts are aimed at maximizing returns for Stapled Security Holders while ensuring the portfolio remains well-positioned in an evolving market landscape.

In New Zealand, the Grand Millennium Auckland has completed the first phase of rooms refurbishment and substantially completed the atrium bar renovation works, which will build upon the previous enhancements to the ballroom, all-day dining restaurant and lobby lounge, further elevating the guest experience. Upon completion of the public areas and the second phase of room refurbishments, scheduled from April to November 2025, the asset will be well-positioned to capitalise on opportunities arising from opening of the nearby New Zealand International Convention Centre in early 2026.

In Australia, after nearly a year of extensive renovations, Ibis Perth has successfully upgraded all 192 rooms, along with the lobby, public areas, bar, restaurant and addition of a new gym. The revamped dining area Chelsea Social, comprising a restaurant and bar, was introduced to complement the conference rooms' rejuvenation, creating a cohesive event space and street facing dining experience. With its contemporary and sophisticated design, the hotel is now well-positioned to attract higher-rated business and fully capitalize on its prime CBD location. These enhancements elevate the hotel's appeal, reinforcing its position as a preferred choice in Perth's city centre.

In 2024, Mercure Perth completed a soft refurbishment of 123 West Tower rooms, featuring new beds, carpets, LED lighting and curtains. Enhancements to the conference facilities, including upgraded furniture, new blinds, and window glazing, have further elevated the event experience. The refurbishment will continue with new room furniture and painting, scheduled for completion by early 2025.

As part of CDLHT's ongoing asset enhancement and renewal initiatives, W Hotel began a comprehensive room renovation in mid-February, with completion targeted for end-November 2025. The project will be carried out in phases to minimize disruption, especially during peak demand periods. Upon completion, the revitalized rooms will further strengthen the hotel's competitive edge in the luxury lifestyle segment, ensuring it remains a market leader amid both existing and new supply in Sentosa. This renovation also builds upon the enhancements made to the lobby, ballroom, and restaurant in 2023, creating a cohesive and elevated guest experience.

Ballroom, Grand Millennium Auckland

Premier Deluxe Room (Post Renovation), Grand Millennium Auckland

Premium King Room (Post Renovation), Ibis Perth

YEAR IN REVIEW

SOUND CAPITAL STRUCTURE AND PRUDENT RISK MANAGEMENT

In FY 2024, interest costs rose primarily due to higher funding costs on the floating rate loans, refinancing of fixed rate loans and amounts drawn to finance the development of The Castings (capitalised prior to completion in June 2024) as well as asset enhancement works.

Despite a higher for longer interest rate environment, CDLHT remains committed to maintaining a robust financial position through proactive interest rate management strategies. This includes maintaining an optimal proportion of fixed and floating rate borrowings to benefit from further rate cuts and also, utilising interest rate swaps to hedge its exposure. During the year, CDLHT entered into four interest rate swaps to partially hedge against the interest rate volatility on some of its SGD and JPY borrowings. As interest rates decline, we will seek to execute more interest rate swaps. As for the movements in net finance costs, any fair value gains/ losses on derivatives had no impact on the distribution to Stapled Security Holders.

Throughout the year, CDLHT received strong support from its expanded banking relationships. CDLHT successfully refinanced maturing borrowings during the year, of which 82% or S$310.8 million were refinanced as sustainability-linked loans, further advancing the cumulative sustainability-linked facilities to S$666.0 million.

As at 31 December 2024, CDLHT's average cost of debt was 4.0%, with fixed interest rate borrowings representing 32.1% of total borrowings. The weighted average debt to maturity as at 31 December 2024 was 2.3 years.

CDLHT is well-positioned to meet its capital funding requirements and explore suitable investments. As at 31 December 2024, CDLHT had a gearing ratio of 40.7%, with cash and available credit facilities of S$526.0 million [20]. Additionally, with approximately 95.6% of its property value unencumbered, CDLHT retains financial flexibility for future financing opportunities.

The Lowry Lounge and Bar, The Lowry Hotel

(20) Comprises S$231.2 million of cash and undrawn revolving credit facilities and S$294.8 million in uncommitted bridge loan facilities.

STAPLED SECURITY PRICE STATISTICS [21]

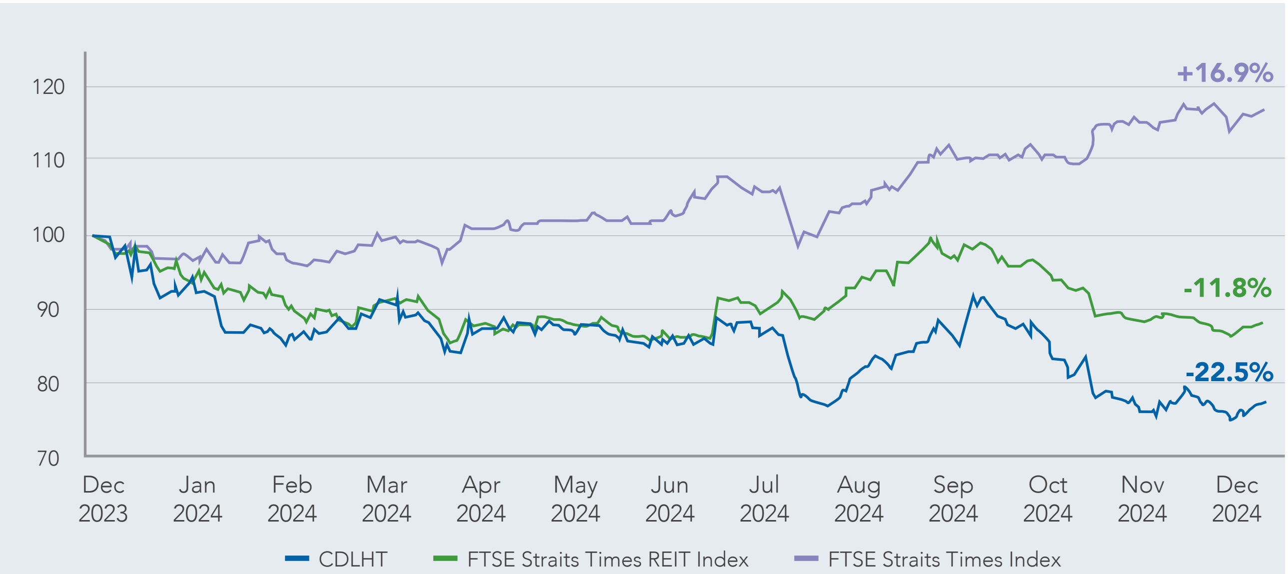
CDLHT closed at a price of S$0.86 per Stapled Security on 31 December 2024. While high interest rates and the moderation of pent-up tourism demand impacted performance in 2024, leading to a 22.5% decline from the previous year's closing price of S$1.11 (as of 29 December 2023), CDLHT remains focused on long-term value creation.

For investors who held Stapled Securities from IPO until 31 December 2024, with all distributions reinvested on the day they were paid out, the total return would have been 209.4%. On the same basis, the yoy total return for 2024 was -17.8%.

Summary of Stapled Security Statistics	2024	2023
IPO as at 19 July 2006 (S$)	0.830	0.830
Closing price as at last trading day of preceding period (S$)	1.110	1.250
Closing price as at last trading day of current period (S$)	0.860	1.110
Highest closing price (S$)	1.110	1.390
Lowest closing price (S$)	0.840	0.935
Weighted average price (S$)	0.955	1.131
Average daily volume traded (number of Stapled Securities in millions)	1.8	1.9
Trading volume traded (number of Stapled Securities in millions)	456.7	467.3

Return on Investment	From 1 Jan 2024 to 31 Dec 2024	Since Listing on 19 Jul 2006 to 31 Dec 2024
Price Change	(22.5)% [22]	3.6%
Total Return [23]	(17.8)%	209.4%

COMPARATIVE TRADING PERFORMANCE FOR FY 2024 [21]



(21) Source: Bloomberg
(22) Calculation of the price change is based on the closing price on 31 December 2024 compared with the closing price on 29 December 2023.
(23) Total return assumes the distributions paid out during the respective periods are reinvested in the Stapled Securities.

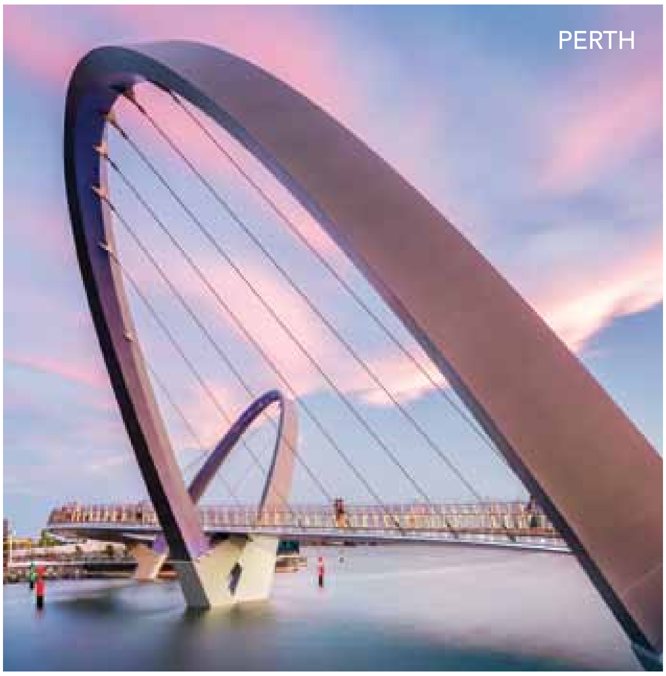
SINGAPORE

MARKET REVIEW

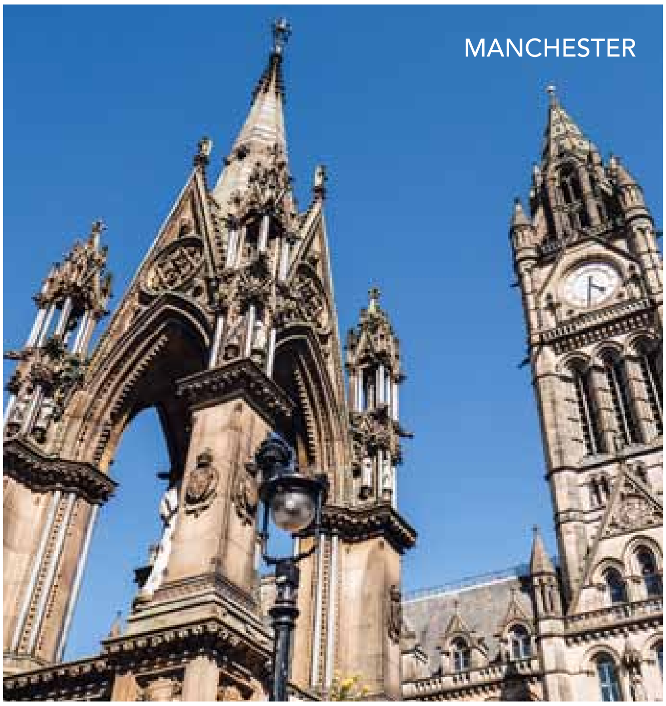
CAMBRIDGE

MUNICH


AUCKLAND


PERTH


FLORENCE


MANCHESTER


LIVERPOOL


TOKYO

SINGAPORE HOTEL PROPERTY SECTOR

Knight Frank

SINGAPORE TOURISM MARKET

For the whole of 2024, Singapore welcomed a total of 16.5 million international visitor arrivals (IVAs), higher than the 13.6 million IVAs registered in 2023. Despite the IVAs doing better numbers than a year ago, it was still lower than the all-time record high of 2019 when the city-state received 19.1 million IVAs.

From January to December 2024, IVAs from the Southeast Asian Region accounted for the highest proportion of visitors, with approximately 5.5 million (33.5% of the IVAs) visitors, followed by Greater China and Europe which registered 3.8 million (23.3%) and 2.0 million (11.9%) visitors respectively.

While the Singapore Grand Prix remained one of the key highlights for 2024, the city-state became a hot destination for music tourism, with this niche segment making an impact in the first three months of 2024. Both Coldplay and Taylor Swift performed in January and March 2024 respectively, with the British rock band and the American pop star performing six-night concerts. The combined tourism receipts generated by both artists were expected to range between $400 million and $500 million, signalling the significant economic contribution these marquee concerts have on the tourism industry. Singapore also continued to be an attractive location for many Meetings, Incentives, Conferences and Exhibitions (MICEs) events held in Q3 2024. These included the Growth Asia Summit 2024, The Business Show Asia 2024, and Asia CEO Summit 2024 which were all held between July and September 2024.

EXISTING SUPPLY

According to the Singapore Tourism Board (STB), there were 66,838 gazetted hotel rooms and 285 accommodations. Luxury hotels accounted for approximately 16.1% (10,730 rooms), upscale hotels made up 20.2% (13,478 rooms), mid-tier hotels constituted 36.7% (24,554 rooms), and economy hotels made up the remaining 27.0% (18,076 rooms).

According to the Urban Redevelopment Authority (URA), hotels completed in 2024 included, Mercure ICON Singapore City Centre (989 rooms), the newly reopened Terrace Wing at the Grand Hyatt Singapore (292 rooms), Mandai Rainforest Resort (338 rooms) and Raffles Sentosa Singapore (62 rooms).

In 2024, the total number of hotel rooms and accommodations increased to 73,493 and 454 respectively, from the corresponding 72,682 and 444 in the previous year.

FUTURE SUPPLY

As at Q4 2024, a total of 4,124 hotel rooms are currently under construction, with a further 5,745 hotel rooms being planned. Looking ahead, an estimated 8,918 hotel rooms are expected to obtain Temporary Occupation Permit (TOP) between 2025 and 2029. The average annual supply of rooms from 2025 to 2029 is 1,784 and the total hotel stock in Singapore is expected to reach about 82,000 rooms by end-2029.

HOTEL MARKET PERFORMANCE

Standard Average Occupancy Rate (AOR)

The islandwide standard AOR in 2024 improved to 81.8% from 80.5% in 2023, a 1.3-percentage point (pp) increase. Among all four quarters of 2024, the third quarter recorded the highest AOR at 87.1%, but this declined 7.1 pp to 80.0% in Q4 2024, with all hotel-tiers recording a q-o-q drop in occupancy. In 2024, the Luxury and Upscale-tier hotels gained 0.3 pp and 4.1 pp respectively, with corresponding occupancy levels of 81.2% and 80.8%. At the same time, Mid-tier hotels moved up 1.6 pp to 81.9%, while Economy-tier hotels decreased 1.0 pp to 82.6%.

Standard Average Room Rate (ARR)

The standard ARR grew 1.4% to S$276.30 in 2024, moderating from 8.8% increase in 2023. Among all hotel tiers, only the ARR for Luxury hotels recorded positive growth of 8.7% to S$648.10. Meanwhile, Upscale, Mid-tier and Economy hotels contracted by 1.6%, 1.0% and 1.1% respectively, with corresponding ARRs of S$327.40, S$212.60 and S$135.70. It appears that the standard ARR for all hotel-tiers have started to reach saturation point, after the significant increase registered when Singapore re-opened its border from April 2022.

Revenue per Available Room (RevPAR)

RevPAR increased 3.0% between 2023 and 2024, softening from the 16.3% growth registered between 2022 and 2023. RevPAR in the luxury segment expanded 9.0% to S$526.40, Upscale hotels rose 3.7% to S$264.60, Mid-Tier hotels increased 1.0% q-o-q to S$174.20. Meanwhile, Economy hotels declined 2.3% q-o-q to S$112.00 in the year.

HOTEL MARKET OUTLOOK

In 2024, Singapore received a cumulative total of 16.5 million IVAs, within the official forecast. While official announcement for full-year tourism receipts (TR) is not available at the moment, STB expects TR to achieve the top of the forecast range of S$27.5 billion to S$29.0 billion, with majority of the TR supported by spendings in the other segments.

The number of IVAs reached pre-pandemic levels in 2024 and is on track to strengthen further in 2025, with tourism spending anticipated to exceed pre-COVID levels reaching a new high.

The recovery of the tourism industry could be largely attributed to the improvement of visitor arrivals to Singapore for both leisure and business, along with the rise of music tourism which boosted the profile of Singapore as an events destination and the overall performance of the industry. Given the healthy and sustained performance of the tourism industry, STB expects to receive from 17 to 18.5 million IVAs in 2025, with tourism receipts to range between S$29.0 billion and S$30.5 billion.

PERTH, AUSTRALIA HOTEL PROPERTY SECTOR

CBRE

PERTH TOURISM MARKET

"HRMSG" refers to all existing Hotels, Resorts, Motels, Serviced Apartments and Guest Houses (HRMSG) in the market.

For the 12-months ending June 2024, there were 323,382 international visitors to Perth staying in HRMSG accommodation, equating to approximately 16% of total visitors to the Destination Perth region, who spent 3,122,514 visitor nights in the region. Major source markets include Singapore, China and the United Kingdom. The average length of stay by international visitors was recorded at 9.7 days.

In the same period, Perth attracted 56% of the domestic visitors to Western Australia staying in HRMSG accommodation, equating to 1,760,652 annual visits and 5,707,377 visitor nights. The length of stay is lower than other states, at 3.2 days, due to the fly-in fly-out nature of the mining sector associated with Western Australia.

HOTEL MARKET PERFORMANCE

The Perth market experienced a decline in occupancy in the YE December 2019 to the low 70% range as supply outstripped demand. Occupancy further declined over the pandemic years to 48.9% (YE December 2020) and 55.4% (YE December 2021) as a result of Covid-19. The downward trend on occupancy ended in YE December 2022, with an improvement to 66.7%, albeit a level still below the long-term average which reflects the ongoing impact of COVID-19. YE December 2023 saw a strong recovery in occupancy increasing to 76.1% with a further recovery to 79.1% in the YE December 2024.

Average Daily Rate (ADR) declined from YE December 2016 to YE December 2019 due to the increase in supply and the resultant competitive market, with new properties seeking to obtain market share and older properties striving to maintain market share. With the pandemic onset, ADR declined by an additional -5.7% in the YE December 2020. ADR began to recover in YE December 2021 by 13.7% to A$176. In the YE December 2022, the market further recovered to a rate of A$203 and this recovery gathered pace in YE December 2023 with ADR recorded at A$221. ADR further recovered in YE December 2024 increasing to just over A$227, surpassing 2019 pre pandemic levels by some 38%.

Declines in RevPAR were experienced in YE December 2018 and 2019, with a further decline subsequently occurring during the pandemic impacted YE December 2020. RevPAR has subsequently posted robust annual growth due to the stronger occupancy and ADR levels and is now some 49% above 2019 levels.

EXISTING AND FUTURE SUPPLY

The Perth hotel market has experienced a relatively stable room supply level over the past few years however over the previous 5 years there was a surge of new supply which put downward pressure on occupancy and ADR levels. New supply completed within the City of Perth since 2020 includes Vibe Hotel Subiaco Perth (168 Keys), Quest Perth Ascot (112 Keys), Double Tree by Hilton Perth (229 Keys), Parmelia Hilton Perth Extension (32 Keys), The Adnate Hotel Perth (250 Keys) and Courtyard by Marriott Perth, Murdoch (150 Keys). This new supply equates to 941 rooms. Due to Covid-19 restrictions, hotel openings were delayed until border and travel restrictions were lifted with international and domestic air travel resuming in March 2022.

The new supply pipeline is now limited to two projects being the Dorsett Hotel Perth (250 Keys) and EQ West Marriott (358 Keys) representing a total of 608 Keys due for completion by March 2026. We also note the rebranding and refurbishment of the former Seasons Perth (120 Keys) to the Hyde Perth which is due to reopen in mid 2025. Further new supply is muted by increased construction costs and the higher cost of debt.

HOTEL MARKET OUTLOOK

Our market outlook is underpinned by the following assumptions:

- There will be continued strong domestic corporate, leisure and MICE related demand.
- Ongoing recovery in international travel in 2025, with re-instatement of airline routes and increasing flight frequencies.
- In line with Tourism Research Australia's current expectations, a full recovery of international visitor arrivals into Australia is expected by the end of 2025.

We expect 2025 occupancy levels to continue to improve to around 81% based upon the assumption that relatively resilient domestic demand will prevail combined with recovering international demand. ADR is forecast to sit at around A$234 with growth levels moderating back materially to around 2.75% from the YE December 2026.

We have forecast 2026 occupancy levels to consolidate around the low 80% level from 2026 onwards while ADR is forecast to increase moderately by around 2.75% annually on the back of strong occupancy levels and limited new supply.

AUCKLAND, NEW ZEALAND HOTEL PROPERTY SECTOR

CBRE

AUCKLAND TOURISM MARKET

Auckland is New Zealand's largest city and the gateway to New Zealand for the majority of international visitors with typically 65-70% of international visitors arriving via Auckland Airport, as well as being the economic hub of the country, generating approximately 38% of New Zealand's GDP.

For the period 2015 to 2019, total annual passenger numbers increased by 28.9% at an average of 6.5% per annum. International passengers increased by 29.2% over the period while domestic passengers increased by 28.4%. In 2020 and 2021, passenger numbers declined significantly and in 2021 domestic passengers were 51% below 2019 and international passengers some 94% below 2019 levels. This was a direct result of the government restrictions due to the COVID-19 outbreak. With international borders opening in 2022, there has been strong growth in arrivals. However, for 2024, arrivals remain 10% below 2019 levels.

HOTEL MARKET PERFORMANCE

Occupancy levels in Auckland performed at generally strong levels in the low 80% range in the years leading up to 2020, declining slightly in 2018 and 2019 from previous highs as new supply entered the market and demand growth slowed. A significant decline in occupancy was experienced from March 2020 due to the border restrictions and nationwide lockdown resulting from the outbreak of COVID-19. Monthly occupancy levels remained relatively stable between October 2020 and July 2021, due in large part to the high proportion of rooms under contract with the Government for use as Managed Isolation and Quarantine (MIQ) facilities, before declining in August 2021 as Auckland was placed into an extended lockdown following the Delta outbreak. More recently, occupancy rates through 2023 were improving however continued supply increases and a weaker winter demand period in 2024 have seen the occupancy trend turn downward with occupancy of 65.4% recorded for 2024.

Market ADR also reduced from peak levels achieved in 2017, falling from NZ$207 in 2017 to NZ$199 in 2019 as hoteliers reacted to decreasing occupancy rates through this period as new supply entered the market.

The New Zealand Government took contracts over approximately 38% of hotel rooms in Auckland from mid-2020 to mid-2022 to use as isolation and quarantine facilities. The rates paid under these contracts were broadly in line with market rates achieved at the same time in 2019 before increasing in 2021 to include a pseudo-sinking fund for refurbishments required post contract expiry.

As the contracts were phased out, market ADR increased materially with hoteliers increasing rates to counter inflationary cost pressure and maintain profitability. For 2024, market ADR was 11.2% above the same period across 2019 but 5.5% below the same period in 2023 with the largest declines in ADR experienced in the winter months. This decline in ADR has been reflective of decreasing occupancy rates in the market which are a result of both increasing supply and decreasing demand over this period.

EXISTING AND FUTURE HOTEL SUPPLY

Based on CBRE's survey of Auckland hotels and serviced apartments there are a total of 114 properties across the city with some 14,621 rooms as of December 2024. Auckland hotel room supply has increased by 28% since December 2017 (CAGR: 3.6%) and 21% since December 2019 (CAGR: 3.9%) to December 2024.

Following a strong period of performance, due in part to the lack of new supply leading up to 2020, together with the development of the New Zealand International Convention Centre, which was originally planned to open in 2019, a large number of hotel plans were developed with a number of these proceeding to the construction stage. Since the COVID-19 outbreak some of these developments have not proceeded due to an uncertain trading outlook and increased difficulty in securing development funding.

The current pipeline of new hotels under construction together with our probability adjusted forecast of proposed hotels will result in an increase of 7.0% on the current inventory as at December 2024 equating to an average annual increase of 2.3% across the next four years.

HOTEL MARKET OUTLOOK

New Zealand's borders reopened in stages throughout 2022 to all countries. However, Chinese travellers were only permitted to travel from China to New Zealand from February 2023. As of today, visitors from anywhere in the world are able to visit New Zealand.

There are a number of factors which make forecasting a recovery in visitor arrivals in the current environment problematic, these include:

- Flight capacity to New Zealand has not yet recovered to previous levels with Air New Zealand, New Zealand's largest carrier, suffering from engine issues which has reduced the availability of aircraft;
- The outlook for economic conditions in key source markets is difficult to predict currently;
- Ongoing uncertainty as to how fast the China outbound market will recover.

Between 2025 and 2028, we are forecasting occupancy rates to incrementally increase to a stabilised level of approximately 80% by 2028 as new supply is gradually absorbed by recovering demand levels driven by continued growth in international arrivals and the opening of the New Zealand International Convention Centre (NZICC) in late 2025. The opening of the NZICC is expected to create a higher level of demand in the conference and incentive segment together with higher occupancy rates, particularly in peak periods, allowing for rate growth.

MALDIVES
HOTEL PROPERTY SECTOR

Colliers

TOURISM MARKET OVERVIEW

The Maldives economy has been thriving post-pandemic, with a real GDP growth of 13.9% in 2022, largely driven by the tourism sector, which contributed an estimated one-third of the growth. In 2023, real GDP growth moderated to 3.9%, with a forecast of 4.7% for 2024, boosted by increased tourist arrivals.

International visitor arrivals reached a historic high of 1.8 million in 2023. In 2024, the Maldives recorded 2.0 million visitor arrivals, an 8.9% increase compared to the same period last year. This growth demonstrates the Maldives' resilience and appeal as a top global travel destination, attracting a diverse range of tourists.

EXISTING AND FUTURE SUPPLY

The supply of resorts in the Maldives has been steadily increasing over the years. As of December 2024, approximately 187 hotels and resorts were in operation, with a total of 63,274 beds recorded.

In 2023, eight new hotels and resorts were added to the hotel supply, bringing an additional 3,218 beds into operation. Several notable openings in 2023 include:

- Six Senses Kanuhura (91 rooms)
- Joy Island Resort (150 rooms)
- Amari Raaya Maldives (187 rooms)
- Jawakara Island Maldives (290 rooms)

Two new hotels and resorts were introduced in 2024, namely:

- Soneva Secret (14 rooms)
- Centara Mirage Lagoon Maldives (145 rooms)

Looking ahead, six luxury resorts and an integrated resort are expected to be completed in 2025. A second integrated resort is expected to open in 2026. In 2027, the Maldives will see the opening of Capella Maldives (57 rooms) and Baccarat Hotels and Residence Maldives (50 rooms). These new developments will introduce branded residences, a segment previously unknown to the Maldives.

HOTEL MARKET PERFORMANCE

Post-pandemic, the Maldives experienced a significant rebound in international travel. Room occupancy levels rose to 57.8% in 2021 and continued to rise to 63.2% in 2022. This surge in demand pushed the ADR to US$608.11, resulting in a RevPAR of US$384.17.

However, as more destinations began to re-open and new supply entered the market, the ADR declined by 4.3% in 2023 compared to 2022. Occupancy also experienced a slight decrease of 0.7%. Consequently, the RevPAR saw a 5% decline to US$363.50.

The ADR was recorded at US$571.93 in 2024, reflecting a 1.0% decrease compared to 2023. In contrast, the occupancy level was 64.2%, an improvement of 3.0% compared to the same period last year, resulting in a 1.9% year-on-year increase in RevPAR.

HOTEL MARKET OUTLOOK

The Maldives has strategically positioned itself as a leading resort destination within the region, driven by strong governmental marketing efforts and strategic developments. The tourism sector has recovered to pre-pandemic levels, with a promising outlook for 2025.

The expansion of Velana International Airport, scheduled for completion by 2025, will significantly enhance the country's capacity by accommodating up to 7 million passengers annually, a substantial increase from the current capacity of 1.5 million passengers. This infrastructure upgrade is projected to be a cornerstone in achieving the targeted tourist arrivals.

The Maldives has revised its tourist arrival forecast to exceed 2.4 million, surpassing the initial projection of 2.2 million outlined in the national budget. This adjustment, fueled by the achievement of 2 million arrivals in 2024, underscores the nation's impressive growth trajectory and commitment to maintaining its competitive edge in the global tourism market.

TOKYO, JAPAN
HOTEL PROPERTY SECTOR

CUSHMAN & WAKEFIELD

TOKYO TOURISM MARKET

According to the Tokyo Metropolitan Government Bureau of Industrial and Labor Affairs, approximately 474.66 million Japanese and approximately 19.54 million foreign tourists visited Tokyo in 2023, a decrease of 12.6% and an increase 28.7%, respectively, compared to 2019.

The total number of visitors was approximately 494.2 million, and the number of foreign tourists visiting Tokyo reached a record high.

In 2023, the total spend (tourism consumption) by Japanese visitors to Tokyo was approximately 4.49 trillion yen, down 6.1% compared to 2019, and tourism consumption by foreign visitors was approximately 2.76 trillion yen, up 118.2% compared to 2019.

The total amount spent was approximately 7.25 trillion yen, up 19.9% compared to 2019, and the amount of tourism spending by foreign tourists visiting Tokyo reached a record high.

Although the number of domestic tourists has not recovered to 2019 level, the weak yen has led to a rapid recovery in inbound demand, which has greatly exceeded 2019 levels, and this trend is expected to continue for the time being.

EXISTING AND FUTURE SUPPLY

According to the Ministry of Health, Labor and Welfare, as of March 2024, the number of existing accommodation facilities such as hotels and ryokan in Japan was 51,038, and the number of guest rooms was 1,776,994, which is an increase of 1.4% and 0.4% respectively compared to the previous year.

In Tokyo, the number of existing accommodations and the number of guestrooms as of March 2024 is 4,422 properties and 208,699 rooms respectively, which is an increase of 17.2% and 1.6% respectively compared to the previous year.

Based on available data by industry journals, approximately 3,472 hotel rooms are planned or under construction for opening by 2026 in Tokyo. In addition to the above, there are a total of 1,782 hotel rooms scheduled to open in 2027 or later (including undecided and undisclosed hotels).

With the expectation of a full-fledged recovery in the tourism economy, an increasing number of businesses and investors are actively investing through new construction and rebranding in areas such as Tokyo, Osaka, and Kyoto, which have stable domestic and international demand as business and tourist hubs.

HOTEL MARKET PERFORMANCE

Based on the latest available figures from the Japan Tourism Agency, the total number of overnight stays in Japan in 2024 was approximately 650.3 million, an increase of approximately 32.80 million compared to 2023. Compared to 2023, the number of Japanese guest nights decreased by 2.6%, while the number of foreign guest nights increased significantly by 38.9%, giving an overall increase of 5.3%. Foreigners accounted for 25.2% of the total, an increase of 6.1 percentage points from 2023.

The upward trend in the number of foreign visitors continues to strengthen. The total number of overnight stays in Tokyo in 2024 was approximately 111.0 million, of which the number of foreign visitors accounted for 51.5%, and they now account for half of all visitors in Tokyo.

According to the Japan Tourism Agency, business hotels in Tokyo recorded an occupancy rate of 83.0% in 2024, up 3.1 percentage points from 2023, and recovered to around 98.8% of the 2019 levels.

According to Real Capital Analytics, the total price of hotel transactions in 2024 reached a record high of 1,125 billion yen, an increase of approximately 50% compared to 2023.

The Japanese real estate investment market continues to be buoyant. As for hotel assets, the recovery in the number of inbound tourists, driven by the weak yen, together with domestic travel demand, has led to improved business performance; in this sector investors focusing on value-add real estate, i.e., those with a high-risk tolerance, are actively investing in hotels with improved business performances.

HOTEL MARKET OUTLOOK

The damage to the lodging industry caused by the spread of the COVID-19 was enormous. However, since the fall of 2022, the recovery has gained momentum due to the revision of entry restrictions for foreigners, relaxation of domestic activity restrictions, and the Japanese government's nationwide travel support measures. The depreciation of the yen in recent years has made inbound travel to Japan less expensive, which has also contributed to the recovery in the lodging industry. Tourists increased mainly during peak seasons: cherry blossom in spring, summer vacation, foliage in fall. As a result of attracting tourists not only from East Asia but also from a wide range of areas including Southeast Asia, Europe, the United States, Australia, and the Middle East, the number of foreign visitors to Japan in 2024 was approximately 36.8 million (up 47.1% from the previous year), hitting an all-time high. The growth rate of the number of foreign visitors to Japan in 2025 is expected to slow down as the rapid recovery in demand comes to an end; nevertheless, it is still expected to surpass the 2024 record, which will lead to yet higher hotel occupancy and room rates.

CAMBRIDGE, UNITED KINGDOM HOTEL PROPERTY SECTOR

TOURISM MARKET

For the year ended December 2023, tourist arrivals to the UK reached 38 million, with spending totalling £23.6 billion. This represents a 21.8% increase in tourist arrivals and a 17.4% increase in spending compared to 2022. Total room nights were recorded at 292.9 million, up 11.4% from the previous year. The United States was once again the largest source market with 5.1m visitors, followed by France (3.2m), Germany (3.0m), Ireland (2.9m) and Spain (2.2m).

The UK is expecting to receive over 38.7 million overnight visitors in 2024, which is a 1.8% increase compared to 2023, with spending anticipated to reach £32.5 billion.

For YTD June 2024, tourist arrivals reached 19.5 million with £13.4 billion in spending, which is an increase of 4.6% and 17.4% respectively compared to the same period last year.

EXISTING AND FUTURE SUPPLY

As of December 2024, there are 4,992 hotel rooms in Cambridge. There are 10 new projects (totalling 1,093 rooms) in the pipeline, mostly outside the city center. Notable openings include the 125-room Premier Inn Hotel, which opened in 2024 at the Lion Yard Shopping Centre. Upcoming supply includes Wilde by Staycity, an aparthotel with 227-rooms in 2025, a 300-room dual-branded aparthotel and four-star property at Eddington in 2027, and a 217-room dual-branded four-star and aparthotel at Orchard Park in 2028.

HOTEL MARKET PERFORMANCE

According to Visit Britain, Cambridge, the main city of Cambridgeshire in the East of England, saw significant post-pandemic recovery in its tourism sector. In 2022, hotels in Cambridge and the East of England recorded an ADR of £83 and an occupancy rate of 75%. This recovery was driven by eased lockdown restrictions and the return of domestic travel, resulting in a healthy RevPAR of £63, marking an 8.6% increase compared to the same period in 2019.

In 2023, ADR increased to £94, with occupancy levels reaching 77%, leading to a 17.5% year-on-year growth in RevPAR compared to the same period in 2022. In 2024, although ADR increased to £95, occupancy remained steady at 77%, resulting in RevPAR remaining stable at £74, the same level as in 2023.

HOTEL MARKET OUTLOOK

The UK's hotel and tourism sector is on a strong path to recovery. The recovery in flight capacity supported the influx of regional (European) tourism as well as long haul tourists from the United States, especially during the summer holiday season has led to a strong performance in recent years.

Higher interest rates, rising costs for goods, energy and staff wages, as well as a shortage of skilled workers are challenges that hoteliers continue to face. However, a Deloitte study conducted in 2023 found that demand for premium hotel assets in the UK remains strong. Divestment activity increased by 24%, while acquisitions rose by 58%, and opportunities ranging from entry to expansion in the market are coveted.

The appeal of Cambridge is the distinctive nature of the world-renowned university. The university is responsible for 78% (£23 billion) of the city's economic impact, with research and commercial activities, including companies that came out from or closely related to it. It is heavily inclined towards biomedical, pharmaceutical, artificial intelligence and advanced manufacturing. As the university is fully back to teaching on-site, students, relatives visiting students, and corporates have returned to this beautiful and quaint city, reinforcing its tourism appeal.

MANCHESTER, UNITED KINGDOM HOTEL PROPERTY SECTOR

TOURISM MARKET

According to The Office of National Statistics (ONS), for the year ended December 2023, tourist arrivals to the UK reached 38 million, with spending totalling £23.6 billion. This represents a 21.8% increase in tourist arrivals and a 17.4% increase in spending compared to 2022. Total room nights were recorded at 292.9 million, up 11.4% on the previous year. The United States was once again the largest source market with 5.1m visitors, followed by France (3.2m), Germany (3.0m), Ireland (2.9m) and Spain (2.2m).

The UK is expecting to receive over 38.7 million overnight visitors in 2024, which is a 1.8% increase compared to 2023, with spending anticipated to reach £32.5 billion.

For YTD June 2024, tourist arrivals reached 19.5 million with £13.4 billion in spending, which is an increase of 4.6% and 17.4% respectively compared to the same period last year.

EXISTING AND FUTURE SUPPLY

As of December 2024, there are approximately 27,250 hotel rooms in Manchester, with 2,500 rooms in the pipeline. In 2024, the Reach at Piccadilly, Manchester (215 rooms) opened. Looking ahead, Mollie's Manchester (130 rooms) and Treehouse Manchester (216 rooms) on the former site of Renaissance Hotel in Deansgate, owned by Starwood Capital Group are expected in 2025. Key openings expected to open in 2027 and beyond include the W Hotel (162 rooms), Tribute Manchester Airport (412 rooms) and Motto by Hilton Manchester Piccadilly (154 rooms).

HOTEL MARKET PERFORMANCE

Manchester is a city and metropolitan borough in the county of Greater Manchester, Northwest England. According to Visit Britain, the city saw healthy growth in its tourism sector, with ADR recorded at £87 and an occupancy rate of 71% in 2022. This recovery was driven by eased lockdown restrictions and the return of domestic travel, resulting in a healthy RevPAR of £62, marking a 5.1% increase compared to the same period in 2019.

In 2023, ADR increased to £96, with occupancy levels reaching 75%, leading to a 16.1% year-on-year growth in RevPAR compared to the same period in 2022. In 2024, although ADR had dropped slightly, occupancy increased to 76%, offsetting the drop in ADR, resulting in RevPAR remaining stable at £72, the same level as in 2023.

HOTEL MARKET OUTLOOK

The UK's hotel and tourism sector showed signs of recovery, underpinned by the surge of visitations from pent-up travel demand. The recovery in flight capacity helped support the influx of regional (European) tourism as well as long haul tourists from the United States, especially during the summer holiday season.

Manchester, over the years, has been consistently behind London as UK's second most visited city for overnight stays in both domestic and international markets. It frequently receives an influx of visitors due to soccer games related to its famous Premier football teams, Manchester United and Manchester City, as well as for leisure and commerce. Manchester is anticipating major infrastructure projects in the coming years, with the Co-Op Live Arena, completed in 2024, being a key highlight that will positively impact hotel demand in the city.

Despite various headwinds such as higher interest rates, rising costs for goods, energy, and staff wages, as well as a shortage of skilled workers that affects hoteliers' profit margins, 2023 saw four hotel transactions, with the Manchester Corn Exchange (144 rooms) being sold for the highest price of £38.5 million (£0.3 million per key). In 2024, there were a total of twelve hotel transactions, with Premier Inn at Medlock Street selling for £44.7 million and Travelodge Manchester Central (181 rooms) selling for £43.7 million and both transacted at £0.2 million per key. Holiday Inn Media City sold for £36 million, at £0.17 million per key. This shows that the market is active, and Manchester remains well positioned as an attractive tourist and investment destination.

EXETER, UNITED KINGDOM HOTEL PROPERTY SECTOR

CBRE

TOURISM MARKET

Provisional data (released October 2024) shows inbound visits for the UK remained just above 2019 levels from January to June 2024, but spend was still down vs 2019 and 2023 in real terms. Across the first half of 2024, visits to London and rest of England recovered to similar levels compared to 2019, reflecting a percentage change of 5% and 3% respectively. For the period January to June 2024, visits to London and the rest of England achieved a strong performance vs 2023, demonstrating gains of 10% and 13% respectively. For the first half of 2024, record visits were seen to the rest of England (as a grouping) at 7.9m whilst London welcomed 10.4m visitors.

Total inbound spend from January to June 2024 surpassed 2019 levels and was on par with 2023 (but saw a drop when adjusted for inflation). London received £7.4bn inbound spend from January to June last year, up 9% vs 2019 but down 2% vs 2023. Spend to the rest of England from January to June 2024 totalled a record £4.2bn, up 18% vs 2019 and up 2% vs 2023.

From January to June 2024, all England regions showed growth versus 2019. When compared to 2023, four regions saw a decrease in spend; North East (-11%), Yorkshire (-25%), East Midlands (-12%) and East of England (-17%). Outside London, South East (£1.1bn), North West (£931m) and South West which includes Exeter (£679m) recorded the highest spend.

EXISTING AND FUTURE SUPPLY

According to AM:PM there are 37 hotels operating within 5 miles of the Exeter market, as defined by STR. The definition for this location includes Exeter city centre and extends to just east of the M5 motorway. The market represents a total room stock of 2,058 rooms. Hotel Indigo Exeter is the only full-service upper upscale hotel operating within this market.

There have been only two new hotel openings since 2022, one of which is Hotel Indigo Exeter. The other opening in 2022 was the upscale Courtyard which is located on the edge of the city by the M5 motorway and comprises 250 rooms. The Exeter hotel market is dominated by the 3-star category representing c. 50% of the room stock. Hotel Du Vin is the only hotel which is designated as a luxury hotel. Furthermore, 45.9% of the total room stock is represented by independently operated hotels and the remaining 54.1% comprises independent hotels.

Based on information obtained from AM:PM, we understand that there are 24 hotels located in the city centre representing 1,150 rooms. There are 13 hotels located outside of the city centre representing 908 rooms.

Based on information sourced from AM:PM, there is currently a pipeline of 12 development projects within Exeter, four of which will be located in the city centre. The results show the 12 projects account for 644 bedrooms in either unconfirmed, deferred, planning, final planning stage or under construction. Of the 12 hotels, five are in the final stages of planning and three have been deferred. We have regard to Harlequins Central Hotel which will be located 0.3 miles west (6 minute walk) of Hotel Indigo Exeter and will provide a comparable 116 bedrooms, but we understand that planning has been deferred.

HOTEL MARKET PERFORMANCE

Hotels' trading performance for Exeter showed improvement in occupancy, ADR and RevPAR for 2024 compared to 2023. 2024 showed an occupancy rate of 77.7%, against 76.6% for the year prior. ADR increased for 2024 to £79.30, which is 1.7% above 2023 levels. This manifested in a RevPAR of £62.10 for this same period reflecting a yoy growth of 3.2% over 2023 and 12.2% over 2019.

HOTEL MARKET OUTLOOK

Tourism numbers have exceeded pre-COVID levels in both London and the provinces this year, with Heathrow passenger numbers significantly ahead of 2019 levels. This has been a welcome boost for the sector and we expect to see continued growth in inbound tourism stays. This will be true particularly in London, which will continue to cement its reputation as a global destination for business, entertainment, and events. Furthermore, a shift from the traditional two-week holidays to shorter, more frequent trips abroad is expected going forward, which will further help to drive demand in the hotel sector.

Uncertainty in the economic and investment landscape has led to reduced transaction volumes and extended hold periods over the past three years. Still, interest rate cuts in the second half of 2024 and the prospect of further cuts in 2025 has boosted investor sentiment within the hotel sector, which achieved its highest investment volumes since 2018. This is coupled with a less volatile debt market, reduced buyer-seller pricing disparity, and stable yield trends. Given this backdrop, we expect a fluid and active investment market throughout the year as demand for hotel real estate continues to be at the forefront of investors' strategies. Despite the strong investment volumes for the hotel sector in 2024, much of it was dominated by a high number of portfolio transactions. We do not expect this trend to continue, so with a resurgence of single asset transactions and fewer portfolio deals in 2025, there will be a marginal decline in overall investment volumes in 2025.

2025 will not arrive without risk and headwinds: after falling steadily over the past two years, inflation has increased for the second month in a row. Furthermore, the incumbent government is focused on balancing the public finances amidst weakened economic activity.

Exeter is a relatively prosperous city, and we understand that its economy has been growing faster than similar cities over the last two decades. The draft Local Plan (2022) outlines an ambition to grow the economy with a focus on innovative business sectors, making the most of a skilled workforce, the benefits of the University of Exeter and its world-leading research on climate change.

Hotels will continue to perform well however, RevPAR growth will primarily be driven by occupancy in regional cities as corporate demand increases, rather than by rate increases bolstered by increasing demand from the corporate segment, a trend that is already being seen.

MANCHESTER, UNITED KINGDOM RESIDENTIAL MARKET

BUILD-TO-RENT MARKET

The UK Build-to-Rent (BTR) market has not been unaffected by the challenges in the macro-economic backdrop, including high inflation and the cost of debt, but some of the more transitory pressures are easing. The UK's annual rate of inflation was 3.0% in the 12 months to January 2025, up from 2.5% in December 2024. The current bank rate of 4.5%, announced on 7 February 2025, is down 0.25 percentage points from 4.75% and is the lowest point since May 2023.

Investment in UK Build to Rent (BTR) surpassed £5 billion for the first time in 2024, the fifth consecutive record year for investment. The full year figure of £5.2 billion, which was up 11% on 2023, was boosted by activity in the final quarter, when £1.9 billion transacted. A record year for investment demonstrates continued confidence from investors in the sector. In total, 72 deals completed in 2024, including 23 in the final quarter. Multifamily transactions accounted for 71% of investment by value in Q4, the highest quarterly proportion since Q3 2023.

EXISTING & FUTURE SUPPLY

The performance of the Private Rented Sector (PRS), referring to households who rent privately and BTR markets is supported by the structural imbalance between supply and demand for rental accommodation in the UK. The supply of rental homes is falling. Whilst there has been a short-term uptick in the number of PRS homes listed to let on Rightmove (+7% YoY in Q4 2024), the long-term trend remains consistent. In Q4 2024, there were 30% fewer homes listed to rent across the UK compared with the 2017-2019 average. This leaves those looking for a rental home with much less choice than pre-pandemic. This is driven by lower churn in the market, and by buy-to-let (BTL) landlords exiting the sector.

There are 75 complete BTR schemes in Manchester & Salford, which provide 19,037 BTR homes. This accounts for just 15.5% of PRS households in both local authorities. An additional 6,077 BTR units are under construction across 17 schemes. When combined, the complete and under construction BTR units in Manchester & Salford account for 20.5% of PRS households. This leaves more than 97k PRS households who are not provided for by existing or pipeline (under construction) BTR supply. We expect the BTR market saturation point to be in excess of 30% (BTR homes as a proportion of PRS households), which would equate to over 36k BTR homes in Manchester & Salford based on current household numbers.

DEMAND DRIVERS

Against a backdrop of falling rental supply, demand for PRS homes remains strong, and is unlikely to change despite the improving prospects in the for-sale market. Whilst the recent cut to the base rate in February 2025 is a positive indicator for mortgage rates, which are gradually declining, there are various factors contributing to an increase in inflation and creating uncertainty for the mortgage market. These factors include the rise in employer national insurance contributions, public sector and minimum wage pay increases, pledges to build more housing stock and the government's green agenda. Additionally, the October 2024 Budget lacked any kind of demand-side stimulus to support the first-time buyer market.

According to the ONS (mid-year 2023 estimates) the population of Manchester & Salford is more than 864k people, 56% of which are aged under 35. A strong presence of young people is an indicator of BTR demand. The population of Manchester & Salford is expected to grow by 8.9% by 2043. Year-on-year change in population in Manchester & Salford local authorities, the mid-year 2022 estimate to mid-year 2023 estimate change was 2.17% growth (ONS).

PRS Households in Manchester have a median household income of £56,100 per annum (pa), which equates to a maximum suggested rent of £1,870 per calendar month (pcm). The upper quartile PRS household income of £80,600 pa equates to a maximum suggested rent of £2,687 pcm assuming that households would spend up to 40% of their gross income on rent at a good quality BTR scheme. The strong household income levels of PRS households in Manchester is an indicator of BTR demand, as it means there is a large pool of PRS households who have high enough incomes to afford to rent in a good quality BTR scheme.

Employment growth is a key driver of PRS and BTR demand. Manchester local authority is predicted to see 87k net additional jobs by 2034, according to Oxford Economics' January 2025 forecasts, largely driven by the growth in the "Professional, Scientific & Tech" sector. Oxford Economics predicts that Manchester will see 25.5% growth in employment over the next 20 years, which is considerably higher than the 14.0% predicted for the UK as a whole. Manchester's strong employment market will continue to attract private renters to the city.

MARKET PERFORMANCE AND OUTLOOK

The imbalance between supply and demand for rental homes in the UK is still putting upward pressure on rents.

As at Q4 2024, Manchester local authority has seen 1.7% YoY change in average asking rents, and 8.5% average annual change over the last five years. (1)

The Knight Frank Rental Market Forecast (published in November 2024), predicts cumulative rental growth of 17.6% for the UK and 16.9% for the North West region over the next five years. (2)

(1) Rental indices are created based on average asking rents and are therefore influenced by the nature of stock on the market at any one time, and do not reflect pure price inflation. For example, an increase in average asking rents could be due to an increase in new build, high end stock and does not necessarily mean that other property types have seen an increase in rental pricing.

(2) Forecasts relate to average rents in the PRS. New build rents, such as those in the BTR sector, may not move at the same rate. Regional forecasts are based purely on dispersion in growth of income from employment forecasts across the regions.

LIVERPOOL, UNITED KINGDOM PBSA MARKET

Knight Frank

PBSA MARKET

Following a strong year in 2022, the UK PBSA sector has seen a number of challenges. Persistently high inflation, rising interest rates and a spike in financing costs have introduced an element of caution and meant that transactional activity slowed dramatically since Q4 2022, despite the fall in the Bank of England's base rate to 4.50%. The expectation is that rising inflation, which is currently at 2.50% in the UK, will slow down the fall of the base rate with the rate not expected to reach 3.50% till 2026.

The UK continues to outperform in a global context for PBSA, with the UK accounting for 46% of total capital flows to PBSA worldwide. £3.87bn has transacted in the UK during 2024 across 66 deals. Currently for 2025, £1.3bn of transactions are under offer.

From the 2023/24 to 2024/25 academic year, the UK as a whole saw strong rental growth of 7.8% for PBSA assets. Initial views on rental growth from 2024/25 to 2025/26 are expected to be not as strong due to some operators seeing occupancy at around 90% in some markets.

Following the UCAS's January 2025 cycle application deadline, 600,660 applicants applied to universities as at the January deadline, up 1.0% from 594,940 at the same point last year, which also reflects a growth of 5.7% since 2020. International applicant numbers stood at 118,800, a 2.7% increase from 115,730 in 2024. With overall applications slightly up yoy, this provides a more positive outlook than at the same point in the 2024 cycle, although this is application and not acceptance data.

EXISTING & FUTURE SUPPLY

The planning and development pipeline has not been able to keep up with demand for PBSA in the city. There are 55,830 full-time students (HESA 22/23) in Liverpool. This has grown by 1.7% compared to the 2021/22 academic year. Liverpool has 28,335 student bed spaces across universities and private sector PBSAs. Therefore, 50% of students are unable to access purpose-built student accommodation.

The existing supply of beds in Liverpool comprises 22,960 beds that were constructed pre-2019. Only eleven schemes in Liverpool are five or less years old, therefore less than 20% of the beds in Liverpool offer modern amenities and a high level of specification.

Currently there are three consented student developments in Liverpool made up of 930 beds. Out of those three schemes, two are currently under construction and are expected to be completed in 2025, which will provide 688 new beds in the city for the 2025/26 academic year. If the student population remains unchanged, the proportion of existing students unable to access PBSA would change to 49%.

DEMAND DRIVERS

UCAS is forecasting a significant growth in demand for post-secondary education over the remainder of the decade. ONS is forecasting that there could be nearly 900,000 18-year-olds by 2030 – an increase of 200,000 from 2020.

Demand for PBSA is also being affected by the supply of private rented houses, with these landlords facing an increasingly challenging market. Since 2021, Liverpool City Council has restricted the conversion of single-family dwellings into Houses in Multiple Occupation (HMOs) which in turn creates a positive shift of students looking towards PBSA.

MARKET PERFORMANCE AND OUTLOOK

Unite Group Plc announced in January 2025 an improving trend in outlook for international students, putting it down to the clearer visa policy since the first half of 2024. Their latest recruitment figures have shown a 14% increase in international student acceptances for courses starting in 2025.

Occupancy across their portfolio is 97.5% for the 2024/25 academic year, compared to occupancy last year of 99.3%. They consider this to be "in-line with its long-term trend". Unite continued that "this lettings performance translates to like-for-like rental growth of 8.2% for the 2024/25 academic year (2023/24: 7.4%)". Unite is a good barometer for the sector.

According to their latest trading update (January 2025), 66% of their student beds are reserved for the 2025/26 academic year, which is slightly behind the level seen in 2024/25. They expect to see rental growth of 4 to 5% for the 2025/26 academic year. This supports their prediction of 97% to 98% occupancy in the 2025/26 academic year.

From Knight Frank's Rental Growth Forecast, Liverpool has seen rental growth of 6.6% for the 2024/25 academic year, which is above the UK average of 5.3%.

The expectation going into the 2025/26 academic year is that operators will be more cautious. Rising living costs are likely to be a growing trend for the PBSA sector. This could mean new developments could have smaller room sizes, and more new developments will be en-suite led and have shared/ twin accommodation options to allow for students' budgets. But developers will look to target higher- income students, creating a divide in the market between affordable and premium offerings.

MUNICH, GERMANY
HOTEL PROPERTY SECTOR

MUNICH TOURISM MARKET

Munich is an important business hub in southern Germany, known for its strong economic centre. Hosting many international firms, Munich boasts a considerable MICE market with 1.7 to 2.4 million visitors annually, benefiting the city's hotel demand. Beyond MICE, Munich is a popular travel destination renowned for prestigious events throughout the year, such as Oktoberfest, which attracted about 6.7 million visitors in 2024. Other iconic attractions include Marienplatz and the New Town Hall, BMW World, and Olympic Park.

Munich also hosts significant one-off events, like the European Football Championship in 2024, which drew 2.67 million visitors to Germany, with 381,013 spectators in Munich. The city will also host the 2025 UEFA Champions League Final.

The hotel market in Munich is primarily driven by domestic travellers. As of June 2024, 59% of total overnight stays was accounted by domestic travellers, arrivals grew by 3.3% yoy, while overnight stays grew more modestly by 1.0% yoy. Meanwhile, the international market also experienced strong growth, with 1.6 million arrivals, reflecting a 5.9% yoy increase and 3.7 million overnight stays, reflecting a 7.8% yoy increase. The top source markets include America, which saw a 14.1% yoy increase, and Asia, which grew by 11.5% yoy.

As of June 2024, there were a total of 837,000 arrivals (4.0% yoy increase) and 1.8 million overnight stays (2.4% yoy growth). Additionally, 19.4% more guests (364,000) came from abroad, generating 835,000 overnight stays, which is a 17.7% increase compared to June 2023.

EXISTING AND FUTURE SUPPLY

As of September 2024, there were 59,750 available rooms in Munich, 8,657 of them situated on the Upper Upscale niche (-0.76% vs. December 2023). The hotel supply is not expected to grow in 2025 due to the limited number of announced openings. One key opening is the 269-room Motel One Munich-Hauptbahnhof, scheduled to open in March 2025.

HOTEL MARKET PERFORMANCE

According to STR data for YTD September 2024, Germany reported higher figures for occupancy (65.1%), ADR (€116.97), and RevPAR (€76.19) compared to the same period in 2023.

In Munich, comparing the latest data as of YTD December 2024, figures were higher than the same period in 2023. The ADR was €127.79, occupancy was at 68.9%, and RevPAR stood at €87.31, reflecting an 18.7% yoy growth. The upper upscale hotel segment in Munich, showed strong performance as of YTD September 2024, with an ADR of €181.13, an occupancy rate of 70.2%, and a RevPAR of €127.14, showing an 8.2% yoy growth. Despite slower RevPAR growth in the upper upscale segment compared to Munich overall, this segment outperformed other classifications in 2024.

HOTEL MARKET OUTLOOK

With headwinds such as supply and staffing issues, inflation and the hike in energy prices caused by sanctions imposed due to the war in Europe, the operating climate remains uncertain and challenging. However, as tourism continues to recover and improve, positive occupancy rates and ADR create an optimistic outlook.

The total transaction volume for hotel investments in Germany surged to €1.4 billion, marking a 5% yoy increase. Although this figure remains well below the 10-year average of €3.2 billion, the market witnessed a significant uptick in deal activity, with 85 transactions recorded, a 43% rise compared to 2023. Transaction volume may continue to be restrained due to elevated financing costs, fewer developments, and general economic uncertainties.

As travel demand recovers, the hotel sector stands to benefit. Strong consumer expenditure and events like the European Football Championship have strengthened the market. Despite limited new construction, existing hotel assets present opportunities for investors, who are optimistic about improving financing conditions. Market momentum is expected to continue, potentially pushing annual investment volumes higher.

FLORENCE, ITALY HOTEL PROPERTY SECTOR

CUSHMAN & WAKEFIELD

FLORENCE TOURISM MARKET

The city of Florence is noted for its culture, Renaissance art and architecture. The city contains numerous museums and art galleries, such as the Uffizi Gallery and the Palazzo Pitti. Due to Florence's artistic and architectural heritage, it has been ranked by Forbes as one of the most beautiful cities in the world. Furthermore, the historic city center of Florence was declared a World Heritage Site by UNESCO in 1982. Florence plays an important role in Italian fashion and is ranked in the top 15 fashion capitals of the world by Global Language Monitor (September 2023). Furthermore, it is a major national economic center, as well as a tourist and industrial hub. It is the 4th richest Italian city.

According to the latest available data provided by ISTAT as at January 2025, in 2023 Florence recorded approximately 2.8 million arrivals and 6.1 million bed-nights, with an average length stay of 2.2 days. In the past 5 years (2019-2023), the trend showed an annual growth of approximately -2% (CAGR) in terms of arrivals and of approximately -6% (CAGR) in terms of bed-nights.

The nationality mix of bed-nights highlights that USA is the main international market (23%) followed by the UK (4%), Spain (4%), France (4%), Brazil (3%), China (2%) and Japan (1%).

The market was dominated by the international component which accounted for the 74% of the overall bed-nights, compared to 26% of the domestic component.

EXISTING AND FUTURE SUPPLY

As at the end of 2023, Florence's hospitality market comprises 341 hotels and over 13,800 rooms. The market was predominantly dominated by 4-star and 3-star properties, which accounted for 52% and 32% of the overall number of rooms respectively. Over the past five years (2019-2023), the total number of rooms had decreased at an average annual rate of - 3% (CAGR), driven primarily by the 4-star segment, which recorded a -2% CAGR in both hotel and room numbers.

In 2024, the city of Florence welcomed three new hotels operated by international chains: the Anglo American Hotel Florence, a 5-star hotel with 118 keys; the Ruby Florence, a 4-star hotel also offering 118 keys; and the Tivoli Palazzo Gaddi, a 5-star hotel featuring 86 keys.

These recent openings highlight a trend towards international brands strengthening their presence in the city, with a particular focus on luxury and upscale accommodations.

Within the next few years, Florence's hotel supply is expected to grow, particularly in the 5-star segment. A robust pipeline of new developments is set to bring four 5-star hotels to the market starting in 2025.

These upcoming properties include: Baccarat Hotel Firenze (80 keys), the Hoxton Florence (161 keys), W Florence (119 keys), and Collegio Alle Querce (160 keys).

This expansion underscores Florence's continued appeal as a luxury hospitality destination, attracting international brands and high-end travelers.

HOTEL MARKET PERFORMANCE

Post-2008 Economic Crisis Recovery: In 2014, the market showed its first signs of stability, with occupancy levels surpassing 70%, an ADR of €91, and a RevPAR of €68.

2015–2019 Growth: The positive trend continued in 2015, with occupancy levels rising to 75%, ADR increasing to €94, and RevPAR reaching €71. Over this five-year period, ADR grew at a CAGR of 6.0%, driving a RevPAR increase at a CAGR of 7.7%. By 2019, the market achieved an 80% occupancy level, an ADR of €119, and a RevPAR of €95.

2020–2021 Pandemic Impact and Recovery: The pandemic significantly impacted the 4-star hotel market, with occupancy levels dropping to 31% in 2020, ADR falling to €93, and RevPAR plummeting to just €29. In 2021, the market began its recovery, with occupancy rising to 40%, ADR improving to €110, and RevPAR reaching €44, signaling the first signs of stabilization.

2022–2023 Growth: The recovery accelerated in 2022, with occupancy levels increasing to 67%, ADR jumping to €160, and RevPAR climbing to €107, reflecting strong demand and improved pricing power. By 2023, the market continued its upward trend, achieving occupancy levels of 79%, an ADR of €197, and a RevPAR of €155, highlighting a robust rebound from the pandemic.

2024 Market Performance: According to STR/AICA data, occupancy levels settled at 71%, reflecting a 0.4% increase compared to 2023. ADR increased to €168, marking a 3.4% growth over the same period. As a result, RevPAR stood at €119, showing stability and a slight overall increase in performance.

HOTEL MARKET OUTLOOK

Furthermore, we highlight that to date there are numerous investment opportunities on the market, both producing income and with vacant possession.

Additionally, a number of 'distressed assets' originating from NPLs (Non-Performing Loans) have entered the market, as lending banks have begun undervaluing them to sell to companies specialized in repossession and repositioning.

This trend, combined with the availability of assets undergoing redevelopment and conversion to hospitality use, creates numerous opportunities for investors looking to leverage the potential of this asset class in Italy.

BOARD OF DIRECTORS

M&C REIT MANAGEMENT LIMITED (THE "H-REIT MANAGER")
M&C BUSINESS TRUST MANAGEMENT LIMITED (THE "HBT TRUSTEE-MANAGER")

CHAN SOON HEE, ERIC, 71

Chairman
Independent
Non-Executive Director

Date of appointment as Director:	22 June 2018
Date of appointment as Chairman:	22 June 2018

Board committees:
- Nominating and Remuneration Committees (Chairman)

Present directorships in other listed companies:
- Nil

Present principal commitments:
- Thoughts Advisory Pte. Ltd. (Founder and Chief Executive Officer)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Nil

Mr Chan Soon Hee, Eric is a founder and the Chief Executive Officer of Thoughts Advisory Pte. Ltd. which provides consultancy services to entrepreneurs to further develop their strategic and business plans. He has more than 35 years of experience working in a public accounting firm environment, serving as audit partner with KPMG LLP (KPMG) from 1989 to 2001, and subsequently as partner in charge of Transaction Services at KPMG until his retirement in September 2011.

Mr Chan is a Fellow Chartered Accountant of Singapore, a Fellow of the Association of Chartered Certified Accountants, a Fellow of Certified Public Accountants Australia and a Chartered Valuer & Appraiser. Mr Chan is also a Fellow of Singapore Institute of Directors.

VINCENT YEO WEE ENG, 56

Chief Executive Officer
Executive Director

Date of appointment as Director:	17 May 2006
Date of appointment as Chief Executive Officer:	19 July 2006

Board committees:
- Board Sustainability Committees (Member)

Present directorships in other listed companies:
- CDL Investments New Zealand Limited (Non-Executive Director)

Present principal commitments:
- Nil

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Nil

Mr Vincent Yeo Wee Eng is responsible for working within the H-REIT Manager Board and the HBT Trustee-Manager Board to determine the overall business, investment and operational strategies for H-REIT and HBT. He also works with other members of the H-REIT Manager's management team and the master lessees and managers of H-REIT's properties to ensure that the business, investment and operational strategies of H-REIT are carried out as planned. In addition, Mr Yeo is responsible for the overall management and planning of the strategic direction of H-REIT and HBT. This includes overseeing the acquisition of hospitality, hospitality-related and other accommodation and/or lodging assets and property management strategies for H-REIT, as well as the activities of HBT, which acts as master lessee of any of H-REIT's hotel property or when it undertakes certain hospitality, hospitality-related and other accommodation and/or lodging development projects. Mr Yeo also handles the asset management function relating to some of the hotels currently.

Prior to his appointment as the Chief Executive Officer of the H-REIT Manager and HBT Trustee-Manager, he was the President of Millennium & Copthorne International Limited, Asia Pacific from 2003 to July 2006, responsible for overseeing the hotel operations in Asia Pacific and the corporate office in Singapore. Prior to that, he held the position of Chief Operating Officer from 2001 to 2003. Mr Yeo served as Chief Executive Officer of City e-Solutions Limited until November 2008 and as an Executive Director until April 2009.

Between 1998 and 2000, he was an Executive Director of M&C based in London overseeing global sales and marketing. Between 1993 and 1998, he was the Executive Director and then the Managing Director of Millennium & Copthorne Hotels New Zealand Limited where he developed and integrated the largest chain of hotels in New Zealand.

Mr Yeo graduated Summa Cum Laude and the top of his faculty in 1988 from Boston University with a Bachelor of Science in Business Administration (Major in Finance).

FOO SAY MUI (BILL), 67

Lead Independent Non-Executive Director

Date of appointment as Director:	11 May 2016
Date of appointment as Lead Independent Director:	26 April 2017

Board committees:
- Audit and Risk Committees (Chairman)
- Board Sustainability Committees (Chairman)
- Nominating and Remuneration Committees (Member)

Present directorships in other listed companies:
- Kenon Holdings Ltd. (Independent Non-Executive Director)
- Tung Lok Restaurants (2000) Ltd (Independent Non-Executive Chairman)
- Wee Hur Holdings Ltd. (Lead Independent Non-Executive Director)

Present principal commitments:
- Business Circle Singapore Pte. Ltd. (Executive Director)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Mewah International Inc. (Lead Independent Non-Executive Director)
- Tower Capital Asia Pte. Ltd. (Independent Non-Executive Director)

Dr Foo Say Mui (Bill) has over 30 years of experience in the financial services industry, having served as the CEO/General Manager of Australia & New Zealand Banking Group Ltd (ANZ) in Singapore for 12 years from 1999 to 2011 and thereafter as Vice Chairman, South and South East Asia for another 4 years, prior to his retirement from ANZ in 2015. Prior to that, he was the Regional Head of Investment Banking for Schroders Investment Bank and also served as the President Director of Schroders Indonesia for about 5 years. He had also served on the Council of the Association of Banks in Singapore for 9 years and was Deputy Chairman of the Singapore Investment Banking Association for about 3 years.

Dr Foo graduated from Concordia University with a Bachelor of Business Administration. He holds a Masters of Business Administration from McGill University and an honorary Doctorate of Commerce from James Cook University Australia, in honour of his contribution to education and the community.

KENNY KIM, 57

Independent Non-Executive Director

Date of appointment as Director:	25 January 2017

Board committees:
- Audit and Risk Committees (Member)

Present directorships in other listed companies
- Nil

Present principal commitments:
- Ikhlas Capital Singapore Pte. Ltd. (Founding Partner and Chief Executive Officer)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Pelikan International Corporation Berhad (Non-Executive Director)
- Zezz FundQ Pte Ltd (Non-Executive Director)

Mr Kenny Kim is a founding partner and currently, the Chief Executive Officer of Ikhlas Capital Singapore Pte. Ltd., an ASEAN private equity fund manager headquartered in Singapore and has on-ground presence in Kuala Lumpur, Jakarta and Manila. He was the Senior Adviser and a member of the Executive Committee of RRJ Capital, one of the largest private equity funds in Asia which focuses on private equity investments in China and Southeast Asia from October 2015 until his resignation in September 2017. At RRJ Capital, he was responsible for originating and executing deals as well as providing advice to fund financial transactions.

Mr Kim has worked in various senior positions in the financial services sector for more than 20 years, having served as the Chief Executive Officer, Strategy and Investments and Group Chief Financial Officer at CIMB Group Holdings Berhad, a financial institution listed on Bursa Malaysia, and the 5th largest banking group in South East Asia. He also acted as Adviser to the Group Chief Executive Officer at CIMB Group Holdings Berhad and its subsidiary, CIMB Group Sdn Bhd up to 30 September 2015. During his tenure with the CIMB Group, Mr Kim was awarded Best Chief Financial Officer in South East Asia and Best Chief Financial Officer in Malaysia in 2013, both awards given by Alpha Southeast Asia, an institutional investment publication focused on Southeast Asia.

Mr Kim graduated from the University of Lancaster, United Kingdom, with a Master of Science in Finance degree. He is also a fellow of the Association of Chartered Certified Accountants, UK, a member of the Institute of Chartered Accountants England & Wales, CF Faculty and a member of the Malaysian Institute of Accountants.

BOARD OF DIRECTORS

CHEAH SUI LING, 53

Independent Non-Executive Director

Date of appointment as Director: 18 August 2017

Board committees:
- Audit and Risk Committees (Member)
- Nominating and Remuneration Committees (Member)
- Board Sustainability Committees (Member)

Present directorships in other listed companies:
- Parkway Trust Management Limited, as Manager of Parkway Life REIT (Independent Non-Executive Director and Chairman of Audit and Risk Committee)
- TeleChoice International Limited (Independent Non-Executive Director)

Present principal commitments:
- ecoSPIRITS Pte. Ltd. (Executive Board Chair)
- Hisential Pte. Ltd. (Non-Executive Director)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Wavemaker Partners (Operating Partner)
- Pathology Asia Holdings Pte. Ltd. (Independent Director and Chair of Audit Committee)

Ms Cheah Sui Ling is currently a Venture Partner with Wavemaker Partners, a venture capital firm based in Singapore and Los Angeles that focuses on technology company investments, where she is responsible for helping portfolio companies with business development, follow on financings and eventual exits.

Ms Cheah has over 20 years of international investment banking and corporate experience, having been a financial and strategic advisor to global and regional companies across multiple industries. Most of her career was spent across Singapore, Paris, Hong Kong, London and New York focusing on capital raising transactions and cross border mergers and acquisitions for corporate clients. Between 2010 to 2013 she was Co-Head of Corporate Finance for South East Asia at BNP Paribas. Prior to that, she was a senior coverage banker for Singapore in the investment banking division of JP Morgan. She started out her career at Merrill Lynch Investment Banking.

Ms Cheah graduated Magna Cum Laude with a Bachelor of Arts in Economics and French from Wellesley College, Massachusetts in the US.

KWEK EIK SHENG, 43

Non-Independent Non-Executive Director

Date of appointment as Director: 20 October 2022

Board committees:
- Nil

Present directorships in other listed companies:
- Millennium & Copthorne Hotels New Zealand Limited (Non-Executive Director)
- CDL Investments New Zealand Limited (Non-Executive Director)
- Grand Plaza Hotel Corporation (Non-Executive Chairman)

Present principal commitments:
- City Developments Limited (Group Chief Operating Officer)
- Millennium & Copthorne Hotels Limited (Executive Director)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Nil

Mr Kwek Eik Sheng is currently the Group Chief Operating Officer of City Developments Limited (CDL). Mr Kwek joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development. In 2014, he assumed his role as Chief Strategy Officer and undertook an added portfolio as Head of Asset Management in April 2016.

Prior to joining CDL, he was with the Hong Leong Group of companies in Singapore, specialising in corporate finance roles from 2006 to 2008. Mr Kwek was appointed an Executive Director of CDL's principal subsidiary, Millennium & Copthorne Hotels Limited (M&C), previously listed on London Stock Exchange under the name "Millennium & Copthorne Hotels plc" in November 2019, having previously been appointed a Non-Executive Director of M&C from April 2008 to October 2019.

Mr Kwek holds a Bachelor of Engineering in Electrical and Electronics Engineering from Imperial College of Science, Technology and Medicine of University of London, UK and a Master of Philosophy in Finance from Judge Business School of University of Cambridge, UK.

ENG CHIN CHIN, 61

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment as Director:	21 February 2025

Board committees:
- Audit and Risk Committees (Member)

Present directorships in other listed companies:
- Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of Keppel Infrastructure Trust (Independent Non-Executive Director)

Present principal commitments:
- Olam Agri Holdings Limited (Independent Non-Executive Director)
- Mediacorp Pte. Ltd. (Independent Non-Executive Director)

Past directorships in other listed companies and principal commitments held in the preceding five years:
- Nil

Ms Eng Chin Chin joined Messrs KPMG LLP in 1986 and was an audit partner from October 1999 until her retirement in September 2022. She specialised in asset management, financial services and real estate sectors. Ms Eng is also experienced in advisory work, particularly in relation to governance and internal control reviews and investigation work across government bodies, and private and public companies. From October 2022 to March 2023, Ms Eng was employed as a principal consultant by KPMG Services Pte Ltd.

Ms Eng holds a Bachelor of Accountancy from National University of Singapore. She is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants ("**ISCA**"). She is also the chair of the Ethics Committee of ISCA, which is responsible for issuance of the ISCA Code of Professional Conduct and Ethics.

BOARD OF DIRECTORS

BOARD OF THE H-REIT MANAGER AND HBT TRUSTEE-MANAGER

CHAN SOON HEE, ERIC Chairman and Independent Non-Executive Director	**CHEAH SUI LING** Independent Non-Executive Director
VINCENT YEO WEE ENG Chief Executive Officer and Executive Director	**KWEK EIK SHENG** Non-Independent Non-Executive Director
FOO SAY MUI (BILL) Lead Independent Non-Executive Director	**ENG CHIN CHIN** Independent Non-Executive Director
KENNY KIM Independent Non-Executive Director	

AUDIT AND RISK COMMITTEE OF THE H-REIT MANAGER AND HBT TRUSTEE-MANAGER

FOO SAY MUI (BILL)
Chairman

KENNY KIM
Member

CHEAH SUI LING
Member

ENG CHIN CHIN
Member

NOMINATING AND REMUNERATION COMMITTEE OF THE H-REIT MANAGER AND HBT TRUSTEE-MANAGER

CHAN SOON HEE, ERIC
Chairman

FOO SAY MUI (BILL)
Member

CHEAH SUI LING
Member

BOARD SUSTAINABILITY COMMITTEE OF THE H-REIT MANAGER AND HBT TRUSTEE-MANAGER

FOO SAY MUI (BILL)
Chairman

VINCENT YEO WEE ENG
Member

CHEAH SUI LING
Member

KEY MANAGEMENT TEAM

VINCENT YEO

Chief Executive Officer

Mr Yeo is also the Executive Director of the H-REIT Manager and the HBT Trustee-Manager and his profile can be found under the "Board of Directors" section on page 50 of the Annual Report.

ANNIE GAN

Chief Financial Officer

Ms Gan heads the finance team and is responsible for CDLHT's financial and capital management functions. She oversees all matters involving finance and accounting, treasury, corporate finance (including fund raising activities), taxation, compliance and fund management, ensuring the alignment with CDLHT's long-term strategy and risk management while focusing on optimising revenue and investment returns. Ms Gan is also involved in driving some aspects of CDLHT's environmental, social and governance ("**ESG**") initiative.

Ms Gan brings more than 35 years of experience in the areas of financial management, strategy, treasury, mergers and acquisitions, taxation and corporate advisory as well as in-depth knowledge of the hospitality, property development and property investment industries.

Prior to CDLHT, Ms Gan was the Group Financial Controller of the then public-listed company, Orchard Parade Holdings Limited ("**OPHL**" and now known as Far East Orchard Limited), a member of Far East Organisation. She also served as a Director of all the subsidiaries of OPHL, primarily responsible for the stewardship of the subsidiaries' affairs and advising on new investment opportunities.

Ms Gan was also previously with PricewaterhouseCoopers, Singapore and Ernst and Young, Singapore in various leadership roles, leading due diligence and acquisition audits, profit forecast reviews and the statutory audits of several public-listed companies and large multinational corporations. Ms Gan is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a Fellow of Certified Public Accountants Australia and holds a Bachelor of Commerce from The Australian National University.

PAUL KITAMURA

Head, Asset Management

Mr Kitamura is responsible for CDLHT's asset management function involving performance optimisation and asset value enhancement initiatives across the hospitality portfolio. He also leads and manages the company's ESG programme.

Mr Kitamura has more than 35 years of hospitality experience and previously served as Senior Vice President of asset management for GIC Real Estate where he was responsible for the sovereign fund's Asia-Pacific hospitality portfolio comprising assets such as the Westin Tokyo, Shangri-La Sydney and Park Hyatt Melbourne, a portfolio of Oakwood serviced apartments in Japan and a mixed-use portfolio in Sydney, Australia.

During the 2008-2009 global downturn, he successfully drove cost efficiency initiatives and led the re-branding of the 1,053-room Hilton Fukuoka. His hotel management experience includes leading IHG's overall businesses in Japan from 2002-2008, and securing a 50 property JV partnership in Japan. During this period, deal flow increased 200% including signing of a 600-room Crowne Plaza and successful extension of the group's presence in Tokyo, Yokohama, Kyoto and Nagasaki. Operationally, he led a multi-brand managed and franchised portfolio covering 10 cities including Tokyo, Yokohama and Kyoto.

Mr Kitamura has also held senior Asia Pacific corporate brand management and marketing positions with IHG. He started his career with Mandarin Oriental Hotel Group in a variety of sales & marketing roles at the property, regional and corporate levels in Asia and Hawaii.

Mr Kitamura holds a Master of Business Administration from the University of Chicago Booth Graduate School of Business and a Bachelor of Science degree in Hotel Administration from Cornell University.

MANDY KOO

Head, Investments & Investor Relations

Ms Koo leads the investment team in sourcing, evaluating, structuring, negotiating and executing strategic acquisitions to enhance CDLHT's portfolio. She is also responsible for operator selection processes and divestments. Ms. Koo heads the asset management for the new living asset class and oversaw the mobilisation of CDLHT's new residential build-to-rent project in the UK. She also leads equity capital raising initiatives aligned with CDLHT's growth objectives. In her investor relations role, Ms. Koo develops communication strategies for public disclosures, fosters relationships with key media, investor, and research communities, and represents CDLHT at investor meetings, media engagements and analyst briefings to convey strategic narratives.

Ms Koo has more than 20 years of experience, spanning across real estate investments and investor relations in the REIT industry, equity corporate finance and listing regulations. Ms Koo was previously with the Standard Chartered Bank Corporate Advisory & Finance team which was responsible for the execution of merger and acquisition and equity corporate finance deals in Southeast Asia. Prior to her investment banking stint, she was with YTL Pacific Star REIT Management Limited, primarily involved in investments and asset management. Before this, Ms Koo was with the H-REIT Manager where her core responsibilities were investments and investor relations. She started her career in Singapore Exchange Limited, Issuer Regulation, and was responsible for reviewing applications for initial public offerings, fund raising and corporate actions of listed companies.

Ms Koo holds both the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations. She graduated Summa Cum Laude from Singapore Management University with a Bachelor of Business Management (Major in Finance) and a Bachelor of Accountancy.

PROPERTY PORTFOLIO





SINGAPORE

Lobby

Orchard Hotel

442 Orchard Road, Singapore 238879

Offering cosmopolitan elegance in the heart of Orchard Road, Singapore's premier retail district, and Cantonese fine dining at its award-winning Hua Ting Restaurant.

656
Guest Rooms

8,588
SQ M Land Area

S$517M
Valuation as at 31 Dec 2024

Hua Ting Restaurant

Deluxe Queen Room

PROPERTY DETAILS

Number of guest rooms: 656

Number of food & beverage outlets:
Four outlets comprising Hua Ting Restaurant, The Orchard Cafe, Bar Intermezzo and Poolside Snack Bar

Banquet/Conference/Meeting facilities:
A 1,245 sq m pillar-free Orchard Grand Ballroom and 343 sq m of pre-function space, accommodating up to 1,500 guests theatre-style, complemented by three additional breakout function rooms

Orchard Grand Ballroom can be converted into three separate smaller ballrooms and comes equipped with two floor-to-ceiling LED walls

A Conference Centre with six multi-function rooms, equipped with state-of-the-art facilities

Other facilities: 25m outdoor pool, fitness studio and a destination mall adjoining the hotel – Claymore Connect

Car park facilities: 452 car park lots (Car park facilities are shared with Claymore Connect)

Land area: 8,588.0 sq m
(including Claymore Connect)

Gross floor area: 49,940.9 sq m
(including Claymore Connect)

Title: 75-year leasehold interest commencing from 19 July 2006

Purchase price at 19 July 2006:
S$330.1 million

Valuation [(1)] as at 31 December 2024:
S$517.0 million

MASTER LEASE DETAILS

Master lessee: City Hotels Pte. Ltd., a subsidiary of M&C

Term of lease: 20 years from 19 July 2006 with an option to renew for another 20 years

Minimum rental income: S$10.3 million comprising a fixed rent of S$5.9 million and a service charge of S$4.4 million per annum

FY 2024 KEY FINANCIALS

Rental income: S$23.9 million

Net property income: S$22.2 million

Average occupancy rate: 78.0%

(1) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

Situated on Singapore's busiest shopping street Orchard Road and in proximity to the Orchard MRT Station and the UNESCO-listed Botanic Gardens, Orchard Hotel offers 656 contemporary guest rooms and suites in twin wings, Orchard Wing (325-room) and Claymore Wing (331-room).

The hotel features a host of dining venues and conference facilities. The Grand Ballroom is one of the largest pillar-free ballrooms in Singapore that can seat up to 1,500 people theatre-style. It is also equipped with two floor-to-ceiling LED walls.

NOTABLE ACCOLADES

- BCA Green Mark Award – Gold Plus
- Global Sustainable Tourism Council (GSTC) Certification
- TripAdvisor Travellers' Choice Award (2021 – 2024)
- Hotel Security Award (2022 – 2024) (Honesty)
- Fire Safety Excellence Award (2024)
- National Safety and Security Watch Group Award (2024)
- SHA Excellent Service Award (2018 – 2024)
- SHA Sustainability Award (2023 – 2024)
- Singapore Tatler Singapore's Best Restaurants | Hua Ting Restaurant (2017 – 2024) | The Orchard Cafe (2020 – 2024)
- Travelers' Choice Award – The Orchard Cafe (2024)
- The Michelin Guide Singapore (Michelin Selected Restaurant) (2019 – 2023) – Hua Ting Restaurant
- World Gourmet Summit (WGS) Awards Hall of Fame: Hua Ting Restaurant
- MakeMyTrip Customer Choice Award

SINGAPORE

Lobby

Grand Copthorne Waterfront Hotel

392 Havelock Road, Singapore 169663

One of Singapore's leading conference hotels along the historic Singapore River, located across the Havelock MRT Station, in proximity to the Central Business District and the waterfront precincts of Robertson Quay and Clarke Quay.

573
Guest Rooms

10,860
SQ M Land Area

S$428M
Valuation as at 31 Dec 2024

Ballroom

Grand Deluxe King Room

PROPERTY DETAILS

Number of guest rooms: 549 rooms and 24 serviced apartment suites

Number of food & beverage outlets:
Five outlets comprising Food Capital, SanSara, The Lobby Lounge, Riverside Terrace and Red House Seafood

Banquet/Conference/Meeting facilities:
33 versatile meeting rooms covering 6,200 sq m, including a six-metre high, pillar-free ballroom of 850 sq m and seating up to 600 guests banquet-style and 1,100 guests theatre-style

Other facilities: Hair, beauty and wellness services, Executive Club Lounge and leisure facilities including a 24-hour fitness centre, padel court, outdoor swimming pool and jacuzzi

Car park facilities: 287 car park lots [(1)]

Land area: 10,860.2 sq m
(including adjoining Waterfront Plaza) [(2)]

Gross floor area: 63,496.0 sq m
(including adjoining Waterfront Plaza) [(2)]

Title: 75-year leasehold interest commencing from 19 July 2006

Purchase price at 19 July 2006:
S$234.1 million

Valuation [(3)] as at 31 December 2024:
S$428.0 million

MASTER LEASE DETAILS

Master lessee: Republic Hotels & Resorts Limited, a subsidiary of M&C

Term of lease: 20 years from 19 July 2006 with an option to renew for another 20 years

Minimum rental income: S$7.2 million comprising a fixed rent of S$3.0 million and a service charge of S$4.2 million per annum

FY 2024 KEY FINANCIALS

Rental income: S$20.8 million

Net property income: S$19.1 million

Average occupancy rate: 78.9%

(1) The basement level car park facility was not acquired by H-REIT from CDL. However, the hotel enjoys a right of easement to use the basement level car park facility.
(2) H-REIT leases from CDL the second level of Waterfront Plaza which comprises the Waterfront Conference Centre which H-REIT in turn sub-lets to Republic Hotels & Resorts Limited ("**RHRL**"). Rental income received from RHRL is thereafter paid to CDL as rental expense.
(3) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

The 573-room premier deluxe conference hotel offers lifestyle comfort and business enabling conveniences. The hotel has a riverside location in proximity to the business district as well as being across the road from Havelock MRT station. Incorporated in the hotel are 24 serviced apartment suites with high ceilings. With one of the largest and best-designed meeting facilities in Singapore, the hotel is a choice venue for many multinational organisations. The hotel is one of the pre-eminent conference hotels in Singapore, having undertaken a complete renovation of its conference facilities and guest rooms in 2023.

NOTABLE ACCOLADES

- BCA Green Mark Award – Platinum
- Global Sustainable Tourism Council (GSTC) Certification
- National Fire and Emergency Preparedness Council Fire Safety Excellence Award (2024)
- Singapore Hotel Sustainability Award (2023 – 2024)
- TripAdvisor Traveler's Choice Award (2023)
- WELL Health-Safety Rating (HSR) (2023)
- TripAdvisor Travellers' Choice Best of the Best Award (2020 – 2021)
- International Hotel Awards, Best Convention Hotel, Singapore (2018 – 2020)
- International Hotel Awards, Best Luxury Hotel, Singapore (2018 – 2020)

SINGAPORE


Suite

M Hotel

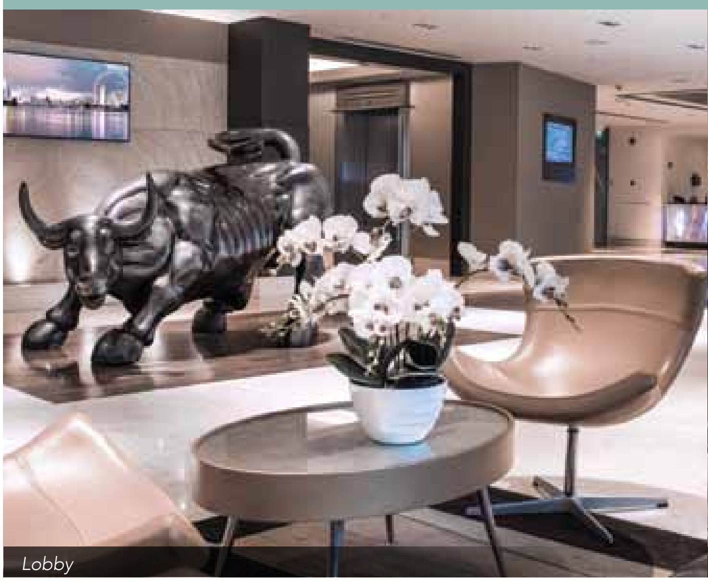
81 Anson Road, Singapore 079908

A premier award-winning hotel strategically located in the heart of the financial district and a choice venue for discerning business travellers.

415
Guest Rooms

2,134
SQ M Land Area

S$272M
Valuation as at 31 Dec 2024


Lobby


Banquet Suite

PROPERTY DETAILS

Number of guest rooms: 415

Number of food & beverage outlets:
Five outlets comprising Café 2000, The Buffet Restaurant, Tea Bar, The Inn Livehouse and Hokkaido Sushi Restaurant

Banquet/Conference/Meeting facilities:
A banquet suite with a maximum capacity of 350 guests theatre-style (with stage), featuring three state-of-the-art panoramic LED video walls, intelligent lighting, and a concert-quality sound system

14 multi-function rooms equipped with complete meeting facilities

Other facilities: 32 fully furnished office suites with modern business and IT facilities at Level 8 Office Suites & Business Centre

The Waterfloor features a wellness spa, an outdoor swimming pool with jacuzzi and a 24-hour gymnasium

Car park facilities: 224 car park lots and 40 motorcycle lots

Land area: 2,133.9 sq m

Gross floor area: 32,379.3 sq m

Title: 75-year leasehold interest commencing from 19 July 2006

Purchase price at 19 July 2006:
S$161.5 million

Valuation [(1)] as at 31 December 2024:
S$272.0 million

MASTER LEASE DETAILS

Master lessee: Harbour View Hotel Pte. Ltd., a subsidiary of M&C

Term of lease: 20 years from 19 July 2006 with an option to renew for another 20 years

Minimum rental income: S$6.1 million comprising a fixed rent of S$3.9 million and a service charge of S$2.2 million per annum

FY 2024 KEY FINANCIALS

Rental income: S$13.0 million

Net property income: S$12.0 million

Average occupancy rate: 84.5%

(1) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

M Hotel, one of Singapore's premier business hotels, is strategically located in the heart of the financial district and close to government offices, the Integrated Resorts, Sentosa, Chinatown and Marina Bay. It is also located within walking distance to the Tanjong Pagar MRT station.

The hotel has 415 rooms designed for business travellers with modern technological amenities. The hotel's prime location, as well as its variety of function areas equipped with the state-of-the-art audio and visual facilities, makes it a favoured venue for corporate meetings, social events and weddings.

NOTABLE ACCOLADES

- BCA Green Mark Award – Gold Plus
- Global Sustainable Tourism Council (GSTC) Certification
- WORLDiary Collection (2023 – 2024) – Best Business & MICE Hotel
- Singapore Hotel Sustainability Award (2023 – 2024)
- WELL Health-Safety Rating (HSR)
- Hotel Security Awards (2023)
- SkillsFuture Employer Awards 2022 (Silver)
- Certificate of Commendation (COVID-19)

SINGAPORE

Signature Studio Room

Copthorne King's Hotel

403 Havelock Road, Singapore 169632

Where business meets leisure – A business and leisure hotel that is strategically located in close proximity to the Central Business District and Orchard Road shopping belt, offering the perfect blend of comfort and connectivity.

311
Guest Rooms

5,637
SQ M Land Area

S$146M
Valuation as at 31 Dec 2024

Lobby

Princess Terrace

PROPERTY DETAILS

Number of guest rooms: 311

Number of food & beverage outlets: Three outlets comprising Tien Court Restaurant, Princess Terrace Café and Connections Lounge

Banquet/Conference/Meeting facilities: Seven fully equipped function rooms that can be easily configured to various meeting arrangements

Other facilities: Landscaped outdoor pool and jacuzzi, mini putting green, gymnasium, sauna and steam bath

Car park facilities: 77 car park lots

Land area: 5,636.9 sq m

Gross floor area: 17,598.3 sq m

Title: 99-year leasehold interest commencing from 1 February 1968

Purchase price at 19 July 2006: S$86.1 million

Valuation [1] as at 31 December 2024: S$146.0 million

MASTER LEASE DETAILS

Master lessee: Republic Hotels & Resorts Limited, a subsidiary of M&C

Term of lease: 20 years from 19 July 2006 with an option to renew for another 20 years

Minimum rental income:: S$2.8 million comprising a fixed rent of S$0.6 million and a service charge of S$2.2 million per annum

FY 2024 KEY FINANCIALS

Rental income: S$7.6 million

Net property income: S$7.0 million

Average occupancy rate: 78.6%

(1) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

Copthorne King's Hotel has 311 elegantly appointed rooms, accompanied with award-winning restaurants, fully equipped function rooms that can be configured to various meeting arrangements.

The hotel is conveniently located three minutes away from the Havelock MRT Station. It is also a five to eight minutes short walking distance to the entertainment precincts of Robertson Quay, Clarke Quay and Boat Quay while being in proximity to the Central Business District.

NOTABLE ACCOLADES

- BCA Green Mark Award – Platinum
- Global Sustainable Tourism Council (GSTC) Certification
- Singapore Tourism Award 2022 – Best Innovation Award
- SkillsFuture Employer Award 2022 (Silver)
- Eco Food & Beverages Award 2022
- Hotel Security Award 2022 (Honesty/Bravery/Vigilance)

SINGAPORE


Cabana

Studio M Hotel

3 Nanson Road, Singapore 238910

A contemporary design-oriented hotel nestled in the heart of the Robertson Quay entertainment precinct and in proximity to the Central Business District.

360	2,932	S$206M
Guest Rooms	SQ M Land Area	Valuation as at 31 Dec 2024


Premier Loft


Lobby

PROPERTY DETAILS

Number of guest rooms: 360

Number of food & beverage outlets:
Two outlets – MEMO and Breeze

Meeting facility: One meeting room

Other facilities: Recreational facilities incorporating a 25-metre lap pool, a jacuzzi jet pool, an open-air gymnasium and three cabanas

Car park facilities: 30 car park lots

Land area: 2,932.1 sq m

Gross floor area: 8,258.9 sq m

Title: 99-year leasehold interest commencing from 26 February 2007

Purchase price at 3 May 2011:
S$154.0 million

Valuation [(1)] as at 31 December 2024:
S$206.0 million

MASTER LEASE DETAILS

Master lessee: Republic Iconic Hotel Pte. Ltd., a subsidiary of M&C

Term of lease:
20 years from 3 May 2011 with:

(i) an option to extend the lease for a first additional term of 20 years commencing immediately after the expiry of the initial term;
(ii) an option to extend the lease for a second additional term of 20 years commencing immediately after the expiry of the first additional term; and
(iii) an option to extend the lease for a third additional term of 10 years commencing immediately after the expiry of the second additional term.

Minimum rental income:
Fixed rent of S$5.0 million

FY 2024 KEY FINANCIALS

Rental income: S$8.2 million

Net property income: S$7.6 million

Average occupancy rate: 74.0%

Studio M Hotel is a unique and stylised lifestyle hotel in Singapore that seamlessly blends modern design with functionality. It is the first loft-inspired Singapore hotel that occupies a prime and vibrant location in the city, situated near both the Central Business District and Orchard Road. It is also within walking distance of the Havelock MRT station. The lifestyle hotel offers a great leisure getaway or business stay in the iconic entertainment precinct of Robertson Quay.

NOTABLE ACCOLADES

- Global Sustainable Tourism Council (GSTC) Certification
- IM First Class – The Gold List Best Design Hotel (2022)
- PUB Water Efficient Building Basic Award (2010 – 2022)
- Hotel Security Excellence Award (2018 – 2021)

(1) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

SINGAPORE


Away Suite

W Singapore – Sentosa Cove

21 Ocean Way, Singapore 098374

Located in Sentosa, a vibrant island resort for business and leisure, W Singapore – Sentosa Cove is a luxury lifestyle hotel under Marriott International. The hotel is an oasis of modern luxury for chic stay-cationers, sophisticated globetrotters and trailblazing business travellers, with an expansive view of the marina and seafront.

240
Guest Rooms

17,016
SQ M Land Area

S$332M
Valuation as at 31 Dec 2024


Ballroom


Lobby

PROPERTY DETAILS

Number of guest rooms: 240

Number of food & beverage outlets:
Five F&B outlets comprising SKIRT, the kitchen table, WOOBAR, W Lounge and WET Deck

Banquet/Conference/Meeting facilities:
Eight versatile meeting spaces covering more than 1,800 sq m

The ballroom of 720 sq m with a capacity of up to 480 guests banquet-style and 500 guests theatre-style, features an LED screen of 14 x 5 metres that can be split into two screens

Other facilities: AWAY Spa, a luxury spa facility; FIT, a 235 sq m, state-of-the-art gym with panoramic garden views through floor-to-ceiling windows; WET Deck/ Pool, one of Singapore's largest free-form outdoor pools, open 24-hours daily; and WIRED, a contemporary business centre as well as 10 boat berth spaces

Car park facilities: 121 car park lots [1]

Land area: 17,016.0 sq m

Gross floor area: 25,374.3 sq m

Title: 99-year leasehold interest commencing from 31 October 2006

Purchase price at 16 July 2020:
S$324.0 million

Valuation [2] as at 31 December 2024:
S$332.0 million

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator: Starwood Asia Pacific Hotels & Resorts Pte. Ltd., a wholly owned subsidiary of Marriott International, Inc.

Term of hotel management agreement: Expires 31 December 2032, with options to renew for four consecutive periods of five years each, at the option of CDLHT

FY 2024 KEY FINANCIALS

Gross hotel revenue: S$54.7 million

Net property income: S$11.0 million

Average occupancy rate: 78.0%

(1) The W Singapore – Sentosa Cove property includes a basement carpark which comprises 121 carpark lots. The basement carpark is connected to the 78 carpark lots owned by neighbouring property known as Quayside Isle. Taking into account the Quayside Isle basement carpark lots, there are in total 199 lots available for public use.

(2) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

W Singapore – Sentosa Cove is located in a luxury waterfront precinct. A vibrant resort island for business and leisure, Sentosa has over 30 themed attractions, some 200 F&B and retail outlets, a mega integrated resort, two world class golf courses, a yachting marina, and more.

A luxury lifestyle resort with 240 guest rooms, the hotel has won several accolades and has an expansive view of the marina and seafront. The hotel also offers a comprehensive suite of facilities including a ballroom, function rooms, swimming pool, spa, restaurants and bars. In addition to its appeal for leisure guests, the resort is an ideal destination for corporate incentive and meeting groups. Featuring state-of-the-art meeting facilities, it offers an exceptional venue for business events, conferences and corporate retreats.

The lobby area of the hotel was augmented with a vibrant new W Lounge in August 2023 incorporating a new coffee and pastry counter. The transformation of the hotel's ballroom and meeting facilities was completed in September 2023 with the addition of a massive 14m x 5m LED screen.

The hotel is currently undergoing a comprehensive renovation of all its rooms, which is estimated to complete by the end of November 2025. The rejuvenated rooms will reinforce the hotel's competitive position in the luxury lifestyle segment.

NOTABLE ACCOLADES

- World Luxury Awards 2024 – Best Global Luxury Wellness Resort | Best Luxury Resort in Singapore
- World Travel Awards 2024 – Singapore's Leading Resort
- Forbes Travel Guide Verified Luxury 2024 – Recommended Hotel
- Tatler Dining Award 2024 – SKIRT
- RAS Epicurean Star Awards 2024 – the kitchen table – Winner of Best Brunch Restaurant

SINGAPORE

Claymore Connect

442 Orchard Road, Singapore 238879

Occupying a prime spot at the junction of Claymore Road and the Orchard Road shopping and tourist belt, Claymore Connect is a family-friendly mall with a range of lifestyle and F&B retail offerings.

27
Tenants as at 31 Dec 2024

~7,187
SQ M in NLA

S$120M
Valuation as at 31 Dec 2024


Entrance

Facade

PROPERTY DETAILS

Net lettable area (including Galleria): Approximately 7,187 sq m

Car park facilities: The car park facilities are shared with Orchard Hotel

Title: 75-year leasehold interest commencing from 19 July 2006

Purchase price at 19 July 2006: S$34.5 million

Valuation [1] as at 31 December 2024: S$120.0 million

FY 2024 KEY FINANCIALS

Rental income: S$8.1 million

Net property income: S$6.1 million

Total number of tenants as at 31 December 2024: 27

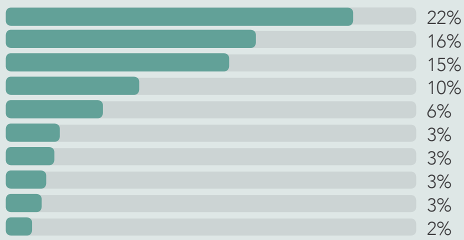
Committed occupancy rate as at 31 December 2024: 97.6%

Claymore Connect is a family-friendly mall located within a short walking distance from Orchard MRT station. Its main entrance is along Claymore Road, with direct access to Orchard Hotel from the mall's mezzanine floor and Level 2.

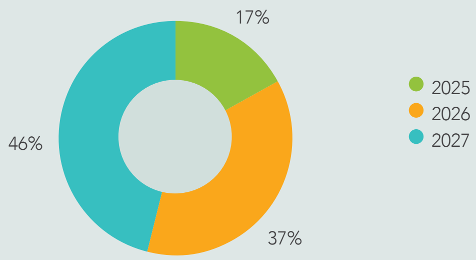
The mall caters to the captive residential population in the nearby precincts of Tanglin, Orchard and Claymore. Orchard Hotel guests also enjoy the convenience of the F&B outlets, beauty, wellness and lifestyle services at the mall.

Apart from the anchor tenant Cold Storage, Claymore Connect features tenants such as MapleBear Singapore – an early education centre, Athletic Collective – a premier sports gym offering athlete-first training by former athletes and Wonderlit Education Centre – a creative enrichment space for young children.

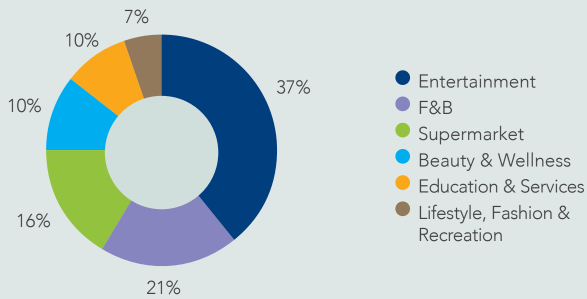
% CONTRIBUTION TO RENTAL INCOME OF TOP 10 TENANTS FOR FY 2024



LEASE EXPIRY ANALYSIS BY PASSING RENT AS AT MONTH OF EXPIRY



TENANT MIX BY RENTAL INCOME FOR FY 2024



(1) The property was valued by Knight Frank Pte Ltd using a combination of the Capitalisation and Discounted Cash Flow approaches.

AUSTRALIA

Lobby, Ibis Perth

Mercure & Ibis Perth

10 Irwin Street, Perth I 334 Murray Street, Perth

Strategically located in the heart of Perth, the hotels are located minutes away from the Central Business District.

MERCURE PERTH

239	757	A$50M
Guest Rooms	SQ M Land Area	Valuation as at 31 Dec 2024

IBIS PERTH

192	1,480	A$42M
Guest Rooms	SQ M Land Area	Valuation as at 31 Dec 2024

Superior Room, Mercure Perth

Chelsea Social, Ibis Perth

PROPERTY DETAILS

Hotel:	Mercure Perth	Ibis Perth
Number of guest rooms:	239	192
Number of food & beverage outlets:	Three outlets comprising Beccaria Bar, Beccaria Restaurant and Cucina on Hay	Newly refurbished dining area Chelsea Social, comprising two outlets, Chelsea Bar and Dining Hall
Banquet/Conference/Meeting facilities:	Dedicated conference floor on Level 1 with 6 separate function rooms accommodating up to 350 delegates	Three function rooms for up to 200 guests
Other facilities:	Large heated rooftop swimming pool and gym	Business centre and gym
Car park facilities:	32 car park lots	13 car park lots
Land area:	757 sq m	1,480 sq m
Gross floor area:	22,419 sq m	9,650 sq m
Title:	Strata Freehold	Freehold
Purchase price at 18 February 2010:	A$36.2 million	A$21.6 million
Valuation (1) as at 31 December 2024:	A$49.5 million	A$42.0 million

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator:	AAPC Properties Pty Limited
Term of hotel management agreements:	Term of 10 years from 1 May 2021, expiring 30 April 2031, with options to renew for two terms of five years each (subject to mutual agreement of the parties)

FY 2024 KEY FINANCIALS

Gross hotel revenue:	S$13.4 million (2) (A$15.2 million)	S$8.4 million (2) (A$9.5 million)
Net property income:	S$2.7 million (2) (A$3.0 million)	S$1.6 million (2) (A$1.9 million)
Average occupancy rate:	79.3%	66.0%

Mercure Perth and Ibis Perth are both strategically located in the heart of Perth city, just a short stroll from the Swan River, Hay & Murray Street Malls, Perth Mint and Supreme Court Gardens, amongst many of Perth's attractions.

Mercure Perth features 239 well-appointed rooms, along with three F&B outlets. This hotel has copious number of meeting rooms available with modern AV technology, accommodating up to 350 delegates. In 2024, Mercure Perth completed a soft refurbishment of 123 West Tower rooms which includes new beds, carpets, LED lighting and curtains. New room furniture and painting are expected to be completed by early 2025. The upgrading of the conference furniture, new blinds and window glazing has enhanced the conference product.

Ibis Perth is located 300 metres from the prime Murray and Hay Street shopping precinct and a short walk to Raine Square, Palace Cinema Complex and Yagan Square. The hotel offers a full-service breakfast restaurant, casual bar and function rooms catering for up to 200 guests.

The hotel recently concluded extensive renovations, which covered the main lobby, all 192 guest rooms and a new gym. A fresh restaurant and bar concept Chelsea Social was introduced to complement the conference rooms' rejuvenation to create a cohesive event space and street facing dining. The asset enhancement initiatives will elevate the hotel, allowing it to be repositioned as the hotel of choice in Perth's CBD.

NOTABLE ACCOLADES

Mercure Perth

- Eco Tourism Australia – Sustainable Tourism Certification

Ibis Perth

- NABERS Energy – 4 stars
- NABERS Water – 3.5 stars

(1) This property was valued by CBRE Valuations Pty Limited using a combination of the Capitalisation and Discounted Cash Flow approaches.
(2) Based on the average exchange rate of A$1.00 = S$0.8826.

NEW ZEALAND

Ember Restaurant

Grand Millennium Auckland

71-87, Mayoral Drive, Auckland 1010

Discover refined comfort at Grand Millennium Auckland, one of the largest hotels in New Zealand. Centrally located, the hotel offers spacious rooms, diverse dining options, and is the perfect base for exploring the city.

453
Guest Rooms

5,910
SQ M Land Area

NZ$219M
Valuation as at 31 Dec 2024

Front Desk

Premier Deluxe Room

PROPERTY DETAILS

Number of guest rooms: 453

Number of food & beverage outlets:
Five outlets in the new Grand Dining Precinct, comprising Katsura Restaurant for Japanese cuisine, Ember for contemporary cuisine, Dans le Noir? a unique dining in the dark experience, Estelle's lounge and The Aviary lobby bar

Banquet/Conference/Meeting facilities:
15 versatile spaces boasting over 1,619 sq m to cater to both intimate gatherings and grand events, suitable for up to 1,000 delegates. Highlights include a newly renovated ballroom with a capacity of 550, ideal for galas, conferences and receptions with sophisticated style and advanced technology

Other facilities: Full serviced business centre

Car park facilities: 259 car park lots

Land area: 5,910.0 sq m

Title: Freehold

Purchase price at 19 December 2006:
NZ$113.0 million

Valuation [(1)] as at 31 December 2024:
NZ$219.0 million

MASTER LEASE DETAILS

Master lessee: Hospitality Services Limited, a subsidiary of Millennium & Copthorne Hotels New Zealand Limited

Term of lease: Three years from 7 September 2016 with options to renew for two further 3-year terms each. Lease renewed for third 3-year term from 7 September 2022 expiring 6 September 2025

Minimum rental income for current term:
Zero for the first two years of the term and NZ$2.0 million for the third year

FY 2024 KEY FINANCIALS

Rental income: S$5.2 million [(2)]
(NZ$6.5 million)

Net property income: S$5.2 million [(2)]
(NZ$6.5 million)

Average occupancy rate: 70.2%

(1) The property was valued by CBRE Limited using a combination of the Capitalisation and Discounted Cash Flow approaches.
(2) Based on the average exchange rate of NZ$1.00 = S$0.8092.

The 453-room Grand Millennium Auckland is a prime 12-storey atrium-styled hotel located in New Zealand's main gateway city. The property is one of the largest hotels in the city comprising extensive conference facilities. It is situated in the heart of Auckland, only 600 metres south of the Sky City entertainment complex, and minutes from all major commercial buildings and the University of Auckland.

A key highlight of the hotel's location is its proximity to Auckland's prime convention precinct which comprises four of Auckland's finest venues: Aotea Centre, The Civic, Auckland Town Hall and Aotea Square. The hotel is also within walking distance to the casino and the upcoming New Zealand International Convention Centre which is due to open in early 2026. It is an ideal base for all travellers.

The hotel completed the refurbishment of the all-day dining restaurant and the lobby lounge in late 2023. Its stunning ballroom transformation concluded in April 2024, coinciding with the commencement of the first phase of guest room renovations, which wrapped up in November 2024. Renovation works at the atrium bar have been substantially completed, with the public areas and the second phase of room refurbishments set to finish in 2025.

NOTABLE ACCOLADES

- Qualmark Assessment 2024 – 4.5 stars
- TripAdvisor Certificate of Excellence (2012 – 2021)

MALDIVES


Kuredi Pool

Angsana Velavaru

Velavaru Island, South Nilandhe Atoll, Republic of Maldives

Located in a picturesque lagoon in the Maldives, Angsana Velavaru offers two distinct experiences with its beachfront villas and its standalone overwater villas.

113
Villas

67,717
SQ M Land Area

US$57M
Valuation as at 31 Dec 2024


Lobby


Beach Villa

PROPERTY DETAILS

Number of villas:
79 Beachfront Villas, 34 InOcean Villas

Number of food & beverage outlets:
Four outlets comprising Kaani Restaurant, Funa Restaurant, Azzurro Restaurant and Bar, Kuredi Pool Bar

Other facilities:
Angsana Spa & Gallery, Swimming Pool, Marine Conservation Lab, PADI 5 Star Gold Palm Dive Centre, Watersports Centre, Kids Club, Wedding Pavilion, Gym, and Medical Center

Land area: 67,717 sq m

Title: 99-year leasehold interest commencing from 26 August 1997

Purchase price at 31 January 2013:
US$71.0 million

Valuation [(1)] as at 31 December 2024:
US$57.0 million

MASTER LEASE DETAILS

Master lessee: Maldives Bay Pvt Ltd, a subsidiary of Banyan Tree Holdings Limited

Term of lease: 10 years from 1 February 2023

Minimum rental income: Minimum rent of US$6.0 million per year guaranteed by master lessee / Banyan Tree Holdings Limited, subject to maximum rent reserve of US$6.0 million for the lease term

FY 2024 KEY FINANCIALS

Rental income: S$8.0 million [(2)]
(US$6.0 million)

Net property income: S$7.6 million [(2)]
(US$5.7 million)

Average occupancy rate: 68.8%

The Maldives is a nation of coral islands scattered across the Indian Ocean, consisting 26 natural atolls with over 1,100 islands. The Maldives' tropical climate, white beaches, rich marine environment, "one-island-one-resort" concept and ease of accessibility from Europe, the Middle East and Asia have firmly established the island paradise as a top-tier destination for luxury tourism.

The property is located at the southern edge of the Maldives archipelago in the South Nilandhe Atoll. It occupies the island of Velavaru, one of the more intimate lagoons in the Maldives. The Angsana Velavaru resort is a 40-minute scenic seaplane ride from Malé International Airport. It comprises 79 Beachfront Villas and 34 InOcean Villas, providing guests the opportunity to enjoy two distinct experiences at one resort.

NOTABLE ACCOLADES

- EarthCheck Gold Certificate
- South Asian Travel Awards 2024 – Leading Eco-Friendly Resort
- Condé Nast Traveler Readers' Choice Awards 2024 – Top 20 Resorts in the Indian Ocean
- Travel Trade Maldives' Best Honeymoon Destination 2023
- TripAdvisor Traveller's Choice 2023

(1) The property was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Discounted Cash Flow approach.
(2) Based on the average exchange rate of US$1.00 = S$1.3366.

MALDIVES


Yuzu Restaurant & Yapa Sunset Bar

Raffles Maldives Meradhoo

Meradhoo Island, Gaafu Alifu Atoll, Republic of Maldives

Tucked away at the southern edge of the Maldives archipelago, Raffles Maldives Meradhoo is the premier destination focusing on personalised luxury of the highest standard. Its spacious beachfront and overwater villas are among the largest in the Maldives.

38
Villas

53,576
SQ M Land Area

US$46M
Valuation as at 31 Dec 2024


Long Bar


Raffles Royal Residence

PROPERTY DETAILS

Number of villas:
21 Beach Villas, 16 Overwater Villas, one Raffles Royal Residence

Number of food & beverage outlets:
Three restaurants comprising Thari, Yuzu and The Firepit and two bars comprising Long Bar and Yapa Sunset Bar

Other facilities:
PADI 5 Star dive and water sports centre, padel court, Raffles Spa, kids club, overwater fitness and yoga studio, two infinity edge pools, 24-hour butler service and resort boutique

Land area: 53,576 sq m

Title: 99 year leasehold interest commencing from 15 June 2006

Purchase price at 31 December 2013:
US$59.6 million

Valuation (1) as at 31 December 2024:
US$46.0 million

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator: AAPC (Maldives) Private Limited

Term of hotel management agreement: 20 years commencing from 9 May 2019 (operator has right to extend another 5 years)

FY 2024 KEY FINANCIALS

Gross hotel revenue: S$11.7 million (2) (US$8.7 million)

Net property income: -S$1.7 million (2) (-US$1.3 million)

Average occupancy rate: 38.2%

Raffles Maldives Meradhoo Whale Shark Encounter

(1) The property was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Discounted Cash Flow approach.
(2) Based on the average exchange rate of US$1.00 = S$1.3366.

Overwater Villas

Raffles Maldives Meradhoo is located at the southern edge of the Maldives archipelago in the Gaafu Alifu Atoll, occupying the exclusive Meradhoo Island and its surrounding crystal clear lagoon. The resort boasts two healthy reefs, home to abundant exotic marine wildlife. The resort is accessible via a 90-minute direct seaplane flight from Malé or can be reached via a 55-minute domestic flight from Malé International Airport to Kaadedhdhoo Airport, followed by a 15-minute speedboat journey. Private jets can also land at Gan International Airport or Kooddoo Airport and connect to the resort via seaplane or speedboat.

The 38-villa luxury resort offers two distinct experiences, a private island with 22 beachfront villas (including the presidential villa - Raffles Royal Residence), and an overwater enclave with 16 villas. The one to two-bedroom villas range from approximately 220 to 300 sq m, each with its own private pool. The resort's overwater villas boast high ceilings and full-length floor-to-ceiling windows that provide panoramic views of the Indian Ocean from the bedroom, bathroom and living room. The Raffles Royal Residence, features a spacious 1,250 sq m ultra-luxury villa comprising three bedrooms, a rooftop bar and a 40-metre private infinity pool.

In 2024, the hotel underwent a minor refurbishment to refresh its spa, arrival jetty and the Yuzu restaurant.

NOTABLE ACCOLADES

- Green Globe Certified
- TripAdvisor Travellers' Choice (2021 – 2023)
- World Luxury Hotels Awards – Maldives Luxury Island Resort (2020 Country Winner)
- Town & Country Magazine – Best New Hotels in the World 2019
- Travel + Leisure Luxury Awards Asia Pacific – Most Outrageous Villa – Raffles Royal Residence

JAPAN


Hotel MyStays Asakusabashi


Hotel MyStays Kamata

Hotel MyStays Asakusabashi & MyStays Kamata

1-5-5 Asakusabashi, Taito-Ku, Tokyo 111-0053 | 5-46-5 Kamata, Ota-Ku, Tokyo 144-0052

Located in close proximity to major transportation networks and tourist attractions, the hotels appeal to both business and leisure travellers.

ASAKUSABASHI

139 Guest Rooms

564 SQ M Land Area

¥6.1B Valuation as at 31 Dec 2024

KAMATA

116 Guest Rooms

497 SQ M Land Area

¥3.3B Valuation as at 31 Dec 2024


Modern Twin Room Sakura, Hotel MyStays Asakusabashi


Standard Double Room, Hotel MyStays Kamata

PROPERTY DETAILS

Hotel:	Hotel MyStays Asakusabashi	Hotel MyStays Kamata
Number of guest rooms:	139	116
Other facilities:	1 convenience store	N.A.
Car park facilities:	6 car park lots	6 car park lots
Land area:	564 sq m	497 sq m
Title:	Freehold	Freehold
Purchase price at 19 December 2014:	¥3.20 billion	¥2.60 billion
Valuation (1) as at 31 December 2024:	¥6.10 billion	¥3.28 billion

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator:	MyStays Hotel Management Co., Ltd.
Term of hotel management agreements:	3-year auto-renewal basis, unless terminated with notice

FY 2024 KEY FINANCIALS

Gross hotel revenue:	S$5.5 million (2) (¥625.2 million)	S$3.5 million (2) (¥395.4 million)
Net property income:	S$2.8 million (2) (¥321.2 million)	S$1.7 million (2) (¥188.5 million)
Average occupancy rate:	92.5%	92.6%

Hotel MyStays Asakusabashi and Hotel MyStays Kamata boast exceptional connectivity to major transportation hubs and iconic Tokyo attractions.

Hotel MyStays Asakusabashi

Just a 2-minute walk from JR Asakusabashi Station, the hotel offers excellent connectivity, with direct access to Narita and Haneda airports via the Toei Asakusa Line. Near the historic Asakusa district, home to Sensoji Temple and traditional markets, and the dynamic Akihabara area, the hotel is an ideal base for travellers. The hotel offers a range of comfortable rooms, including the Japanese Modern Room, which features a warm, minimalist design inspired by traditional Japanese aesthetics. All rooms include complimentary Wi-Fi, air conditioning, and memory foam pillows for added comfort. Guests also benefit from a 24-hour on-site store and laundry facilities.

Hotel MyStays Kamata

A 5-minute walk from JR Kamata Station and 10 minutes via Keikyu Line from Haneda Airport, the hotel offers travellers easy access to Tokyo's key destinations such as Shinagawa and Shibuya. Located near three vibrant shopping arcades, the hotel provides access to diverse dining options and local shops, appealing to both business guests and leisure visitors. Rooms feature complimentary Wi-Fi and wide desks, with select rooms equipped with kitchenettes for extended stays. Guests can also enjoy free freshly ground coffee in the lobby. With its ideal location and thoughtful amenities, Hotel MyStays Kamata ensures a seamless and comfortable stay in Tokyo.

Both hotels offer complimentary laundry, ensuring convenience for extended stays. The hotels are well-equipped to cater to the needs of diverse travellers, offering a blend of modern amenities and easy accessibility to enhance their stay in Tokyo.

(1) The property was valued by Cushman & Wakefield K.K. using a combination of the Capitalisation and Discounted Cash Flow approaches.
(2) Based on the average exchange rate of S$1.00 = ¥113.64.

UNITED KINGDOM

Executive Lounge

Hilton Cambridge City Centre

20 Downing Street, Cambridge CB2 3DT

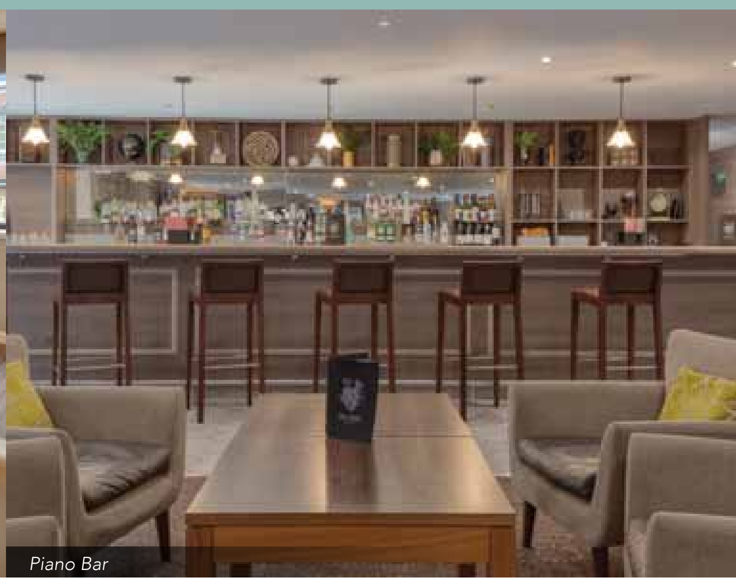
Situated in a prime location at the heart of Cambridge city centre, the hotel is beside the main thoroughfare, within the vicinity of popular tourist attractions and the main shopping area.

198
Guest Rooms

~3,600
SQ M Land Area

£60M
Valuation as at 31 Dec 2024

Junior Suite



Piano Bar

PROPERTY DETAILS

Number of guest rooms: 198

Number of food & beverage outlets:
Two outlets comprising Bull & Bass Restaurant and the Piano Bar

Banquet/Conference/Meeting facilities:
501 sq m of event space comprising five function rooms and atrium public space

Other facilities: Executive Lounge, LivingWell Fitness Gym, 24-hour In-room Dining, Concierge, and the Bar Oh concession – a private music event club & cocktail bar

Car park facilities: 58 car park lots with valet car parking

Land area: ~3,600.0 sq m

Title: 125-year leasehold interest commencing from 25 December 1990 [(1)]

Purchase price at 1 October 2015:
£61.5 million [(2)]

Valuation [(3)] as at 31 December 2024:
£59.5 million

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator: Hilton UK Manage Limited, an affiliate of Hilton Worldwide Inc.

Term of hotel management agreement:
1 October 2015 to 31 December 2027

FY 2024 KEY FINANCIALS

Gross hotel revenue: S$21.7 million [(4)] (£12.7 million)

Net property income: S$6.7 million [(4)] (£3.9 million)

Average occupancy rate: 75.7%

(1) The lease term may be extended for a further term of 50 years pursuant to lessee's (CDLHT) option to renew under the lease granted by the head lessor (Cambridge City Council).
(2) The purchase price of £61.5 million refers to the price of the property and excludes the adjustment for net working capital.
(3) The property was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Discounted Cash Flow approach.
(4) Based on the average exchange rate of £1.00 = S$1.7077.

Hilton Cambridge City Centre is an upper upscale hotel with 198 rooms, and arguably the best located and largest premium hotel in Cambridge City Centre. It boasts a prime location in the heart of the city, being 1.6 km from Cambridge railway station and is situated beside the main shopping precinct and historic attractions. It is also within the vicinity of popular tourist destinations such as King's College, Trinity College, Fitzwilliam Museum, Cambridge University Botanic Gardens, many museums and the River Cam. The Grand Arcade Shopping Centre, the city's largest shopping mall, is also adjacent to the property.

NOTABLE ACCOLADES

- SME Cambridgeshire Business Award 2024 – Business of the Year (More than 50 Employees)
- Cambridge Independent Business Awards 2024 – Hospitality Business of the Year 2024 (Winner) and Green Award 2024 (Highly Recommended)
- C.I.E. Group Tours Award of Excellence 2024
- TripAdvisor Certificate of Excellence (2015 – 2024)
- TripAdvisor GreenLeaders GreenPartner (2019 – 2024)
- Hotels.com™ Certificate of Excellence (2017 – 2023)
- Cambridge BID Awards 2022 – Best Overall Customer Experience (Runner-up – Overnight Accommodation)

UNITED KINGDOM

Lobby

The Lowry Hotel

50 Dearmans Place, Salford, Manchester M3 5LH

The iconic 5-star hotel is located in proximity to the heart of Manchester city centre and also within the vicinity of Media City, a culture and innovation hub.

165
Guest Rooms

~2,200
SQ M Land Area

£46M
Valuation as at 31 Dec 2024

Junior Suite

The River Restaurant

PROPERTY DETAILS

Number of guest rooms: 165

Number of food & beverage outlets:
Two outlets comprising The River Restaurant and The Lowry Lounge and Bar

Banquet/Conference/Meeting facilities:
Eight purpose-built meeting rooms for weddings, private events or business conferences and a Grand Ballroom to entertain up to 300 people

Other facilities: A Wellness Sanctuary comprising a gym, six treatment rooms, a yoga studio, cryotherapy chamber, floatation tank and Somadome meditation pod, as well as a hair salon

Car park facilities: 88 car park lots
Coach parking (up to 6 coaches)

Land area: ~2,200.0 sq m

Title: 150-year leasehold interest commencing 18 March 1997

Purchase price at 4 May 2017:
£52.5 million (1)

Valuation (2) as at 31 December 2024:
£46.0 million

Operational Arrangement: Owner-operated

FY 2024 KEY FINANCIALS

Gross hotel revenue: S$22.6 million (3)
(£13.2 million)

Net property income: S$3.5 million (3)
(£2.1 million)

Average occupancy rate: 78.4%

Nestled along the banks of the River Irwell, The Lowry Hotel is an iconic 5-star luxury destination, renowned for its elegance and exceptional hospitality. The lifestyle hotel features 165 rooms with floor-to-ceiling windows that offer stunning city or river views. Among its accommodations are 10 suites, including the prestigious Presidential Suite, which boasts a grand piano, a walk-in dressing room, and a freestanding bath, ensuring an unmatched level of luxury for the most discerning guests.

The hotel enjoys a prime central location near the heart of Manchester city centre, offering seamless transport connectivity. Just a stone's throw from the iconic AO Arena and Spinningfields—Manchester's financial district and premier dining destination—it provides unparalleled convenience. The Arndale Shopping Centre, one of the UK's busiest retail hubs, is also nearby. Additionally, key entertainment landmarks such as the Royal Exchange Theatre and Manchester Opera House are within walking distance, making it an ideal base for travellers.

The Lowry Hotel is also well-known throughout the United Kingdom and since its opening in 2001, the hotel has hosted many notable celebrities, prominent foreign dignitaries, sports stars as well as prestigious football teams.

NOTABLE ACCOLADES

- This is Manchester Awards 2024 – Leading Hotel of The Year
- Good Spa Guide 2024 – Bubble Rating of 5 Bubbles for RE:TREAT
- The AA Rosette Award (2018 – 2024) – The River Restaurant (Two Rosettes)
- I Love Manchester Awards 2023 – Most-Loved Hotel
- The Cateys 2023 – Best use of Technology
- Manchester's Finest 2018 – Best Restaurant in Manchester

(1) The purchase price of £52.5 million refers to the price of the property and excludes the adjustment for net working capital.
(2) The property was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Discounted Cash Flow approach.
(3) Based on the average exchange rate of £1.00 = S$1.7077.

UNITED KINGDOM

Salvation Bar

voco Manchester – City Centre

57 & 59 Portland Street, Manchester M1 3HP

A 4-star upscale lifestyle hotel at the heart of Manchester city centre, providing guests convenient access to shopping, nightlife, attractions, and Manchester's commercial and business hubs.

189
Guest Rooms

~1,438
SQ M Land Area

£26M
Valuation as at 31 Dec 2024

The Snug

The Cheever Suite

PROPERTY DETAILS

Number of guest rooms: 189

Number of food & beverage outlets:
Two outlets comprising Runyon's Bar & Restaurant and Salvation Bar

Banquet/Conference/Meeting facilities:
Three meeting rooms (which can be combined and accommodate up to 180 people theatre-style)

Other facilities: Casino with restaurant and bar

Land area: ~1,438 sq m

Title: ~197-year leasehold interest commencing 7 May 2021 and expiring on 26 June 2218

Purchase price at 22 February 2022:
£22.8 million [1]

Valuation [2] as at 31 December 2024:
£26.0 million

OCCUPATIONAL LEASE DETAILS

Occupational lessee: HLD (Manchester) Limited

Term of lease: 60 years commencing from 7 May 2021 [3]

Minimum rental income:
Fixed rent of £2.65 million [4]

FY 2024 KEY FINANCIALS

Rental income: S$4.5 million [5]
(£2.6 million)

Net property income: S$4.5 million [5]
(£2.6 million)

Average occupancy rate: 79.4%

(1) The purchase price of £22.8 million refers to the price of the property and excludes the adjustment for net working capital.
(2) The property was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Discounted Cash Flow approach.
(3) The occupational lease has a term commencing on 7 May 2021 and expiring on 6 May 2081 with a break option exercisable by the occupational lessee on 15 January 2045 and then on every fifth anniversary from that date, by providing at least six months' prior notice to CDLHT.
(4) Pursuant to the occupational lease, the fixed rent applicable for 7 May 2024 to 6 May 2025 is £2.65 million. The fixed rent is subject to an annual upward-only rent review broadly based on inflation.
(5) Based on the average exchange rate of £1.00 = S$1.7077.

voco Manchester – City Centre is a 4-star upscale lifestyle hotel located at the heart of Manchester city centre offering 189 guest rooms. The hotel appeals to both corporate and leisure guests being within walking distance to the central business district (Spinningfields), as well as popular tourist attractions such as the Manchester Art Gallery, retail areas such as Market Street and Manchester Arndale, as well as entertainment hubs such as the AO Arena and Co-op Live Arena. It is within a two-minute walk to Oxford Road train station and eight-minute walk to Manchester Piccadilly, Manchester's main train station, and approximately 13.4 kilometres (20-minute drive) from the Manchester Airport.

NOTABLE ACCOLADES

- BREEAM "Very Good" Rating
- TripAdvisor Travellers' Choice Awards 2024 | Best of The Best | Top 1% of Hotels Worldwide
- Luxury Lifestyle Magazine Readers' Travel Awards (UK) | Best Hotel for Design (2020 & 2022) | Best City Hotel (2020 – 2022) | Best Hotel for Business (2022) | Best Hotel for Families (2022) | Best Hotel for Food (2022)
- Condé Nast Traveller Readers' Choice Awards 2021 | Top 30 Best Hotels in UK
- Catey's Accessibility Award (2021)
- itravel Staycation Awards 2020 | Hotel of the Year

UNITED KINGDOM

Lobby

Hotel Indigo Exeter

3 Catherine Street, Exeter EX1 1EU & Units 1 - 4 Colson's Parade, High Street, Exeter EX4 3LN

Situated in the heart of Exeter, at the doorstep of the main retail high street, this 104-key upscale lifestyle boutique hotel is close to the commercial district, major transport nodes and iconic local attractions.

104
Guest Rooms

~1,250
SQ M Land Area

£19.5M
Valuation as at 31 Dec 2024

King Suite

Rooftop Bar

PROPERTY DETAILS

Number of guest rooms: 104

Number of food & beverage outlets:
Three outlets comprising Colson's Bar & Grill, Dugout Bar and Becketts (rooftop bar)

Meeting facility:
One meeting room (accommodates up to 12 people)

Other facilities:
Fitness suite, and luxury spa featuring two Hydropool hot tubs, sauna and steam room

Two retail units

Land area: ~1,250 sq m

Title: Freehold

Purchase price at 6 November 2024:
£19.4 million (1)

Valuation (2) as at 31 December 2024:
£19.5 million

HOTEL MANAGEMENT AGREEMENT DETAILS

Operator: Michels & Taylor

Term of hotel management agreement:
6 November 2024 to 31 December 2034

FY 2024 KEY FINANCIALS

Note: Acquisition was only completed on 6 November 2024

Gross hotel revenue: S$1.4 million (3) (£0.8 million)

Net property income: S$0.3 million (3) (£0.2 million)

Average occupancy rate during period of ownership: 80.1%

(1) The purchase price of £19.4 million refers to the price of the property and two retail units and excludes net working capital and post completion adjustments.
(2) The property was valued by CBRE Limited using the Discounted Cash Flow method for the hotel component and Capitalisation method for the retail component.
(3) Based on average exchange rate of £1.00 = S$1.7077. As acquisition was completed on 6 November 2024, the financials only relate to the period from 6 November 2024 to 31 December 2024.

The freehold property consists of an upscale lifestyle boutique hotel, Hotel Indigo Exeter, with 104 rooms and two tenanted retail units. The hotel underwent an extensive conversion from a House of Fraser department store and fully opened in October 2023, showcasing modern and contemporary design elements with high-quality finishes. It features three F&B outlets (a restaurant, sports bar and rooftop bar), a luxurious spa and sauna, gym and meeting room. The two retail units are currently tenanted out and the existing leases will continue until 2033 on a fixed rent basis with tenant break options in June 2028 and March 2029 respectively.

Becketts, Exeter's most exclusive rooftop destination, provides a refined setting away from the city's lively streets. This intimate venue offers a relaxing atmosphere, complemented by panoramic views of the city, with a viewing platform overlooking the Cathedral, making it an ideal spot to unwind with a drink.

Operating under the "Hotel Indigo" brand, part of the InterContinental Hotels Group, the hotel offers an unique experience combining local heritage with modern design, a reflection of the neighbourhood it calls home. From thoughtfully designed public spaces to stunning guest rooms, each moment offers a deeper connection to Exeter's rich history and vibrant culture.

Nestled in the heart of Exeter, the hotel is on the doorstep of the main retail high street and the Princesshay Shopping Centre, the city's premier shopping destination. The property is also close to the commercial district, major transport nodes and iconic attractions. The nearby University of Exeter will attract leisure travellers from visiting parents and guests during graduation months.

NOTABLE ACCOLADES

- Exeter Living Awards 2024 for Leisure & Tourism and New Business | Finalist
- Best of British Getaway Awards 2023 | Best Luxury Spa in Devon

UNITED KINGDOM

Lobby

The Castings (Residential BTR)

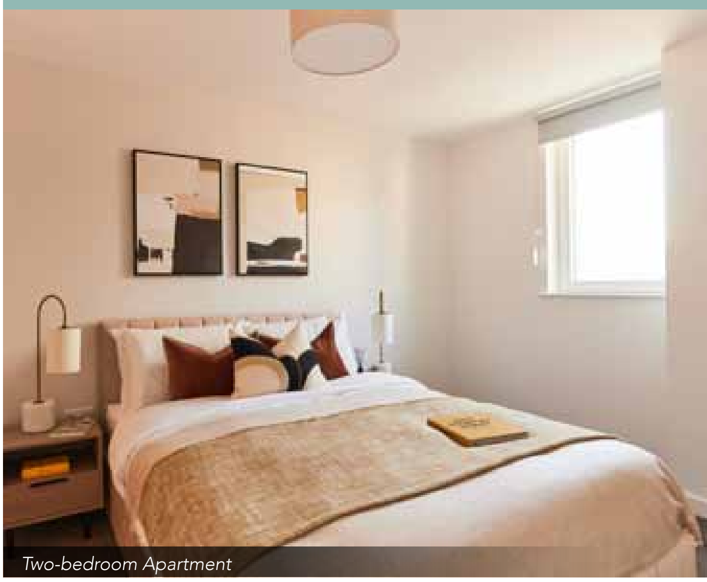
9 Heyrod Street, Manchester M1 2DY

A freehold 352-unit residential Build-To-Rent property located in Piccadilly East, situated close to the Manchester Piccadilly train station.

352
Apartments

~28,577
SQ M Gross Internal Area

£92.0M
Valuation as at 31 Dec 2024



Two-bedroom Apartment

Two-bedroom Apartment

PROPERTY DETAILS

Number of apartments: 352

Amenity spaces: Internal and external common amenity spaces which will include a gym, fitness studio, cinema room, resident lounge, games room, co-working and meeting spaces, a private dining room with kitchen and roof terrace

Other facilities:
352 bicycle parking spaces
Four ground floor commercial retail spaces (~398 sq m)

Car park facilities: 20 car park lots

Gross internal area: ~28,577 sq m

Title: Freehold

Total Development Costs: £82.0 million

Valuation (1) as at 31 December 2024:
£92.0 million

Opening Date: 16 July 2024

PROPERTY MANAGEMENT AGREEMENT DETAILS

Operator: Native Residential Limited

Term of property management agreement:
4 June 2024 to 3 June 2029

FY 2024 KEY FINANCIALS

Rental income: S$1.8 million (2) (£1.1 million)

Net property income: S$0.3 million (2) (£0.2 million)

Physical occupancy rate as at 31 December 2024:
59.1%

The Castings is a residential development comprising 352 apartment units, including a mix of studios, one-, two- and three-bedroom units, with a total residential net internal area of 20,370 sq m.

The property is located in Piccadilly East, a rapidly emerging mixed-use neighbourhood focused on providing a high quality public realm, vibrant ground floor activity and some of the best connectivity, working and living environments in the city. In addition, The Castings is minutes from the highly popular districts of Ancoats, The Northern Quarter and New Islington.

The Castings is located within two kilometres from the Manchester CBD and boasts convenient accessibility, being within a nine-minute walk to Manchester Piccadilly Station, which is the main train station in Manchester that has direct access to the airport and links Manchester to London and other major cities across the UK. The Manchester Piccadilly Station is served by the local Manchester Metrolink and bus lines, offering ease of travel to Spinningfields (a six-minute tram ride), the biggest commercial district in the city, Manchester Arndale shopping centre (a five-minute tram ride) and the Old Trafford football stadium (a 14-minute tram ride). In addition, The Castings is a 20-minute walk from The University of Manchester, which is a leading Russell Group university.

The property was recognised at *The Brit List Awards 2024*, where Ten, the interior designer of its amenity spaces, won the **Public Area of the Year** award for The Castings. The project was praised for its thoughtfully designed multi-purpose spaces, featuring exceptional use of materials and colours. This award highlights The Castings' outstanding amenities, which seamlessly blend high-quality design with functionality, setting it apart from the competition.

NOTABLE ACCOLADES

- The Brit List Awards 2024 | Public Area of the Year

(1) The valuation of this investment property was carried out by Knight Frank LLP using the comparative and investment methods.
(2) Based on average exchange rate of £1.00 = S$1.7077. As the property only opened on 16 July 2024, the financials only relate to the period from 16 July 2024 to 31 December 2024. The property is currently undergoing gestation and expected to stabilise around 3Q 2025.

UNITED KINGDOM

Classic Ensuite

Benson Yard (PBSA)

18 Benson Street, Liverpool L1 2ST

A freehold 404-bed purpose-built student accommodation (PBSA) in the heart of Liverpool city centre, offering market-leading amenities and convenient access to universities, transport hubs and key city attractions.

404	~11,553	£39.4M
Beds	SQ M Gross Internal Area	Valuation as at 31 Dec 2024

Private Dining

Study Area

PROPERTY DETAILS

Number of beds: 404

Amenity spaces: Market-leading amenity provision of 1,092 sqm, including multiple gaming, lounging, private and social study areas, gym, multi-purpose room that serves as both a yoga/dance studio and cinema, sheltered and spacious outdoor courtyard area, sky lounge with city view and private dining area

Gross internal area: ~11,553 sq m

Title: Freehold

Purchase price at 19 December 2024: £37.3 million (1)

Valuation (2) as at 31 December 2024: £39.4 million

PROPERTY MANAGEMENT AGREEMENT DETAILS

Operator: Fresh Property Group Limited

Term of property management agreement: 15 February 2023 to 14 February 2028

FY 2024 KEY FINANCIALS

Note: Acquisition was only completed on 19 December 2024

Rental income: S$0.2 million (3) (£0.1 million)

Net property income: S$0.1 million (3) (£0.1 million)

Committed occupancy rate for AY 2024/2025 (4) as at 31 December 2024: 95.5%

Benson Yard is a 404-bed Purpose-Built Student Accommodation (PBSA) comprising a mix of ensuites and studio units. Opened in February 2023, the property houses top-notch amenities and offers market leading amenity provision.

The property enjoys a prime central location in Liverpool city centre and is within a 11- and 7-minute walk to the two main universities in Liverpool - University of Liverpool and Liverpool John Moores University, respectively. It is also near the city's main rail terminals, Liverpool Lime Street and Liverpool Central. Additionally, Benson Yard is just a 4-minute walk from Bold Street, known for its eclectic mix of independent shops, restaurants, cafes and boutiques, and a 10-minute walk from Liverpool ONE, the city's premier retail destination. For football enthusiasts, Anfield Stadium, home of the Liverpool Football Club, is a 30-minute bus ride away.

With its excellent connectivity, proximity to key amenities and generous shared spaces, Benson Yard offers students the perfect blend of convenience, comfort, and community. Just minutes from Liverpool's top universities, major transport links, and the city's best shopping, dining and entertainment options, it provides a vibrant and well-connected living experience in the heart of the city.

(1) The purchase price of £37.3 million refers to the price of the property and excludes adjustment for net working capital.
(2) The property was valued by Knight Frank LLP using the Capitalisation method for Benson Yard and Residual Land Value method for the vacant land.
(3) Based on average exchange rate of £1.00 = S$1.7077. As acquisition was completed on 19 December 2024, the financials only relate to the period from 19 December 2024 to 31 December 2024.
(4) AY 2024/2025 refers to Academic Year 2024/2025, which runs from 1 September 2024 to 31 August 2025.

GERMANY

Lobby

Pullman Hotel Munich

Theodor-Dombart-Strasse 4, 80805 Munich, Germany

Strategically located adjacent to a commercial district which is home to a variety of national and international companies, the hotel also boasts convenient accessibility and is in proximity to many of Munich's popular tourist destinations.

337
Guest Rooms

~8,189
SQ M Land Area

€105M
Valuation as at 31 Dec 2024


Garden SPA


Executive Room

PROPERTY DETAILS

Number of guest rooms: 337

Number of food & beverage outlets: Five outlets comprising Theo's Restaurant, Theo's Bar, Theo's Beer Garden Terrace, Theo's Castaway Beach and Marketplace

Banquet/Conference/Meeting facilities: Two conference rooms for up to 60 people theatre style

Other facilities: 400 sq m of fitness and spa area including two saunas and a steam room

Commercial components of the property has four retail and eight office tenants (committed occupancy rate as at 31 December 2024: 100.0%)

Car park facilities: 196 car park lots specifically for the hotel (Car park facilities are shared with the commercial components of the property)

Land area: ~8,189 sq m

Title: Freehold

Purchase price at 14 July 2017: €98.9 million (1),(2)

Valuation (3) as at 31 December 2024: €104.5 million

MASTER LEASE DETAILS

Master lessee: UP Hotel Operations GmbH & Co. KG (a wholly-owned subsidiary of EVENT Hotels)

Term of lease: 20 years commencing from 14 July 2017

Minimum rental income: €3.6 million (4)

FY 2024 KEY FINANCIALS

Rental income: S$10.8 million (5) (€7.5 million)

Net property income: S$9.7 million (5) (€6.7 million)

Average occupancy rate: 72.4%

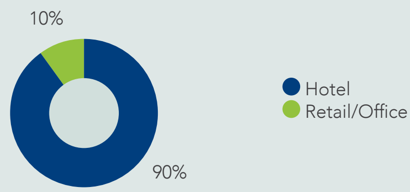
Pullman Hotel Munich is an upscale hotel with 337 rooms and a comprehensive suite of facilities, as well as secondary spaces currently let out to retail and office tenants.

The hotel is strategically located adjacent to the commercial district of "Parkstadt Schwabing", which is home to a variety of national and international companies. It boasts convenient accessibility, with an underground subway access located next to the hotel, motorways connecting Munich to Berlin and Frankfurt within a two-minute drive, and the Munich railway station and Munich International Airport being easily accessible via car. Travellers also have direct access to Munich International Airport via the Lufthansa Express Bus service, which stops opposite the hotel and runs at regular intervals, offering significant cost savings and ease of travel to the airport. The hotel is also in proximity to many of Munich's popular tourist destinations including the English Garden, the BMW headquarters, the Olympic park and the Allianz Arena, home of FC Bayern Munich.

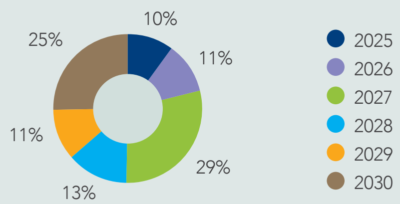
NOTABLE ACCOLADES

- BREEAM "Good" Rating
- Green Key Certification

PULLMAN HOTEL MUNICH FY 2024 GROSS REVENUE SPLIT



LEASE EXPIRY ANALYSIS BY PASSING RENTAL AS AT MONTH OF EXPIRY



(1) The original purchase price of €98.9 million is based on H-REIT's effective 94.5% interest in Pullman Hotel Munich. This excludes the adjustment for net working capital. On the basis of 100% interest, the purchase price is €104.7 million.

(2) On 14 January 2022, NKS Hospitality I B.V. ("**NKS**"), an indirectly-owned subsidiary of H-REIT, entered into an asset purchase agreement with Provent Immobilien Beteiligungs GmbH ("**Provent**") for the purchase from Provent of the remaining 0.49% co-ownership share of the Pullman Hotel Munich for a net purchase consideration of €0.4 million. The acquisition of Provent's co-ownership share was completed on 4 March 2022, following which H-REIT owns an effective 94.9% interest in the Pullman Hotel Munich.

(3) The property was valued by Colliers International Property Consultants Limited using the Capitalisation and Discounted Cash Flow approaches.

(4) Pursuant to a temporary rent abatement agreement signed in April 2021, the annual base rent was reduced from 2021 to 2024, starting at €0.6 million in 2021 and stepped up to €2.4 million in 2024, before reverting to the original base rent of €3.6 million p.a. from 1 January 2025. Under FRS 116/SFRS(I) 16 Leases, the rental income will be accounted for on a straight-line basis over the remaining lease tenure at €3.1 million p.a.

(5) Based on the average exchange rate of €1.00 = S$1.4464.

ITALY

Junior Suite

Hotel Cerretani Firenze – MGallery

Via De' Cerretani 68, 50123 Florence, Italy

4-star hotel boasting an exceptional location in the heart of Florence's historic city centre, with world-famous tourist attractions, good connectivity and transportation within walking distance.

86
Guest Rooms

~1,350
SQ M Land Area

€48M
Valuation as at 31 Dec 2024

Lobby

Lounge

PROPERTY DETAILS

Number of guest rooms: 86

Number of food & beverage outlets:
Two outlets comprising "Il Patio" Restaurant and "Il Michelangelo" Bar

Land area: ~1,350 sq m

Title: Freehold

Purchase price at 27 November 2018:
€40.6 million [(1)]

Valuation [(2)] as at 31 December 2024:
€47.8 million

MASTER LEASE DETAILS

Master lessee: FC Operations Hotel SRL, affiliated to EVENT Hotels

Term of lease: 20 years commencing from 27 November 2018

Minimum rental income: €1.3 million [(3)]

FY 2024 KEY FINANCIALS

Rental income: S$5.4 million [(4)]
(€3.7 million)

Net property income: S$5.1 million [(4)]
(€3.6 million)

Average occupancy rate: 74.1%

Hotel Cerretani Firenze – MGallery is a 4-star hotel with 86 rooms. The hotel is located in an exceptional location in the heart of Florence's historic city, within walking distance to famous tourist attractions including the Cathedral of Santa Maria del Fiore (Il Duomo), Basilica of Santa Croce, Piazza della Signoria and Ponte Vecchio. Museums in the vicinity such as the Uffizi Gallery and the Accademia Gallery house some of the most important works of the Renaissance, such as those by Leonardo da Vinci, Botticelli and Michelangelo.

The main train station "Santa Maria Novella", is only an eight-minute walk from the hotel while Florence International Airport is also easily accessible via a relatively short 15 to 25-minute drive or 20 minutes by tram.

NOTABLE ACCOLADES

- BREAAM "Good" Rating
- Green Key Certification
- Expedia Most Loved by Guests Award 2024
- TripAdvisor Traveller's Choice Awards 2022

(1) The purchase price of €40.6 million is based on H-REIT's effective 95.0% interest in Hotel Cerretani Firenze and the furniture, fixture and equipment. This excludes the adjustment for net working capital. On the basis of 100% interest, the purchase price is €42.7 million.
(2) The property was valued by C&W (U.K.) LLP (Italian Branch) using the Discounted Cash Flow approach.
(3) Due to the COVID-19 pandemic, 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 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. Under FRS 116/SFRS(I) 16 *Leases*, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at €1.1 million per annum.
(4) Based on the average exchange rate of €1.00 = S$1.4464.

OVERVIEW AND FINANCIAL REVIEW
MARKET REVIEW
LEADERSHIP STRUCTURE
PROPERTY PORTFOLIO
SUSTAINABILITY & GOVERNANCE
FINANCIAL STATEMENTS AND OTHER INFORMATION


SUSTAINABILITY
REPORT

SUSTAINABILITY REPORT

CONTENTS

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders,

The Boards of Directors (the "**Boards**") are pleased to issue CDL Hospitality Trusts' ("**CDLHT**") Sustainability Report ("**Report**") for the financial year ended 31 December 2024 ("**FY 2024**"). This Report outlines CDLHT's vision, strategies, and progress in key areas such as climate change, resource efficiency, and human capital development. It also details our performance against established targets, reflecting our commitment to continuous improvement and transparency in sustainability reporting. The Board believes sustainability is essential to CDLHT's business and its long-term value creation. In April 2024, we established the Board Sustainability Committees ("**BSCs**") to drive the advancement of our ESG commitments. The Committees are responsible for overseeing sustainability initiatives, ensuring compliance with environmental, social, and governance standards, and integrating sustainable practices into the company's long-term strategies.

As one of Asia's leading hospitality trusts with approximately S$3.5 billion in assets under management as at 31 December 2024, we recognise that sustainability is integral to both long-term business resilience and global environmental stewardship. Our sustainability strategy is firmly aligned with evolving regulatory requirements and global sustainability standards, including the Singapore Exchange ("**SGX**") sustainability reporting guidelines. Through proactive integration of ESG considerations into our business operations, we ensure compliance with regulations while upholding strong corporate governance, integrity, and responsible business practices. In 2024, CDLHT improved 22 places to place second in the Singapore Governance and Transparency Index ("**SGTI**")[(1)] 2024 - REIT and Business Trust Category. Additionally, we were honoured to have received the prestigious Shareholder Communications Excellence Awards (REITs & Business Trusts Category) at the Securities Investors Association (Singapore) Investors' Choice Awards 2024.

Despite an increasingly complex and dynamic operating landscape, CDLHT remains steadfast in advancing our sustainability agenda. We continuously evaluate our performance against internationally recognized frameworks to ensure we meet and exceed expectations set by regulators and stakeholders. This year, we have further enhanced our sustainability disclosures, including expanding our greenhouse gas ("**GHG**") emissions reporting to cover the full scope of CO_2 emissions. We also continue to drive improvements in energy efficiency and environmental stewardship, setting clear reduction targets and implementing best practices across our portfolio.

Beyond environmental considerations, our business is fundamentally people centric. We prioritize the health, safety, and well-being of all stakeholders while fostering positive societal impact. The Managers and the properties actively collaborate with local charitable and social organisations, demonstrating responsible corporate citizenship and reinforcing our commitment to community engagement.

Looking ahead, CDLHT remains dedicated to strengthening our sustainability initiatives in alignment with global best practices and regulatory expectations. We will continue refining our strategies to enhance our environmental, economic, and social contributions while ensuring the long-term value creation for our stakeholders.

Board of Directors
REIT Manager Board
Trustee-Manager Board

(1) SGTI is the leading benchmark for assessing corporate governance practices among Singapore-listed companies. For the 2024 cycle, CDLHT ranked 2nd out of 43 REITs and Business Trusts, achieving an overall score of 102.8.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

CDLHT presents its eighth Sustainability Report for FY 2024. The Report is meant to be read alongside the CDLHT Annual Report and references various sections within it. For FY 2024, CDLHT continued to internally review its sustainability process, as part of a multi-year audit cycle with the assistance from an external ESG consultant. External assurance has been conducted on our GHG Scope 1 and 2 emissions for our Singapore portfolio. For a comprehensive understanding of the detailed assurance conducted, kindly refer to Emissions Reduction section.

CDLHT has been listed on the Singapore Exchange Securities Trading Limited since 2006 and comprises CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and CDL Hospitality Business Trust ("**HBT**"). H-REIT's principal investment strategy is to invest in a diversified portfolio of income-producing real estate, which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. HBT's principal investment strategy is to invest in a diversified portfolio of real estate or development projects, which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally and may also include the operation and management of the real estate assets held by H-REIT and HBT.

M&C REIT Management Limited is the manager of H-REIT (the "**H-REIT Manager**"), and M&C Business Trust Management Limited, is the trustee-manager of HBT (the "**HBT Trustee-Manager**", and collectively the "**Managers**"). For more information on CDLHT's business, please refer to page 2 of the Annual Report.

Reporting Period And Scope

CDLHT's portfolio comprises 22 properties that span numerous geographies. The FY 2024 [(2)] scope covers 18 of these properties, along with the Managers' office, to provide a comprehensive view of our sustainability strategies and performance.

Portfolio Properties in Scope	Location
Orchard Hotel Grand Copthorne Waterfront Hotel M Hotel Copthorne King's Hotel Studio M Hotel W Singapore - Sentosa Cove Claymore Connect	Singapore
Grand Millennium Auckland	New Zealand
Mercure Perth Ibis Perth	Australia
Raffles Maldives Meradhoo Angsana Velavaru	Maldives
Hotel MyStays Asakusabashi Hotel MyStays Kamata	Japan
The Lowry Hotel Hilton Cambridge City Centre	United Kingdom
Pullman Hotel Munich	Germany
Hotel Cerretani Firenze - MGallery	Italy

Reporting Standards And Guidelines

This Report is compliant with the SGX Listing Rules 711A and 711B and has been prepared with reference to the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards. We applied the GRI Standards as they provide internationally recognised, comprehensive guidance on the management strategy, performance tracking and target-setting processes pertaining to our material ESG topics. Additionally, this year, we have incorporated references to the Sustainability Accounting Standards Board ("**SASB**") guidelines to enhance disclosure relevance for investors and stakeholders. This step strengthens our sustainability reporting framework as we prepare for alignment to the International Sustainability Standards Board ("**ISSB**") reporting requirements next year. The Content Index is available on page 135 of the Report.

This Report has been prepared in line with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations and has followed these recommendations since FY 2022. Our TCFD Report also serves as disclosure against the Guidelines on Environmental Risk Management for Asset Managers issued by the Monetary Authority of Singapore ("**MAS**").

Below is a table outlining a high-level summary of CDLHT's short-, medium- and long-term sustainability targets.

Time Horizon	Description of Target
Short-term: Year 2026	5% - 7% reduction in energy and 2% - 7% reduction in water consumption, with FY 2019 as the comparative baseline.
Medium-term: Year 2035	Reduce portfolio's CO_2 emissions by 20% or more by 2035 with FY 2025 as the comparative baseline.
Long-term: Year 2050	Decarbonisation aligned with Science Based Targets initiative ("**SBTi**") to achieve Net Zero by 2050.

Accessibility And Feedback

We have made this Sustainability Report available online on our corporate website at www.cdlht.com. In line with our environmental objective to conserve resources and minimise impact on the environment, CDLHT will only print a limited number of the Annual Report (which includes the Sustainability Report).

As we aim to continuously progress in our sustainability journey, we welcome any feedback and comments regarding our Sustainability Report. Please contact Mr. Paul Kitamura, Head of Asset Management at PaulKitamura@cdlht.com or Mr. Dominic Chen, Senior Manager, Asset Management at DominicChen@cdlht.com

(2) voco Manchester - City Centre in the United Kingdom has been excluded from FY 2024's reporting scope for GHG emissions and resource usage as it is under a fixed-rent lease arrangement, where the lessor has limited access to data. In particular, the occupational lessee and hotel manager are two separate third parties. The Castings, Hotel Indigo Exeter and Benson Yard were also excluded because The Castings has not reached stabilisation, while Hotel Indigo Exeter and Benson Yard were acquired only in November and December 2024 respectively.

OUR SUSTAINABILITY APPROACH

In alignment with our sustainability vision and mission, CDLHT's Sustainability Framework consists of five fundamental pillars. These pillars encapsulate the priorities of our stakeholders, influence our sustainability policies and initiatives, and enable us to generate significant impact across our material ESG factors.

SUSTAINABILITY VISION AND MISSION

VISION	MISSION
Establishing CDLHT as the premier hospitality and lodging platform with sustainable, innovative, and quality accommodation spaces, generating long-term value for our stakeholders	To enable sustainable profitability by acting as responsible stewards of our environmental and social landscapes

SUSTAINABILITY FRAMEWORK

VALUE	ENVIRONMENT	PEOPLE	COMMUNITIES	GOVERNANCE
Responsible investment and sustainable value	Climate resilience and environmental stewardship	Inclusiveness, safety, growth and diversity	Engage local communities and advocate for positive impact	Good governance and ethical business

The five pillars are represented via 20 material ESG factors, each of which comprise a set of actions and initiatives, and where relevant, annual performance targets. The Managers regularly validate these material ESG factors through the sustainability governance structure and stakeholder engagement processes in order to ensure that CDLHT continuously maintains a robust, overall sustainability architecture for achieving the goals. The subsequent sections in this Report explain each of these items in depth.

Delivering Value And Best Practices

As part of a broader commitment to be a responsible investor and generate long-term value for the stakeholders, CDLHT champions ESG best practices across the portfolio through a diverse set of initiatives. By engaging in active asset management and incorporating various ESG initiatives within the portfolio, we establish a practice inventory that consolidates and shares these positive actions for implementation across the entire group.

The environmental stewardship efforts span across building operations and include energy conservation, renewable energy sourcing, water conservation and waste reduction. These initiatives are being rolled out across all properties to meet and exceed ESG benchmarks for the portfolio and align with industry best practices.

Action Across Properties

CDLHT's portfolio of hotels are committed to sustainability through a range of ESG initiatives aimed at optimising operations and reducing carbon footprint. Measures such as adjusting equipment operating hours, replacing single-use bathroom amenities with recyclable pump dispensers, and offering guests the option to skip daily housekeeping have contributed to lower energy consumption and waste reduction. Some properties have improved equipment efficiency through upgrades, such as the completion of Studio M Hotel's Variable Refrigerant Volume ("**VRV**") system upgrade, which achieved an improvement of 24% in total system efficiency. Additionally, some properties have piloted Air Handling Unit ("**AHU**") optimisers that dynamically adjust air operations, resulting in approximately 40% energy savings.

In the Maldives, the implementation of Phase 2 solar expansion has increased total renewable energy generation to 731 MWh in 2024, further reducing reliance on diesel fuels. At our Sponsor group, Millennium & Copthorne branded hotels in Singapore have attained Global Sustainable Tourism Council ("**GSTC**") certification, the first of its kind in Singapore, reinforcing their commitment to responsible hospitality. Meanwhile, Pullman Hotel Munich and Hotel Cerretani Firenze - MGallery have been awarded BREEAM certification for meeting high sustainability standards. These efforts reflect the continuous push for environmental responsibility, ensuring that the properties operate efficiently while minimising impact on the planet.

Beyond environmental sustainability, we are equally committed to fostering a positive social impact. CDLHT's properties enhanced its social performance by providing staff with regular training on workplace health and safety topics, along with skills upgrading through e-learning platforms. The properties contribute to the community by participating in volunteer activities and partnerships with local charities.

SUSTAINABILITY REPORT

Key Results And Targets

CDLHT takes pride in the progress made across many of our material ESG factors. We have set a range of environmental targets relating to emissions, energy, water, and waste, as well as social targets relating to safety, corporate social responsibility, and training [(3)] for employees.

ESG Factors	Targets for FY 2024	Key results in FY 2024	Targets for FY 2025
Emissions Reduction	• Aim to be Net Zero by 2050 • Disclose 4 more categories of Scope 3 emissions	• Disclosed 7 categories of Scope 3 emissions	Decarbonisation target validated with SBTi
Energy Efficiency	• CDLHT aims to achieve an aggregate 5% - 7% reduction in energy consumption across our portfolio by 2026, with FY 2019 as the baseline. The baseline is 0.22 MWh/m^2 [(4)]	• The energy intensity is 11.1% lower than FY 2019 baseline	Maintain progress
Water Stewardship	• CDLHT aims to achieve an aggregate 2% - 7% reduction in water consumption across our portfolio by 2026, with FY 2019 as the baseline. The baseline is 2.5 m^3/m^2 [(4)]	• The water intensity is 16.9% lower than FY 2019 baseline	Maintain progress
Waste Reduction	• We target to remove or partly remove single-use plastic bathroom amenities from operations for 85% of our hotel portfolio by FY 2024	• 100% of our properties have replaced single-use bathroom products with reusable pumps	We target to remove single-use plastics in F&B operations for 100% of our hotel portfolio by FY 2025
Health and Safety Management	• We aim to have zero incidents of fatality or permanent disability and strive to minimise any work-related injuries	• Zero incidents of fatality or permanent disability in FY 2024	Maintain target
Local Community Impact	• The target for the portfolio is to conduct at least 15 community/social events or projects in FY 2024	• Our properties participated in over 80 corporate and social responsibility activities	Maintain target

(3) Training and Development targets has been revised to align with an evolving reporting approach, focusing on areas where CDLHT has greater influence and control.
(4) Intensity comparison uses building GFA as the denominator to account for portfolio changes and is consistent with industry standard.

Green Awards and Certifications

We view the accreditation of the portfolio's green building initiatives as strong recognition of our efforts toward becoming a leader in sustainable hospitality. Our dedication to sustainable operations continues to be recognised through various awards and certifications, reinforcing our commitment to responsible business practices.

Property	Country	Green Certification
Grand Copthorne Waterfront Hotel	Singapore	BCA Green Mark Award - Platinum GSTC Certification
Copthorne King's Hotel	Singapore	BCA Green Mark Award - Platinum GSTC Certification
Orchard Hotel	Singapore	BCA Green Mark Award - Gold Plus GSTC Certification
M Hotel	Singapore	BCA Green Mark Award - Gold Plus GSTC Certification
Studio M Hotel	Singapore	GSTC Certification
The Lowry Hotel	United Kingdom	EPC - B
Hilton Cambridge City Centre	United Kingdom	EPC - B
Hotel Indigo Exeter	United Kingdom	EPC - B
Benson Yard	United Kingdom	EPC - B
voco Manchester - City Centre	United Kingdom	BREEAM - Very Good EPC - B
Pullman Hotel Munich	Germany	BREEAM - Good Green Key
Hotel Cerretani Firenze - MGallery	Italy	BREEAM - Good Green Key
Ibis Perth	Australia	NABERS Energy - 4 stars NABERS Water - 3.5 stars
Mercure Perth	Australia	Eco Tourism Australia - Sustainable Tourism
Raffles Maldives Meradhoo	Maldives	Green Globe
Angsana Velavaru	Maldives	EarthCheck Gold

Excellence in Corporate Governance

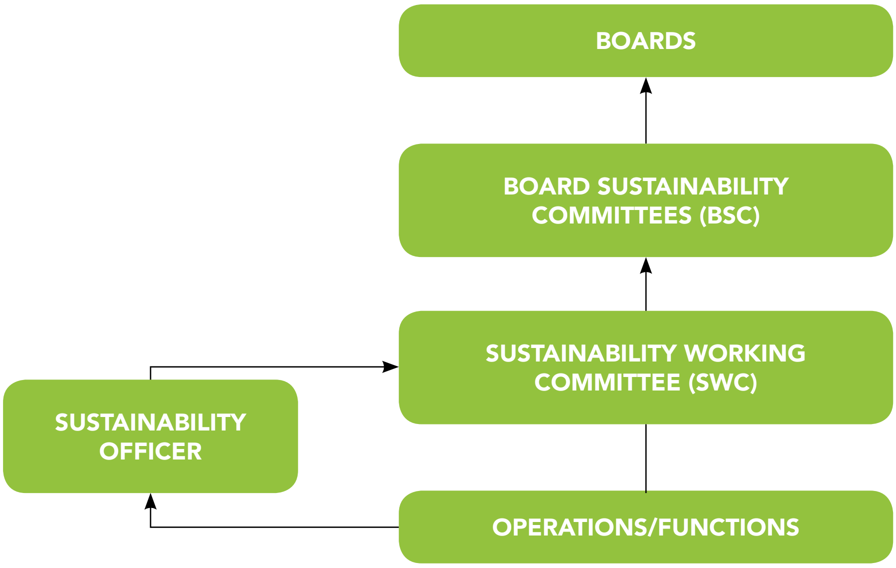
CDLHT continues to pursue excellence in corporate governance and has made great strides in the quality of engagement with shareholders, improving 22 places to place second in the Singapore Governance and Transparency Index 2024 – REIT and Business Trust Category. It was also the joint winner of the prestigious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

Rating/ Award	Achievement
Singapore Governance and Transparency Index (SGTI)	Second place in SGTI ranking in the REIT and Business Trust category (improved 22 places from a year ago)
SIAS Investors' Choice Awards 2024	Joint winner of the prestigious Shareholder Communications Excellence Award (REITs and Business Trusts Category)
Schneider Electric Sustainability Impact Award 2024	Country Winner 2024

SUSTAINABILITY REPORT

Sustainability Governance

CDLHT ensures sustained progress towards our sustainability goals and ambitions through our governance structure, which ensures the Boards have due oversight of all our sustainability initiatives and strategic imperatives.



At CDLHT, the Boards are responsible for overseeing all relevant sustainability considerations to ensure CDLHT's business goals and strategies are progressing in accordance with the objectives set. The Boards also manage and monitor the material ESG factors and their performance, including those pertaining to climate-related issues such as emission reductions and climate action and resilience.

In 2024, the BSCs of the Managers were formed to further enhance our sustainability governance and better dedicate management capacity toward sustainability-related issues. The BSCs took over this role from the Audit & Risk Committees ("**ARCs**") that previously governed our sustainability processes and strategies, including those pertaining to climate-related issues. The BSCs will continue working with the Sustainability Working Committee ("**SWC**") and report directly to the Boards. Our Management reports to the BSCs and Boards on CDLHT's sustainability efforts and performance progressively during the quarterly and end of financial year meetings.

The SWC comprises key personnel from various business functions and is led by the CEO of the Managers, Mr. Vincent Yeo Wee Eng. The SWC, overseen by the BSCs, manages and monitors CDLHT's overall sustainability performance and leads the development of strategies that incorporate material ESG factors into daily operations. A dedicated Sustainability Officer holds the full-time responsibility of driving green initiatives and tracking the sustainability-related metrics and reports frequently to the SWC.

To strengthen its sustainability and climate-related governance capabilities, CDLHT's Directors and senior management are all required to attend ESG workshops to expand their knowledge and awareness of environmental issues impacting the portfolio. In FY 2024, members from the BSCs and senior management attended workshops focused on understanding the requirements of the ISSB.

The monitoring of our sustainability performance continues to be supported by the portfolio-wide data capture and analysis software which is continuously enhanced to enable the collection of data from each property across an array of metrics. This allows CDLHT to better monitor, track and target individual property opportunities and enhance portfolio sustainability performance.

Material ESG Factors

CDLHT's material ESG factors were determined in consultation with external ESG consultants, internal stakeholders, and approved by our Boards. CDLHT considers these material topics to be directly relevant for the continuity of the business.

We conducted a materiality refresh in FY 2021 as part of a revision of the ESG framework, and we continue to review identified material topics yearly to ensure they remain relevant to business continuity. Since FY 2021, we have added five more topics to our reporting, and this year we continue to report the 20 material ESG factors across our five Core ESG Pillars.

Our sustainability framework aligns the core ESG pillars, material ESG factors, and our commitments to the United Nations Sustainable Development Goals ("**SDGs**"). The following table details how each pillar and its material ESG factors demonstrate our respective efforts in making contributions towards the SDGs.

Core ESG Pillar	Our Material ESG Factors	SDGs	Overarching Ambitions
Responsible Investment and Sustainable Value	• Economic Performance • Responsible Investment	8 Decent Work and Economic Growth	• Implement responsible investment practices • Create economic value for stakeholders and ensuring continual business growth
Good Governance and Ethical Business	• Board Diversity • Ethical and Transparent Business • Whistleblowing Policy • Anti-bribery and Code of Conduct • Compliance with Social and Environmental Regulations • Data Privacy and Protection • Safe and Liveable Buildings	12 Responsible Consumption and Production 16 Peace, Justice and Strong Institutions	• Ensure fair, responsible, compliant, and transparent business conduct • Educate and raise awareness on issues of modern slavery and human trafficking • Facilitate supply chain stewardship with vendors, partners, managers, and tenants
Climate Resilience and Environmental Stewardship	• Climate Action and Resilience • Emissions Reduction • Energy Efficiency • Water Stewardship • Waste Management	13 Climate Action	• Understand and manage climate opportunities and risks • Manage and minimise carbon footprint and reduce impact on the environment • Advocate, enable and enhance resource efficiencies in portfolio
Enabling Inclusiveness, Safety, Growth and Diversity of Our People	• Employment and Employee Engagement • Health and Safety • Diversity, Inclusion and Equal Opportunity • Training and Development • Fair Labour and Human Rights	3 Good Health and Well-Being 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	• Advocate, enable and enhance fair labour practices and employee well-being • Promote safe and healthy workplaces for people and customers • Engage with employees and support their growth and development
Engaging Local Communities and Advocate for Positive Impact	• Local Community Impact	10 Reduced Inequalities 17 Partnerships for the Goals	• Advocate strategic partnerships to enhance sustainability • Promote positive community engagement

SUSTAINABILITY REPORT

Stakeholder Engagement

CDLHT maintains proactive, regular communication and engagement with various stakeholder groups. We address their key areas of concern and keep them abreast of our initiatives and progress through proactive, regular communication and engagement.

In FY 2024, we continued our dialogue with our internal stakeholders through various channels throughout the year. Feedback from internal stakeholders is gathered at quarterly board meetings, as well as consistent dialogue with the operating and management teams of hotels across our portfolio.

We maintain continuous engagement with external stakeholders and target periodic engagement with hotel suppliers and business partners through symposiums and tradeshows, periodic meetings, and vendor assessments. The table below summarises our engagement efforts in FY 2024.

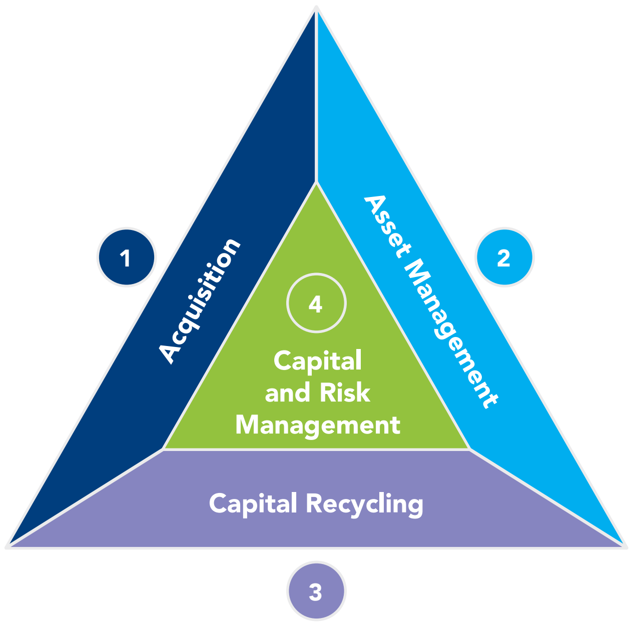
Stakeholder Group	Engagement Approach	Key Topics
Board of Directors	• Board meetings (including ad-hoc briefings with external ESG consultants) • Email communication	• Economic performance • ESG performance and trends • Sustainability-linked financing opportunities • Risk management • Responsible Investment
Government and Regulators	• Ad-hoc briefings and consultations • Participation in surveys and focus groups	• Risk management • Social and environmental related legislation
Hotel Employees	Led by hotel operators: • Training and transition assistance programmes • Annual employment survey • Performance and career development reviews	• Career development opportunities • Training and development • Workplace safety and well-being, including pandemic readiness
Hotel Guests	• Customer satisfaction surveys • Social media • Feedback via General Manager	• Customer health and safety • Environmental responsibility
Master Lessees and Hotel Managers	• Regular management meetings and communication • Bilateral communication, one-on-one meetings, and site visits	• Workplace safety and well-being • Customer health and safety • Eco-efficiency of buildings • Sustainable operating standards & practices
Investors, Analysts and Media	• Release of financial results and announcements, press releases and other disclosures through SGXNet and CDLHT's website • Meetings and calls with analysts and media • Investor meetings, conferences and roadshows • Annual General Meetings • Annual reports and sustainability reports • Media releases and interviews • Responses to investors' sustainability surveys	• Business strategy and outlook • Corporate governance • Progress on ESG initiatives • Distribution and earnings • Market and operational performance • Regulatory compliance
Hotel Suppliers and Business Partners	Led by hotel operators: • Assessment of suppliers and vendors • Meetings with business partners	• Economic performance • Environmental factors • Due diligence process during selection

RESPONSIBLE INVESTMENT AND SUSTAINABLE VALUE

At CDLHT, we drive the shift towards responsible investing by ensuring transparent, sustainable, and ethical investments. As the properties operate across numerous geographies, we track, as far as possible, the portfolio's environmental and social impacts, risks and opportunities across our business value chain and operations. We create sustainable value by incorporating our ESG material topics within our economic performance, investment decisions, and business efforts, and strategically adopting a holistic business approach that contributes to the betterment of the communities in which we have a presence. We aim to deploy our capital to make a positive contribution to the environment and society towards building a sustainable future.

Economic Performance

As one of the leading hospitality trusts, ensuring economic growth is paramount to the sustainability of our business. Our primary economic objectives are to maximise the rate of return of Stapled Security Holders whilst ensuring regular distributions. The financial summary of FY 2024's operations, revenues and costs are highlighted on pages 190 to 192, in our Annual Report. Our management aims to achieve these economic objectives through the following means:



1 Acquisition Growth Strategy

- Pursue quality assets with stable long-term growth potential
- Pursue asset class diversification within the lodging space to promote income stability
- Adopt a medium to long-term perspective to ride through market cycles
- Partner with or tap on potential pipeline from M&C/CDL

2 Asset Management Strategy

- Work closely with master lessees, hotel/property managers and/or operators to implement active revenue and cost management
- Implement asset enhancement initiatives to optimise asset potential
- Operate and invest in alignment with relevant ESG standards

3 Capital Recycling Strategy

- Evaluate divestment opportunities periodically to recycle capital for better returns, rebalance portfolio and/or unlock underlying asset values
- Continually improve quality of portfolio

4 Capital and Risk Management Strategy

- Maintain a healthy balance sheet
- Enhance financial flexibility by maintaining diversified sources of funding
- Manage exposure arising from interest rates and foreign exchange through appropriate hedging strategies

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Responsible Investment

Increasingly, businesses continue to broaden their corporate objectives, including notions of profit-with-purpose. This is also evident from the rapidly increasing value of global assets under management with an ESG mandate, and asset managers that have committed themselves to sustainable or net-zero portfolio investments. As we progress towards a more sustainable world, CDLHT has built ESG considerations into investment decisions as part of its responsible investment approach.

Approach

As part of the investment due diligence process, we continue to assess the sustainability performance and risks of potential acquisitions by conducting ESG due diligence. This due diligence process allows us to identify potential ESG risks and opportunities for improving the energy efficiency of the assets.

Various risks are evaluated across ESG, including:

- Climate and environmental risks: Energy efficiency, renewable energies, water utilisation, waste and pollution.
- Social risks: Accessibility, health and well-being of stakeholders.
- Governance risks: Sustainability labelling of ESG strategy.

Additionally, as part of the ESG due diligence process to address environmental risks, carbon due diligence will also be conducted to identify the asset's carbon footprint, energy consumption and GHG emissions.

Our responsible investment approach also includes managing ESG-related practices in all the properties we manage. Under each material topic, it is detailed how sustainable infrastructure is incorporated into the hotels, some of which includes the installation of solar photovoltaic ("**PV**") systems, electric vehicle ("**EV**") charging stations, eco-digesters to reduce food waste, and water-saving showerheads. Additionally, CDLHT actively pursues capital expenditure investment opportunities to enhance the buildings' sustainability performance, particularly focusing on improving the operational and energy efficiency.

Performance

In FY 2024, the implementation of Phase 2 solar expansion at Raffles Maldives Meradhoo and Angsana Velavaru has increased total renewable energy generation to 731 MWh, further reducing reliance on diesel fuels. Studio M Hotel has also undergone asset enhancement works with an upgrade to the air conditioning system, improving efficiency by 24%.

We are also pleased to share that W Singapore - Sentosa Cove has signed a partnership with CityOG for the installation of solar PV systems on its roofs. Through this partnership, CityOG will build, own and operate the solar PV systems, potentially generating 500 MWh annually for the property. Further information can be found under our material topic on Energy Efficiency, Water Stewardship and Waste.

Lastly, the new acquisitions in the last quarter of the year - Hotel Indigo Exeter, a hotel in Exeter, and Benson Yard, a purpose-built student accommodation in Liverpool, have both achieved an EPC 'B' rating.

GOOD GOVERNANCE AND ETHICAL BUSINESS

Ensuring fair, responsible, compliant, and transparent business conduct stands as a cornerstone in cultivating trust and fostering loyalty amongst all stakeholders. CDLHT steadfastly upholds its dedication to corporate governance, ethical business practices and compliance to all pertinent, applicable regulations, thereby fortifying the foundation of CDLHT's enduring sustainability while safeguarding the diverse interests of valued stakeholders, as well as reinforcing our position as a trusted partner and steward of value creation.

In FY 2024, the Managers have complied with the principles of corporate governance laid down by the MAS Code of Corporate Governance 2018 ("**Code**"), and also complied, substantially, with the provisions underlying the principles of the Code. In addition, the REIT Manager is a member of the Financial Industry Disputes Resolution Centre Ltd ("**FIDReC**") and a member of the REIT Association of Singapore ("**REITAS**").

Ethical and Transparent Business

Zero cases of corruption, bribery and misconduct in FY 2024

Social and Environmental Compliance

Zero cases of non-compliance with social, environmental laws in FY 2024

Data Privacy and Protection

Zero data privacy and protection breaches in FY 2024

Board Diversity

Approach

In accordance with CDLHT's commitment to sustainable development, the Boards of the Managers recognise the importance of a diverse Board of Directors to enhance the decision-making process of the Boards through a range of perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

Directors are selected based on merit against an objective criteria that complements and expands the collective skills and experience of the Board. Careful consideration will be given to maintain the diversity, balance and effectiveness of the Boards.

The Nominating and Remuneration Committees of the Managers will periodically assess the relevance and effectiveness of the Board Diversity Policy. Based on the findings, adjustments will be recommended to ensure the continued effectiveness of diverse Boards.

Performance

The Managers strive to maintain a board size of six members and have consistently maintained independence with at least two out of three or more members being independent over a 4-year period. The Directors are selected with the relevant expertise and experience that would complement those already on the Boards and for succession planning. A new independent director was appointed in February 2025 in anticipation of one of the current independent directors stepping down due to expiration of his 9-year term.

Four out of the six of the Boards' members are independent, and one out of the six is below 50 years old in FY 2024. The Managers target to improve age diversity over a 4-year period by appointing younger directors aged 50 or below to further complement the Board's diversity.

CDLHT currently has two female members in the Boards and has achieved its target to increase its female representation to at least 25% by FY 2025.

Ethical and Transparent Business

At CDLHT, we are committed to uphold the highest level of integrity and ethical standards across all our business functions and operations. We commit to this through our robust corporate governance, responsible business practices, accountability, and transparent management systems that are key towards preventing incidents of misconduct, corruption, and non-compliance throughout our organisational processes. By upholding these principles, we earn the trust of not only our stakeholders, but also within the wider community. This stands as the foundation of our success, ensuring that all our actions are guided by ethical and transparent principles.

Approach

To uphold good corporate governance, we prioritise mandatory compliance training tailored to the specific business functions of all our employees. This ensures that every member of our team is equipped with the knowledge and skills necessary to navigate their roles with integrity and adherence to our principles. Additionally, our hotel employees are required to practise and uphold the highest level of integrity across all our operations.

We have adopted numerous policies to promote a robust risk management culture. This includes addressing various concerns that uphold ethical business practices, such as our Anti-bribery Policy, Anti-corruption Compliance Guide, Business Hospitality and Gifts Policy and Whistleblowing Policy. Additionally, we have established policies on Corporate Communications, Global Data Protection and Related Party Transactions to further enhance our dedication to ethical business practices and accountability.

Across the portfolio, the implementation of these policies is managed through the following processes:

- Regularly screening the policies to ensure alignment with evolving laws and regulations, and implementing any updates.
- Reporting of any suspected violations to the established line manager.
- Maintaining oversight and monitoring of non-compliance issues.
- Documenting incidents through incident reports that will be filed with the Security department.

Performance

In FY 2024, we had zero cases of misconduct and non-compliance across the portfolio. Additionally, we did not observe any anti-competitive behaviours or violations of anti-trust or monopoly legislation. As a result, CDLHT did not incur any related fines or sanctions.

Whistleblowing Policy

Approach

The Managers have in place a comprehensive whistleblowing policy that sets out the procedure for employees, directors as well as third parties to raise any concerns on possible improprieties in confidence and good faith without any fear of reprisals. The whistleblowing policy is incorporated into all new employees' orientation training and is publicly accessible on CDLHT's website. Any concerns raised will be independently investigated, and appropriate actions will be taken as necessary.

Moreover, all our hotels maintain an open-door policy through their human resource departments, providing employees with a safe and open channel to report any incidences of non-compliance or violations.

The Managers' ARCs maintain oversight and review of whistleblowing incidents during their scheduled meetings to ensure continuous monitoring and accountability.

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Performance

There were zero incidences of whistleblowing complaints received via CDLHT's whistleblowing channels in FY 2024.

Anti-bribery and Code of Conduct

Approach

CDLHT upholds a zero-tolerance stance against bribery, corruption, or fraud. The Managers are committed to conduct business with integrity and adherence to all relevant laws and regulations. To further strengthen this commitment, CDLHT has implemented comprehensive policies and guidelines to provide direction to all employees of the Managers, maintaining the highest standards of integrity in their work and business dealings. There is also an Internal Code of Business and Ethical Conduct, alongside a Business Hospitality and Gifts Policy, that outlines the proper protocols for handling gifts (monetary or in-kind), entertainment or concessionary offerings.

Furthermore, all employees of the Managers undergo refresher training sessions periodically to re-acquaint themselves with anti-corruption policies and procedures.

Performance

The Managers strive to maintain zero incidences of corruption, bribery and misconduct. In FY 2024, there were no such incidences reported. We continuously conduct training sessions on relevant policies as part of the orientation for new hires, and keep our employees informed of any development to applicable policies and regulations.

Compliance With Social and Environmental Regulations

As an organisation with a global portfolio, CDLHT is conscious of complying with all social and environmental regulations of the countries we operate in.

Approach

We closely monitor changes to requirements through our monthly discussions with hotel operating partners in each country. This process allows us to ensure that each hotel is compliant with local and national regulations, and promotes responsible and lawful operations.

Performance

In FY 2024, CDLHT had zero incidences of non-compliance with social and environmental laws, and no significant fines and sanctions. CDLHT aims to maintain zero incidences of non-compliance with social and environmental laws and regulations, mitigating the risk of substantial fines and sanctions.

Data Privacy and Protection

Approach

The Managers have implemented a Data Protection Handbook in place to safeguard personal data processed, adhering to relevant legal requirements outlined in the Personal Data Protection Act ("PDPA"). Furthermore, all lessees and hotel managers diligently comply with local data and privacy laws within their respective jurisdictions.

Performance

In FY 2024, there were no complaints received by the Data Protection Officer on data privacy breaches. The portfolio properties will continue to maintain its best practices in data protection measures, both within our operations in Singapore and overseas.

Safe and Liveable Buildings

At CDLHT, we understand that developing infrastructure that positively influences our occupants is a crucial step towards creating a liveable city. We are committed to delivering high standards of building safety and ensuring the comfort of our guests, visitors and tenants. Liveable buildings also directly contribute to the quality and service reputation of our hotel assets, and the quality of spaces and tenant satisfaction at our commercial assets. Our buildings are equipped with amenities that provide universal and family-friendly accessibility to our building facilities.

Approach

The Managers ensure that all buildings comply with their respective regulations and best practices on building safety, accessibility, and liveability. In Singapore, the Managers ensure that all buildings comply with the Building and Construction Authority's ("**BCA**") Code on Accessibility in the Built Environment and where requirements are not met, to retrofit the buildings as expediently as practical.

Building inspections are also periodically carried out to ensure our properties meet safety standards and provide a safe living environment for our occupants. Guest satisfaction surveys are carried out to understand how we can improve our buildings to better serve the guests' and tenants' needs, continuously seeking improvement with respect to the feedback.

Performance

There were zero incidences of non-compliance or statutory lapses recorded in FY 2024. CDLHT pledges to maintain these stringent standards, guaranteeing that all development and asset enhancement efforts prioritise safety and comfort for guests and tenants.

CLIMATE RESILIENCE AND ENVIRONMENTAL STEWARDSHIP

CDLHT recognises the importance of addressing climate change and mitigating affiliated risks to ensure alignment with best practices within the industry.

As a key player in the hospitality industry, we actively engage in activities and initiatives aimed at reducing environmental impact. We do so through efforts to conserve natural resources by reducing energy and water consumption, lowering direct and indirect carbon emissions, and minimising waste generation across the portfolio of properties. We strive to lead by example and aim to create positive change within the hospitality industry and contribute to a more sustainable future.

Climate Action And Resilience
Third year of TCFD disclosure, ahead of SGX requirements.
Emissions Reduction
Complete inventory for Scope 1, 2 and 3 GHG emissions.
Energy
Energy intensity is 11.1% lower compared to FY 2019
Water
Water intensity is 16.9% lower compared to FY 2019
Waste
Achieved target to replace 100% of single-use bathroom products with reusable pumps in 2024.

Climate Action and Resilience

Climate change poses both physical and transition risks to CDLHT's global assets and operations, underscoring the importance of our commitment to climate action and its respective impact on business strategies and engagement with stakeholders. As CDLHT's operations traverse multiple continents, it is critical for us to take stock of regional factors including climate risks at each asset's geography. These include changing energy costs in the world's transition to a low-carbon economy, and physical risks of flooding and other natural disasters. By proactively identifying and addressing these challenges, we enhance the sustainability and resilience of our business, ensuring that they remain aligned with evolving climate realities.

Approach

Since FY 2022, CDLHT has adopted the recommendations of the TCFD as a guiding framework in presenting climate-related risks and opportunities and how we approach climate resilience, with a global presence.

Scenario Analysis

In FY 2022, we conducted our first climate scenario analysis against the Intergovernmental Panel on Climate Change ("**IPCC**") scenarios. This exercise helped us better understand the implications of climate-related risks and opportunities on our business activities and gained valuable insights into the effectiveness of our actions in enhancing CDLHT's climate resilience.

Climate-related Risk Management

Additionally, we have identified several climate-related risks that may be financially material to operations and provided the mitigation and adaptation measures.

Notably, some of these risks may also present themselves as opportunities for CDLHT to capitalise on and gain a competitive edge through an effective climate strategy.

We continue to refine our climate risk management policies and systems, recognising the value they provide in business decision-making. Our commitment is to minimise exposure to material climate risks by integrating climate-related factors into our investment policy and conducting relevant analysis as part of our investment and divestment strategy.

We will continue to strengthen our capabilities and experience in this area and remain dedicated to reporting on the progress in future years.

ESG Corporate Metrics and Targets

The Managers track sustainability-related performance and seek to improve sustainability and climate-related metrics and targets via tracking and disclosure. In addition, the Managers maintain an internal corporate scorecard that includes ESG-related targets. The corporate scorecard performance is a material component of the Managers' executives' remuneration, aligning financial incentives partially to sustainability-linked initiatives.

Performance

Also provided are the ESG metrics on other resource usage data, including the forms of energy consumption, water consumption and waste generated, which are used to track, assess, and monitor climate-related risks and opportunities, as follows:

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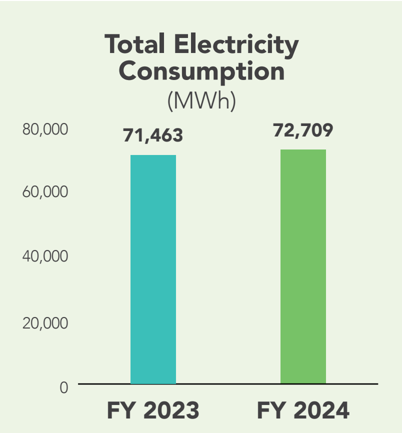
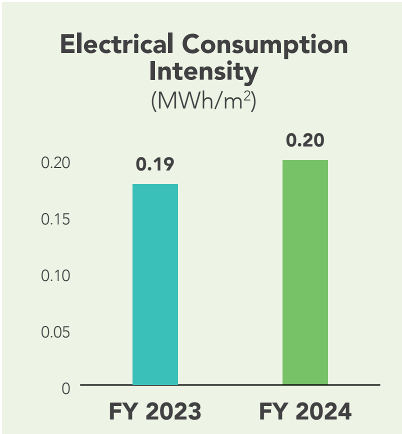
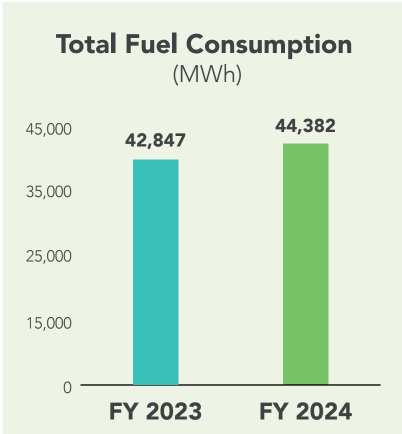
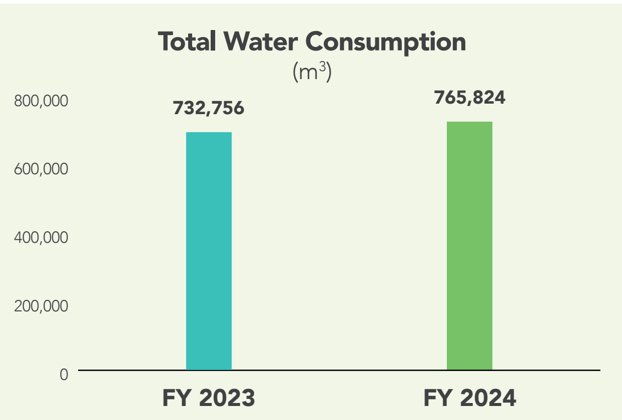
Energy Consumption (5)

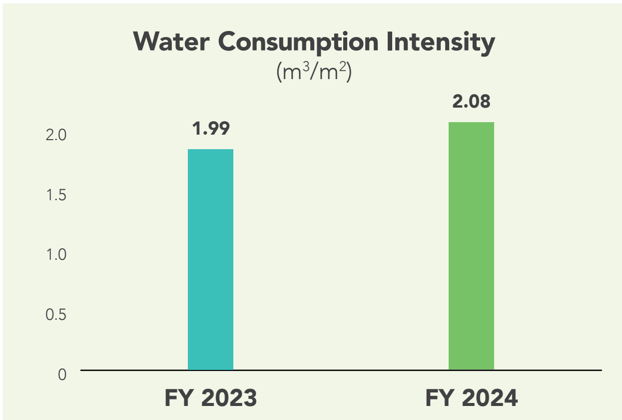






Water Consumption (6)





Targets

The individual targets set out for each category of resource usage are detailed in their respective sections within our ESG material topics below. As CDLHT continues to make progress on tracking and reporting its full GHG emissions footprint, we will also align the attainable and ambitious short-, medium- and long-term resource usage targets with those for decarbonisation, including being SBTi aligned in the future, with the view to achieve Net Zero by 2050.

(5) Further information can be found under our material topic on Energy Efficiency.
(6) Further information can be found under our material topic on Water Stewardship.
(7) Further information can be found under our material topic on Waste.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT

CDLHT presents its FY 2024 TCFD recommendations-aligned report in the following section. The disclosures here are also made in accordance with MAS' Guidelines on Environmental Risk Management for Asset Managers, which have been in effect since June 2022 and aim to enhance the policies and actions of asset owners, as well as the disclosures surrounding them. We express support for MAS' initiative and expect to apply the guidelines to improve the direction and clarity of our climate resilience, mitigation and adaptation measures.

We seek to continuously improve the management of climate-related issues and the quality of our TCFD-aligned disclosures in future Reports.

Governance

The Boards maintain overall responsibility for overseeing the integration of sustainability into CDLHT's business goals and strategies and approve the environment-related (including climate) policies and frameworks. The Boards monitor CDLHT's material ESG factors and respective performance, which includes climate-related risks and opportunities pertaining to CDLHT's emissions reductions and climate action. The Boards are updated on all relevant ESG issues and their progress on a quarterly basis.

Within the Boards, the BSCs oversee CDLHT's sustainability processes and related strategies, ensuring they are in line with CDLHT's overall strategy and risk management. Management has developed and implemented an environmental risk management framework and policy, as well as tools and metrics to monitor exposures to environmental risk. Management reports to the BSCs and the Boards on CDLHT's sustainability efforts and performance progressively throughout the year at the quarterly and end of financial year meetings. Management updates the Boards on specific environmental or climate-related issues at least once a quarter.

CDLHT's SWC, which comprises key personnel from various business functions, is led by the CEO and overseen by the BSCs. At the operational level, the SWC manages and monitors CDLHT's overall sustainability performance and formulates strategies, including those at the individual function level that incorporate material ESG factors into daily operations.

Further details of our climate and overall sustainability governance structure and processes may be found in the *Sustainability Governance* section under *Our Sustainability Approach*.

Strategy

CDLHT identifies its material ESG topics, including those that pertain to our climate-related risks and opportunities, through a materiality assessment. Climate-related issues are addressed under the topics of *Climate Action and Resilience*, as well as Emissions Reduction, within our *Climate Resilience* and *Environmental Stewardship* pillar. We aim to further strengthen this identification process as we undertake our annual material topic assessment and review, including for those on climate-related topics, which are reported with reference to the GRI standards.

The Managers conducted a scenario analysis exercise in FY 2022 to determine the climate-related risks and opportunities that would be material to our operations. The risks were explored across the eight geographical markets in the portfolio using the following parameters:

Scenario Parameters	
Assets and country coverage	18 properties in eight countries [(8)]
Baseline year	2019
Scenarios explored	1.5°C warming (IPCC RCP 2.6) > 3°C warming (IPCC RCP 8.5)
Timeframes explored	Short-term: 2030 Medium-term: 2050

(8) The scenario analysis boundary was established in early FY 2022, prior to the acquisition of voco Manchester - City Centre. The Castings was excluded from the scenario analysis as development was only completed in mid-2024, while Hotel Indigo Exeter and Benson Yard were acquired later, in November and December 2024 respectively.

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The analysis revealed a number of climate-related risks, tabled below, that may be financially material to our operations. Each of the identified risks includes our considered mitigation and adaptation measures.

Climate-related risks may be viewed as either physical or transition risks.

Physical risks are associated with the direct impacts of climate change, and include chronic risks that occur over a longer time period, such as rising sea levels, as well as acute risks that refer to hazards such as wildfires, heat waves or floods.

Transition risks are related to economic costs that may arise out of a transition toward lower-carbon economies, which encompass increased costs of carbon-intensive energy sources due to rising carbon tax, or increased compliance costs due to the need for green certification of buildings.

Risk Type	Geography	Potential Impacts	Risk Level 1.5°C Warming	Risk Level > 3°C Warming	Mitigation Measures
Extreme and more frequent heatwaves	Singapore, New Zealand, Australia, Maldives, United Kingdom	Increase in cooling demand which may lead to higher utilities costs	Low, Moderated	Moderated, High	• Increase measures to prevent health risks of the staff and guests in the hotels due to heat stress
Flooding	Singapore, New Zealand, Australia, Japan, United Kingdom, Germany, Italy	Loss of asset value and operational costs due to business disruptions	Low, Moderated	Moderated	• Performing specific site level climate risk assessments, especially for new investments • Considering mitigation and adaptation measures • Reviewing insurance coverage
Windstorms and tropical cyclone	Singapore, Japan, United Kingdom, Germany	Loss of asset value and operational costs due to business disruptions	Low	Low, Moderated	• Performing specific site level climate risk assessments, especially for new investments • Considering mitigation and adaptation measures • Reviewing insurance coverage
Rising sea levels	Maldives, United Kingdom	Loss of asset value (asset may become uninsurable)	Low, Moderated	Moderated	• Performing specific site level climate risk assessments, especially for new investments • Considering mitigation and adaptation measures for higher risk assets
Carbon pricing	All	Increase in operational costs associated with carbon pricing	High	Low	• Developing a decarbonisation roadmap
Technology adoption and market shifts	All	Potential regulatory obligations to adopt certain technologies	–	–	• Assessing green/smart building technologies that can value add and improve building operation

High Moderated Low

For FY 2024, we reassessed our climate scenario analysis results from FY 2022 and determined that they remain relevant for our climate-related strategy and risk management. We continuously assess the need for an updated climate scenario analysis, and we will perform another analysis in the future as circumstances require it.

CDLHT is incorporating the prioritised climate-related risks and opportunities into the general decision-making process and investment strategy. Currently, we are exploring the implementation via two differentiated approaches for the shorter term (by 2030), and longer term (by 2050).

As we adjust our operations in the transition to a low-carbon economy, immediate impacts on our investment strategies include an avoidance of locations with significant physical risk, or the implementation of building mitigation and adaptation measures at specific sites. We also consider low-carbon and renewable energy features in the buildings when assessing potential acquisitions.

Through sustainable financing, the setting and meeting of intermediate sustainability goals and targets has allowed us to access credit facilities and reap interest savings for the business. In line with our commitment to sustainable financing, approximately 82% (S$310.8 million) of maturing loans were refinanced as sustainability-linked loans in FY 2024, bringing our total sustainability-linked facilities to S$666.0 million at year-end. CDLHT will continue to expand its sustainability-linked financing to align with its steadfast commitment towards the environment and sustainable business practices.

Green Finance Transactions	Issue Date	Maturity Date	Facility Amount
Sustainability-linked Term Loan	6 June 2023	6 June 2028	S$120.0 million
Sustainability-linked Term Loan	23 August 2023	23 August 2028	£50.0 million
Sustainability-linked Committed Multicurrency Revolving Credit Facility	26 December 2023	26 December 2026	S$50.0 million
Sustainability-linked Committed Multicurrency Revolving Credit Facility	29 December 2023	12 January 2027	S$100.0 million
Sustainability-linked Term Loan	20 August 2024	20 August 2029	€35.6 million
Sustainability-linked Term Loan	27 August 2024	27 August 2029	S$70.0 million
Sustainability-linked Term Loan	10 December 2024	10 December 2027	S$88.0 million
Sustainability-linked Term Loan	24 December 2024	24 December 2029	£60.2 million

In addition to the climate-related risks and opportunities detailed above, we continue to make progress developing our overarching strategy for achieving Net Zero emissions by 2050 to ensure we stay resilient to climate, physical and transition risks posed to our assets.

We have also established our baseline for Scope 3 GHG emissions in FY 2023 and completed our full inventory this year through disclosure of seven material Scope 3 categories. We will continue to improve our overall data collection processes for all three GHG emission scopes.

As part of this commitment, we will be measuring our near-term and long-term performance, including addressing both our physical and transition risks, through our decarbonisation strategy. We aim to solidify this strategy through analysis of emissions data and develop an emissions reduction trajectory following a science-based approach. We continue to update on our progress with each sustainability report.

Further details regarding our strategy and alignment with the SBTi are provided in the *Emissions Reduction section within our Climate Resilience and Environmental Stewardship* pillar.

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Risk Management

Risk management constitutes a key component of CDLHT's ESG policy and takes into consideration the Guidelines on Environmental Risk Management for Asset Managers set by MAS. CDLHT's ESG risk management process includes:

- A risk identification checklist that guides the scoping of an ESG risk universe, shortlisting the most relevant ESG factors for CDLHT's operations.
- Alignment with the overall Enterprise Risk Management system, which subjects all risks, including ESG risks, to three lines of defence mechanisms. This system prioritises and assesses risks according to likelihood, degree of impact, and urgency vis-à-vis other risks. It is maintained through a risk matrix, and controls are assigned to each risk. Additionally, when addressing ESG risks, appropriate treatments are developed including avoiding, mitigating or transferring risks.
- Processes to monitor, assess and manage the ongoing risks of environmental impacts on individual investments and at portfolio level. Risk and return profiles of the investment portfolio are expected to be updated for material occurrences such as natural disasters or significant regulatory changes.

In FY 2024, the Managers held a climate risk workshop with senior management, focusing on Scope 3 GHG emissions. The workshop aimed to enhance the understanding of material emission categories relevant to our business and strengthen collaboration across the supply chain. Climate risks, including GHG emissions, will be further considered as part of the climate risk analysis. The findings will be communicated to the Boards, where high-risk areas will be reviewed and deliberated with a mitigation strategy.

Emissions (FY 2024)

We account for consolidated GHG emissions data according to the operational control approach methodology under the Greenhouse Gas Protocol Standard as it is best aligned with our ability to exercise influence over emissions-related activities within our control.

Based on this approach, CDLHT only holds operational control over The Lowry Hotel. Hence, all the emissions pertaining to energy use from the remaining properties fall under Scope 3 Category 13 Downstream Leased Assets. The Scope 1, 2 and the remaining Scope 3 categories emissions comprise the Managers' office in Singapore and The Lowry Hotel in the United Kingdom.

Our Scope 1, 2, and 3 emissions are summarised in the table below. Further details, including the breakdown of each category, are presented within the *Emissions Reduction* section below.

Scope 1 emissions (tCO_2e)	448
Scope 2 emissions (tCO_2e)	34
Scope 3 emissions (tCO_2e)	41,637
Total (tCO_2e)	42,119

Emissions Reduction

The hospitality industry remains a significant contributor to global GHG emissions. According to the World Sustainable Hospitality Alliance, the hotel sector accounts for around 1% of global carbon emissions, with this amount expected to increase over time [9]. Recognising the substantial risks posed to our business operations due to climate change, we remain committed to reducing emissions, thereby ensuring the sustainability of our business and contributing to climate change mitigation efforts.

Approach

In line with the Singapore Hotel Sustainability Roadmap's targets, we began tracking and reporting our Scope 1 and 2 GHG emissions in FY 2022. This will serve as our emissions baseline for future comparisons. Scope 1 and 2 emissions are important metrics for understanding CDLHT's level of exposure to climate risk, and these metrics highlight our reliance on non-green sources of energy and products as the world undergoes a green transition. These emissions also reflect our energy consumption, which is necessary to provide evidence for our sustainability-linked loans.

This year, we have achieved a more comprehensive understanding of our emissions baseline by enhancing our Scope 3 emissions reporting. To proactively align with upcoming regulatory requirements effective from FY 2027, we have taken the initiative to obtain external limited assurance for our Scope 1 and 2 GHG emissions. By adopting this measure ahead of the mandate, we aim to enhance the credibility and transparency of our disclosures while reinforcing stakeholder confidence in our sustainability reporting. This early adoption also allows us to refine our assurance processes, address potential challenges, and ensure a seamless transition to full compliance when the requirement comes into effect.

(9) Sustainable Hospitable Alliance: https://sustainablehospitalityalliance.org/our-work/climate-action/

Leveraging our more extensive GHG emissions inventory, we will conduct a further analysis of the data collected to identify carbon hotspots within our value chain. This will also be used to shape our emissions reduction strategy moving forward. We recognise the growing importance of GHG emissions reporting as a metric that our investors and other stakeholders are interested in and seek to continuously improve the underlying collection and reporting processes of emissions to build on the robustness of our disclosures.

Green Leases

To further advance sustainability efforts across the portfolio, CDLHT has embedded green clauses into lease agreements to align CDLHT's, operators' and tenants' interests in fostering environmentally responsible practices. While ongoing collaborations with our portfolio hotels on green initiatives continue to drive progress, these lease commitments solidify a shared dedication to sustainability. This aligns with our strategy to enhance resource efficiency, reduce carbon footprint, and promote responsible business practices among tenants.

At CDLHT, we actively champion green leasing as a strategic tool for driving sustainable outcomes across our portfolio. This encourages tenants to take part in impactful sustainability initiatives, including minimum equipment efficiency, lighting power budget based on BCA Green Mark standards and other sustainable practices. Through proactive engagement and shared accountability, we cultivate a strong sustainability culture that benefits both tenants and the broader community, reinforcing our unwavering commitment to environmental stewardship. Additionally, tenants are required to provide relevant data and reports to support the compliance with regulatory requirements, ensuring transparency and adherence to sustainability goals.

Green Supply Chain Management

CDLHT recognises the importance of a green and sustainable supply chain in driving decarbonisation efforts. While we do not have operational control over the properties when it comes to the selection of suppliers and vendors, we acknowledge the role that sustainable procurement can play in reducing environmental impact. As part of our commitment to responsible business practices, we will explore ways to encourage the adoption of greener supply chain standards in the future.

Performance

In FY 2023, CDLHT reassessed the governance of operational processes and policies over our portfolio properties and deemed that CDLHT holds operational control, according to the GHG Protocol Standard definition, over The Lowry Hotel only. Our Scope 1 and 2 emissions pertain to the use of natural gas and electricity, respectively, at the Managers' office in Singapore and The Lowry Hotel in the United Kingdom [10].

Our emissions arising from energy use include the use of fuel across the 18 portfolio properties across the different geographies. Diesel and LPG usage is mainly from properties in the Maldives, while natural gas is the main form of fuel used at the remaining properties.

Also in FY 2023, we began disclosure of Scope 3 emissions in response to the growing demands and requirements from regulations, the market, and investors' requests for transparency regarding value chain emissions. Scope 3 emissions are important to understanding CDLHT's exposure to climate risk as these emissions represent our level of interaction with downstream assets, suppliers, vendors, and other parties.

We started reporting on four categories - Fuel and Energy-Related Activities not included in Scope 1 or Scope 2 (Category 3), Waste Generated in Operations (Category 5), Business Travel (Category 6), and Downstream Leased Assets (Category 13). This year, we added three more categories to our reporting - Purchased Goods & Services (Category 1), Capital Goods & Services (Category 2), and Employee Commuting (Category 7).

Based on the operational control approach, all the emissions from the properties not within our control fall under Scope 3 Category 13 Downstream Leased Assets. The rest of our Scope 3 categories comprise emissions from the Managers' office and The Lowry Hotel.

Our emission factors are sourced from the United Kingdom's Department of Environment, Food & Rural Affairs ("**DEFRA**"), the International Energy Agency ("**IEA**"), and the United States' Energy Information Administration ("**EIA**").

(10) The Lowry Hotel uses 100% renewable energy. Hence, the hotel's Scope 2 emissions are reported as zero.

SUSTAINABILITY REPORT

GHG Emissions for FY 2024 (in metric tCO_2e)

Scope 1	448
Scope 2	34
Scope 3	41,637
Scope 3 Category 1 Purchased Goods & Services	249
Scope 3 Category 2 Capital Goods & Services	186
Scope 3 Category 3 Fuel and energy-related activities not included in Scope 1 or 2	228
Scope 3 Category 5 Waste Generated in Operations	1.69
Scope 3 Category 6 Business Travel	163
Scope 3 Category 7 Employee Commuting	84
Scope 3 Category 13 [(11)] Downstream Leased Assets	40,726

Targets

CDLHT aims to set a decarbonisation target based on SBTi's methodology to ensure that our GHG emissions reduction goals and pathway are aligned with the Paris Agreement, demonstrating our commitment toward greening our business. We have begun the process and aim to get this target validated by 2025.

We aim to work towards reducing our emissions through various energy efficiency measures, with a target of achieving Net Zero by 2050. CDLHT will also explore deriving our short-, medium-, and long-term decarbonisation targets to inform our decarbonisation strategy through the target-setting approach under SBTi. We will also consider decarbonisation strategies for identified emission-intensive hotspots.

Our reporting baseline for Scope 1 and Scope 2 emissions will be FY 2022. We have completed our Scope 3 emissions, fully deriving all material categories, this year and will begin to explore setting Scope 3 emissions targets, including those aligned with the SBTi.

We will continue to strengthen the analysis of our emissions to better inform our stakeholders of our decarbonisation strategy, such as identifying the emission hotspots to best tackle the most carbon-intensive categories within our Scope 1, 2 and 3 emissions and meet our Net Zero target by the year 2050.

Energy Efficiency

We are dedicated to reducing energy consumption throughout our entire portfolio by implementing a range of energy efficiency initiatives. Concurrently, we actively monitor consumption patterns to pinpoint areas for further improvement, enabling us to make the relevant strategic decisions for reducing our overall energy consumption. This proactive approach not only contributes to our environmental stewardship but also demonstrates our commitment to operational excellence and resource optimisation.

Approach

The numerous assets across the CDLHT portfolio tailor their energy management approaches according to their respective environmental policies and regulations, and are based on their individual energy practices. This involves implementing operational initiatives at the asset level aimed at directly reducing energy consumption and retrofitting technological advancements to generate energy efficiencies.

Operational Controls to Curb Energy Consumption

Our hotels primarily follow the environmental policies and energy management systems established by their respective brand systems. These systems monitor energy consumption practices, guide the implementation of energy-saving measures, and enhance awareness of energy consumption.

Primary energy efficiency measures adopted across our individual hotels include the use of Building Management Systems ("**BMS**") and Energy Management Systems ("**EMS**"). These systems assist in monitoring, managing, reporting, and ultimately controlling energy-intensive business operations, thereby enabling hotels to optimise their energy use. Our hotels employ BMS and EMS to determine lighting schedules, operating hours for building functions, temperature settings and other control functions to reduce energy consumption.

CDLHT has an established centralised data management platform that efficiently collects, organises and monitors ESG data from all of our properties. This platform allows for the real-time monitoring of ESG metrics such as energy consumption, waste management, carbon emissions and employee diversity. This data is meticulously analysed to identify areas for improvement and inform decision-making at both the individual property and portfolio levels.

(11) Pullman Hotel Munich uses 100% renewable energy. Hence, the hotel's energy consumption is reported as zero emissions under Scope 3 Category 13.

Actions Across Hotels

- M Hotel, W Singapore - Sentosa Cove, The Lowry Hotel and Angsana Velavaru have completed the installation of solar films to reduce heat penetration and shades to keep the buildings cool. This installation is also ongoing at Copthorne King's Hotel, Studio M Hotel, Mercure Perth, Raffles Maldives Meradhoo and Pullman Hotel Munich.
- All Singapore hotels, Hilton Cambridge City Centre, The Lowry Hotel and Pullman Hotel Munich continue to use Building/Energy Management Systems to manage and control their Air-Conditioning and Mechanical Ventilation ("**ACMV**") operations remotely. This also includes temperature sensors for auto ACMV set point controls and ACMV air-conditioning temperature set point reviews. This enables the hotels to effectively manage temperatures at optimal efficiency. With actively managed set points, the hotels were able to improve their energy efficiency by approximately 10%.
- Some of the hotels have implemented changes to the operating hours of some of our equipment. For example, all Singapore hotels, Hilton Cambridge City Centre, The Lowry Hotel, Ibis Perth, Mercure Perth and Pullman Hotel Munich switch off all Fan Coil Units ("**FCU**") and AHUs in the function rooms when they are not in use. The FCUs and AHUs will only be turned on during an event. At Orchard Hotel, Copthorne King's Hotel, M Hotel, Studio M Hotel, Hilton Cambridge City Centre and Ibis Perth, there have been changes to the operating hours for lift usage.

Retrofitting And Technological Advancements to Boost Energy Efficiency

To facilitate energy efficiency, we continue to utilise technological advancements by retrofitting our operational assets and equipment and improve utility consumption at all hotels. Several of our assets are now equipped with motion-sensor lights that automatically turn off when no movement is detected. Additionally, heavy machinery, such as escalators, are fitted with motion sensors and power-saving inverters to reduce electricity usage and extend lifespan.

Actions Across Hotels

- Over 90% of the properties have upgraded to LED lights, with the remaining ones in the process of this conversion, and over 70% of our properties have implemented motion sensor lighting in low traffic usage and reduced lightning schedule in public areas, including pathways, to reduce energy use. This enables additional energy savings when areas are unoccupied. Efforts to replace remaining lighting with LED technology are ongoing and continue to be implemented incrementally.
- Both the Maldives resorts completed their Phase 1 installation of solar panels in FY 2023. This year, Angsana Velavaru and Raffles Maldives Meradhoo has substantially completed the Phase 2 solar panel installation that is able to generate more energy for use.
- All escalators at Orchard Hotel, Grand Copthorne Waterfront Hotel and M Hotel have been retrofitted with motion sensors that will move at a low speed when there is no motion detected.

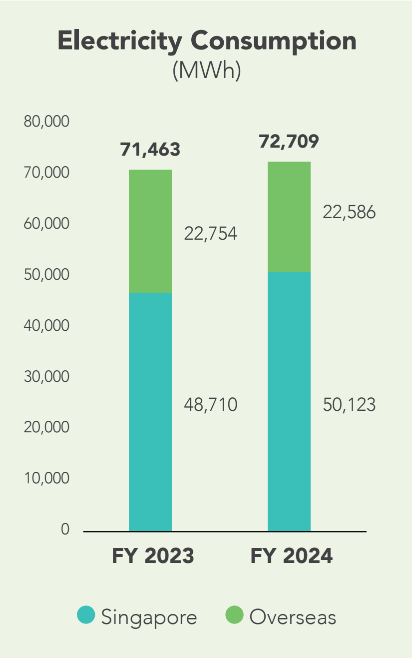
Performance

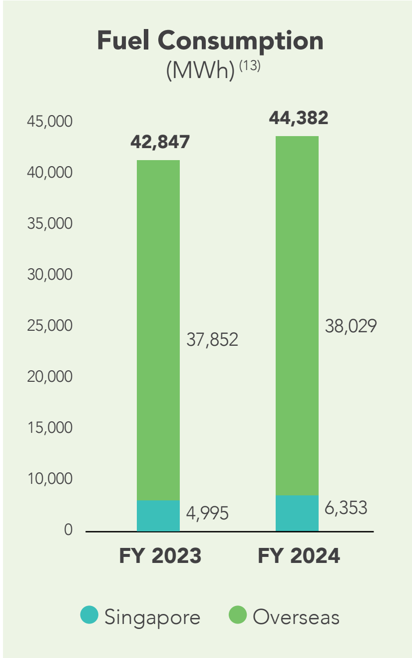
We experienced a 2% increase in overall electricity consumption in FY 2024, due to the consistent increase in overall business activities globally. This year, we have also started reporting the electricity consumption at the Managers' office.

Both The Lowry Hotel and Pullman Hotel Munich utilise 100% renewable energy. Additionally, the Pullman Hotel Munich consumed 1,987 MWh of district heating.

We will continue to look for new areas of improvement and opportunities to implement technologies to achieve our targets in reducing our overall consumption.

SUSTAINABILITY REPORT





Targets

CDLHT aims to achieve an aggregated 5% to 7% reduction in energy consumption (or corresponding intensity) across our portfolio by FY 2026, with FY 2019 as the comparative baseline year. Additionally, all the properties across our portfolio have individually established targets to meet.

This year, we achieved a 10% reduction in energy intensity compared to the FY 2019 baseline of 0.22 MWh/m^2.

Water Stewardship

Responsible water use is integral to the properties' operations. CDLHT prioritises efficient water usage practices through the implementation of robust water management and conservation initiatives to spearhead water preservation efforts and bolster the overall sustainability of our operations.

Approach

We are committed to conserving water and minimising water consumption through water management policies, operational control mechanisms and investments in technological advancements. The properties continue to implement water conservation policies to reduce overall water consumption and comply with the water-related regulations in their respective areas and countries.

In Singapore, the portfolio properties continue to report their water data on the Water Efficiency Management Plan of the Public Utilities Board. This allows the properties to effectively implement water conservation policies, monitor water utility and consumption, and identify potential areas to minimise water loss.

Operational Controls To Curb Water Consumption And Retrofitting To Boost Water Efficiency

All the properties have water management systems that monitor their daily water use across all functions. This enables them to identify abnormal spikes in consumption and respond. Daily monitoring has also aided in promptly identifying any abnormalities and leakages in water-providing mechanisms, helping to limit wasteful water loss. We recognise the role of innovation and technology in improving water efficiency and retrofitting our systems to conserve water.

(12) Electrical consumption intensity is defined as the electricity consumption (MWh) divided by the Gross Floor Area (m^2).
(13) Diesel volume data was converted into energy units based on the following: 1 litre of diesel = 38 Megajoules. LPG volume data was converted into energy units based on the following: 1 m^3 of LPG = 94.6 Megajoules.

Actions Across Hotels

- 100% of our hotels are fitted with water-saving shower heads that reduce consumption while maintaining water pressure as well as eco flush systems, which uses less water compared to a full flush. Efforts to upgrade the shower heads at the remaining hotels are ongoing.
- Over 50% of our hotels are equipped with water meter monitoring systems enabling time tracking of water consumption
- Grand Copthorne Waterfront Hotel and Copthorne King's Hotel upgraded its public restrooms which are fitted with water consumption restrictors. By using sensor-controlled taps, the hotel can reduce water wastage.
- Grand Copthorne Waterfront Hotel, The Lowry Hotel and Ibis Perth implemented a Smart Water Meter that is able to sense abnormalities in water usage.

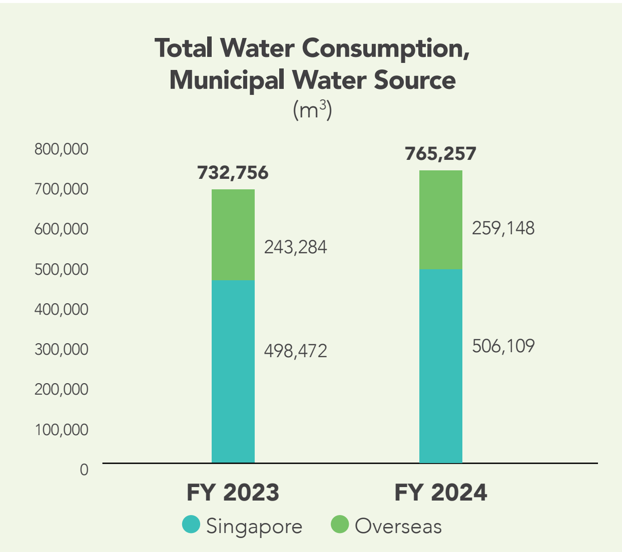
Recycling Water

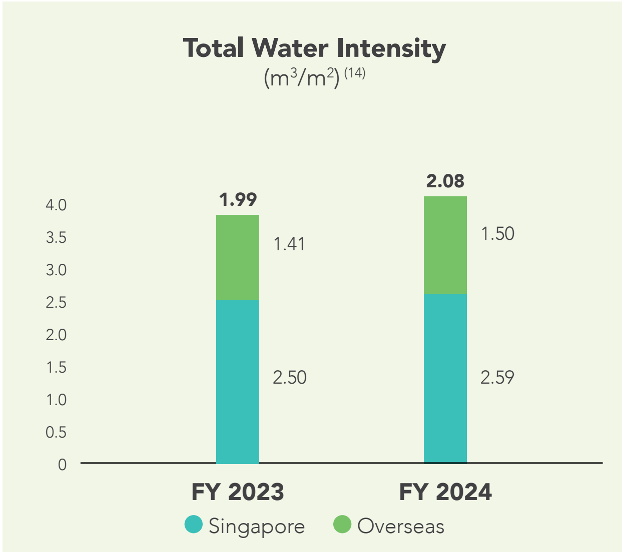
Several of CDLHT's properties endeavour to further reduce their water consumption by using recycled water and harvested rainwater. These have been used for landscaping and gardening purposes at W Singapore – Sentosa Cove, Raffles Maldives Meradhoo and Angsana Velavaru.

Performance

In FY 2024, we experienced an increase in overall water consumption and water intensity across the entire portfolio. CDLHT will continue to manage its water consumption responsibly across the portfolio and reach our long-term targets.

Total Water Consumption, Municipal Water Source (m^3)





Targets

We aim to achieve an aggregated 2% to 7% reduction in water consumption (or corresponding intensity) by FY 2026, with FY 2019 as our comparative baseline. In 2019, CDLHT consumed 767,480 m3 of water across all operations, with a total water intensity of 2.20 m3/m2. While we noted a slight increment in water consumption and intensity as compared to the previous year, we have achieved a 16.8% reduction in water intensity compared to the FY 2019 baseline. We will continue working towards achieving our aggregated target by FY 2026.

(14) Total water consumption intensity is defined as the total water consumption (m^3) divided by the Gross Floor Area (m^2).

SUSTAINABILITY REPORT

Waste Management

The effective management of waste has become an increasingly pressing concern for governments and organisations worldwide. Within the hospitality industry, the issue of waste, particularly food waste, holds significant relevance. Failure to address this issue may result in compounding environmental and financial risks for businesses. CDLHT recognises the role it can play as a stakeholder in the hospitality sector to implement proactive measures to mitigate waste generation, optimise resource utilisation, and foster a culture of sustainability.

Approach

At CDLHT, we are committed to minimising our waste generation through various sustainable management practices and have started collecting and reporting on the waste performance across all our hotel portfolios since FY 2021.

Our hotels continue to implement various initiatives to reduce waste output and enhance waste segregation and recycling.

Waste Reduction

Most hotels utilise waste digesters and food composters to safely compost waste, thereby reducing the volume of our waste output. Our hotels are increasingly shifting towards employing reusable materials across all hotel functions.

Actions Across Hotels

- Orchard Hotel, Grand Copthorne Waterfront Hotel, Copthorne King's Hotel, M Hotel, Studio M Hotel, Hilton Cambridge City Centre, The Lowry Hotel and Pullman Hotel Munich have on site food digesters. Food digesters convert 100% of food waste into water, reducing the amount of waste that either goes to landfill or incineration.
- Angsana Velavaru and Raffles Maldives Meradhoo utilise food composters and biogas plant to reduce organic waste, generate renewable energy, and support sustainable waste management practices within the resorts. The compost produced is used to enrich soil for landscaping and gardening, while the biogas generated helps reduce reliance on fossil fuels for cooking.
- All hotels have replaced single-use plastic bathroom amenities by installing shampoo and soap dispensers as alternatives to individual bottles, reducing plastic waste.
- At W Singapore – Sentosa Cove, guestroom lamps were repurposed for the extension of the Woo Bar, demonstrating our commitment to waste reduction and circular design. By giving these fixtures a second life, waste generation were minimised and reduced the environmental impact associated with disposing of functional materials.

Waste Segregation and Recycling

Most hotels complete a waste segregation exercise prior to collection as an essential step in recycling. Waste is segregated into paper, plastic, and glass, and upon recycling, the respective weights of each category are reported monthly. This informs our waste management systems and denotes areas of improvement through analysis of the amounts collected by category.

Recognising the role of awareness campaigns in combatting wasteful practices, our hotels engage in food waste reduction and recycling programmes for paper, glassware, and plastic, promoting a sense of purposeful contribution and environmentally friendly habits amongst our staff. This involves an interdepartmental collaboration across our Housekeeping, Food & Beverages, and Engineering departments.

Actions Across Hotels

- More than 90% of the hotels have on-site waste separators that enable the segregation of waste by type, including plastic, paper, and general waste. This initiative helps reduce landfill waste and enhances recycling efficiency across our operations. Grand Millennium Auckland is reviewing the feasibility of expanding and optimising this initiative. By continuously refining our waste management approach, we aim to minimise environmental impact and support a circular economy.
- W Singapore – Sentosa Cove recycles and reuses wet waste for landscaping purposes after composting and is enrolled in the Food Waste Recycling Programme at Sentosa Cove Village.
- Raffles Maldives Meradhoo has been operating a biogas plant since August 2022, converting food waste into gas for use in the kitchen. Additionally, the hotel also utilises recycled materials from the hotel and island's generated waste to operate its organic garden.
- Angsana Velavaru started operating a food composter in the third quarter of 2022, generating a daily average of 80kg of compost for use throughout the resort. The hotel has also implemented a Reduce, Reuse and Recycle policy to advocate for waste reduction, including reusable glass bottles and dispensers and onsite. The hotel also invests in biodegradable items including garbage bags and cling film to reduce plastic footprint.
- Hilton Cambridge City Centre displays the carbon footprint of food and drinks on the menus of the Restaurant, Lounge Bar, and Room Service.
- At the MyStays Hotel Kamata, separate waste bins have been installed at the lobby to encourage proper waste segregation. Guests on the eco-plan or long-term stays are encouraged to take the initiative to dispose their waste directly. This programme has successfully enhanced eco-awareness amongst guests and significantly reduced the cleaning workload of the housekeeping staff.

Performance

We are in the process of expanding our formal waste data collection systems across our properties to ensure data can be captured and tracked more effectively. This will also help us to eventually better manage and reduce the waste generated. As a result, waste generation numbers have increased and are expected to continue increasing over time as more of our portfolio is scoped in.

As CDLHT's portfolio operates within the hospitality industry, waste is generated only from non-hazardous sources, including paper, glass, and food.

Waste by Type and Disposal Method for FY 2024

Disposal Method	In Singapore	Overseas	All Properties
	Total Weight of Non-Hazardous Waste	Total Weight of Non-Hazardous Waste	Total Weight of Non-Hazardous Waste
	(Metric Tonnes)		
Recycling	167	337	504
Landfill	1,183	350	1,533
Others	2,579	352	2,931
Total waste	**3,929**	**1,039**	**4,969**

Targets

Last year, we set a target to remove or partly remove single-use plastic bathroom amenities from operations for 85% of our hotel portfolio in FY 2024. We are pleased to report that this initiative has been successfully implemented, with 100% of our properties now replacing single-use bathroom products with reusable pump dispensers. This milestone reflects our commitment to reducing plastic waste and enhancing sustainable practices across our operations.

Building on this progress, we remain focused on further reducing waste across our portfolio properties. We continue to monitor and manage food waste through dedicated food management systems targeting buffet operations to optimise portioning and minimise excess. Additionally, we have set an ambitious goal to eliminate single-use plastics in food and beverage operations across all our hotels by FY 2025. Through ongoing engagement with stakeholders, we are committed to making our hospitality offerings more environmentally responsible while maintaining the high-quality guest experience we strive to deliver.

SUSTAINABILITY REPORT

ENABLING INCLUSIVENESS, SAFETY, GROWTH AND DIVERSITY OF OUR PEOPLE

The foundation of our success lies in our dedicated workforce. CDLHT's portfolio of hotels is committed to maintaining a safe and engaging working environment for our employees.

To address the above, our hotels in Singapore have implemented the following:

- Diversity Policy
- Fair and merit-based employment and recruitment practices
- Policies on performance evaluation, and career development
- Tripartite Alliance for Fair and Progressive Employment Practices ("**TAFEP**")
- Fair and competitive remuneration based on merit
- We are committed to upholding the strength of our data collection and internal control systems and hence, has implemented internal controls to effectively reduce data discrepancies in the future.

Employment and Employee Engagement

The Managers' office and The Lowry Hotel are steadfast in our commitment to maintain fair employment standards and competitive remuneration for our employees, grounded on merit and compliance, based on relevant regulations in the jurisdictions we operate in.

Employment and Employee Engagement [15]
The Managers' office and The Lowry Hotel employed 28 and 296 staff, respectively, in FY 2024

Diversity, Inclusion and Equal Opportunity
49% permanent staff were female in FY 2024

Training and Development
37.2 hours of training per employee on average

Health and Safety
Zero fatalities from work-related injuries in FY 2024

Approach

We emphasise the importance of continuous employee engagement from induction of new joiners to maintaining ongoing communication with our seasoned staff. Our HR policies, implemented at both the Managers' office and The Lowry Hotel, maintain processes and channels that are dedicated to addressing the needs of our employees. Continuous staff training and development, an integral aspect of employee engagement, is discussed further in our "Training and Development" subtopic below.

Employee Well-being

We gather employee feedback via staff dialogues to gain a comprehensive understanding of key areas of concern. Upon the commencement of employment, meetings are conducted to facilitate the employee's integration into their role and new environment. Additionally, at the end of an employee's tenure with us, an exit interview is conducted to obtain feedback and address any areas of concern.

At the Managers' office, we also disseminate an employee handbook that details all policies and procedures pertaining to employment, performance evaluation and development. Together with the handbook, this provides guidance and related resources on informing employees of their benefits, such as medical coverage. As part of progressive work norms, we practise a flexible work arrangement that allows employees a hybrid of working from the office and at home. This is aligned with Singapore's Tripartite Guidelines on Flexible Work Arrangement.

The Managers' staff are automatically enrolled to Hong Leong Group Sports & Recreation Club where the committee organises sporting competitions, shopping tours, movie nights and other interest group events to foster team bonding. Our Sponsor group also provides employees of the Managers and hotel staff with benefits at F&B outlets and discounted hospitality accommodation owned by the Sponsor.

Within our hotels, they engaged their employees on activities that nurture mental and physical welfare as part of looking after employee well-being.

Performance

In FY 2024, the Managers' office and The Lowry Hotel employed a total of 324 staff with a mix of 51% male and 49% female. 65 employees left us, of whom 5% were from the Managers' office and 95% were from The Lowry Hotel, while 97 newly joined, of whom 4% were for the Managers' office and 96% were for The Lowry Hotel. As a result, our total rates of new hire employment and turnover were 30% and 20% respectively.

(15) Starting with the FY24 Sustainability Report and moving forward, we will disclose employment and training data only for The Managers' office and The Lowry Hotel, as these fall under our direct operational control. At the same time, we remain actively engaged with our portfolio hotels on health and safety matters, recognising that it is one of the most critical issues in our industry. As part of our commitment to ensuring a safe and healthy working environment across all portfolio hotels, we continue to collaborate with them to uphold high safety standards.

New Employee Hires and Turnover for FY 2024

	The Managers' office		
	Male	Female	Total
Employee Count	11	17	28
Number of New Employee Hires	1	3	4
Rate of New Employee Hires (%)	9	18	14
Number of Employee Turnover	3	0	3
Rate of Employee Turnover (%)	27	0	11

	The Lowry Hotel		
	Male	Female	Total
Employee Count	153	143	296
Number of New Employee Hires	28	65	93
Rate of New Employee Hires (%)	18	45	31
Number of Employee Turnover	26	36	62
Rate of Employee Turnover (%)	17	25	21

We aim to continuously work with the hotel managers within our direct control to minimise staff turnover rate and retain talent within our portfolio.

Diversity, Inclusion and Equal Opportunity

As a global business with operations across numerous countries, we strive to foster diversity and inclusion in the workplace with the aim of cultivating a fair and equitable working environment. This commitment is reflected in our diversity policies, training, and dedication to respecting the diverse backgrounds of individuals within our organisation. We believe in the inclusion of all individuals regardless of their backgrounds to establish ourselves as fair and equal employers. By upholding these principles, CDLHT endeavours to drive positive change and foster a workplace environment where every individual can thrive and contribute to our collective success.

Approach

The Boards have adopted a Board Diversity Policy which is available on CDLHT's corporate website, setting out its policy and framework for promoting diversity on the Boards. The Boards recognise that a diverse Board of Directors is an important element which will better support and achieve CDLHT's strategic objectives for sustainable development. A diverse Board enhances the decision-making process by reducing groupthink and fostering constructive debate. This enhances our overall business governance through the more diverse perspectives derived from the various skills, qualifications/knowledge, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

Across the portfolio, initiatives around Diversity, Inclusion and Equal Opportunity are driven by the policies of our hotel portfolio managers.

Performance

In FY 2024, 51% of our total permanent staff were male and 49% were female, while 40% of our total temporary staff were male and 60% were female. The majority of the Managers' employees are aged between 30 and 50 years, making up 75% of the total staff. Meanwhile, 58% of The Lowry Hotel employees are under 30 years old, which is typical of the industry. We continuously strive to implement diversity and inclusion across our workforce as it enables a more holistic, productive, and sustainable work culture.

Diversity and Inclusion Data for FY 2024

Number Of Employees	The Managers' office		
	Male	Female	Total
Permanent Staff	11	16	27
Temporary Staff	0	1	1

Number Of Employees	The Lowry Hotel		
	Male	Female	Total
Permanent Staff	79	80	159
Temporary Staff	55	82	137

Number Of Employees	The Managers' office	The Lowry Hotel
Aged <30 years	2	171
Aged between 30 – 50 years	21	95
Aged >50 years	5	30

Targets

We remain committed to reflecting diversity across our workforce and hiring processes. We strive to encourage the diversity of our employees across management roles through continuous talent identification and development efforts, whilst honing our hiring plan to attract and retain a diversified workforce.

Training and Development

We place great importance on the continuous training and development of our employees to nurture a resilient, competitive, and upskilled workforce. We also recognise that constantly evolving societal norms and expectations may bring new work demands and job skills. In response, we encourage our hotels to expand their training offerings for the hotel employees and encourage them with training opportunities beyond what is mandatory to refresh and upgrade their skills, which supports the continuous development of their career aspirations and contributes value to the business.

Approach

CDLHT recognises the pivotal role that employee development and job design play in employee satisfaction. Respectively, our hotel's HR policies reflect the emphasis we encourage in each area to ensure that their employees remain engaged and enjoy cross-functional opportunities.

SUSTAINABILITY REPORT

Continuous Training, Development and Upskilling

At the Managers, annual performance reviews are conducted on an ongoing basis to provide feedback to employees and evaluate their achievements, goals, and career trajectory. We also conduct an informal mid-year discussion and a formal year-end performance appraisal. Key Performance Indicators are established, updated, communicated and pegged to individual roles prior to performance assessments to encourage continuous growth.

Our hotels are committed to nurturing talent and fostering a culture of continuous learning and development. Our Sponsor group, Hilton, Marriott and Accor, have a structured talent development strategy involving forecasting hiring needs and actively developing new pools of talent to meet current and future demands. By identifying key roles and competencies, our hotels proactively groom and prepare employees for leadership positions, ensuring a smooth transition and continuity within the organisation.

They also offer a graduate apprenticeship program for recent graduates or entry-level employees to obtain valuable hands-on experience and mentorship. Through structured learning modules and on-the-job training, participants gain practical skills and insights into their chosen field while contributing meaningfully.

The relevant HR department within the hotels provides general orientation as well as mandatory training courses to all those on-boarded. The respective HR departments undergo a training needs analysis to identify skill gaps and gauge employee interest when tailoring skill training programmes for dissemination. Once confirmed, HR encourages Heads of Departments ("**HODs**") across the hotels to nominate relevant staff for specified training. These specialised training courses, including leadership training, are conducted by HODs, the internal training department or external providers.

Our hotels also actively collaborate with educational institutions to develop or deliver joint training programs tailored to the specific needs of the staff. These partnerships facilitate knowledge exchange, industry insights, and access to professional training resources. By leveraging the expertise of academic partners, the hotels ensure our employees receive relevant and high-quality training that aligns with industry best practices and emerging trends.

Job Redesign

At CDLHT, we acknowledge the importance of equipping hotel employees with cross-functional skills, thus ensuring talent retention and diversification of skill sets. The Orchard Hotel and W Singapore – Sentosa Cove in Singapore have embarked on a 'Job Redesign' initiative to improve employee efficiency, skills and resourcefulness through cross-functional training. As the Singapore government has been supporting this initiative, we have been engaging government agencies to encourage hotel employees to attend training relating to Job Redesign.

Performance

This year, employees at the Managers' office and The Lowry Hotel completed an average of 37.2 hours of training per person, reflecting our commitment to continuous learning and professional development. Our training programmes cover a wide range of topics ensuring that employees are equipped with the knowledge and skills needed to excel in their roles. By supporting structured learning opportunities, we aim to enhance employee capabilities, improve service quality, and support career progression within the organisation.

Average Training Hours for FY 2024 [16]

Number Of Employees	The Managers' office		
	Male	Female	Total
Total number of employees	11	17	28
Total number of training hours provided to employees	175.5	92.5	268
Average training hours per employee	15.9	5.4	9.5

Number Of Employees	The Lowry Hotel		
	Male	Female	Total
Total number of employees	153	143	296
Total number of training hours provided to employees	5,000	6,000	11,000
Average training hours per employee	32.7	42	37.2

Fair Labour and Human Rights

CDLHT is committed to responsible business practices throughout our operations and relationship with suppliers and hotel employees. Our commitment to enabling the safety and growth of our people includes upholding and supporting human rights. We recognise and understand the profound impact our operations can have on the lives of individuals and communities, both within and beyond our organisational boundaries. We place firm emphasis towards ensuring fair practices towards our employees as well as tackling unjust workplace practices.

Our suppliers also play a vital role in our operations. As such we believe it is important that we work with our suppliers to prevent any unfair labour practices and/or violation of human rights.

Approach

CDLHT complies with all applicable employment laws and ethical hiring practices. We have put in place HR policies to provide a safe and healthy work environment for all our employees, including but not limited to policies in compliance with applicable laws in each jurisdiction of employment.

(16) Starting with the FY 2024 Sustainability Report, we will disclose employee metrics only for The Managers' office and The Lowry Hotel, as these fall under our direct operational control. At the same time, we continue to engage with our portfolio hotels, encouraging them to foster a supportive environment for career growth and upskilling.

Our suppliers are only appointed after a rigorous screening process and reputable suppliers will be appointed, as we acknowledge the role that sustainable procurement can play in reducing environmental impact. As part of our commitment to responsible business practices, we will explore ways to encourage the adoption of greener supply chain standards in the future.

This approach not only upholds environmental sustainability but also reinforces our commitment to protecting labour and human rights across our stakeholders and counterparties. By integrating both environmental and social considerations into our supplier selection process, we strengthen the foundation for a responsible and resilient supply chain.

Performance

In FY 2024, we had zero cases of forced or labour violations throughout our operations and suppliers.

Health and Safety

CDLHT remains committed to diligently adhering to and enforcing workplace health and safety standards to ensure our portfolio of hotels can continue to safely operate. We prioritise employees' safety and well-being so our hotels' employees can continue to provide quality service to guests. We work closely with each of our hotels through rigorous safety protocols to ensure that they can continuously and safely operate at all times.

In addition to ensuring governance for health and safety matters, training and communication of Occupational Health and Safety ("**OH&S**") to employees is crucial in the management of health and safety at the workplace. Across our portfolio, the policies surrounding OH&S are applicable to our employees, visitors, and contractors, as they are expected to remain compliant with all regulatory standards and workplace guidelines. Hotel employees at managerial levels, including managers and supervisors, are responsible for ensuring OH&S and enforcing its policies.

Approach

CDLHT monitors the overarching safety measures implemented by the individual hotel operators. The hotel operators are tasked with ensuring strict adherence to all local regulations and guidelines whilst establishing any additional safety standards required to guarantee the well-being and safety of all our hotel employees and guests. As the asset owner, CDLHT regularly communicates with the hotel operators on compliance and incidents of work-related injuries. In cases of work-related injuries, each hotel operator is required to lodge a report of the injury to review and assess the affiliated hazards aimed at limiting its future occurrence.

Conducting OH&S Risk Assessments

Workplace risk assessments are carried out to identify potential hazards and determine our employees, jobs or equipment that are of high risk. Our portfolio of hotels conducts risk assessments for routine and non-routine work activities to prevent affiliated hazards. Furthermore, some of our hotels, such as Orchard Hotel in Singapore, perform risk assessments on newly introduced equipment to identify potential hazards that employees might encounter during operation.

Accreditation

We endeavour to obtain accreditation and certify our OH&S processes as it strengthens the hotels management system and initiatives. This year, both M Hotel and Grand Copthorne Waterfront Hotel have achieved the WELL Health–Safety certification. This underscores our dedication to creating safer, healthier environments for guests, employees, and stakeholders.

Performance

We are pleased to report that we had zero fatalities resulting from work-related injuries in FY 2024.

Work-Related Injuries for FY 2024

Type Of Work-Related Injury	
Number of Fatalities as a result of Work-Related Injury	0
Number of High-Consequence Work-Related Injury (excluding fatalities) [17]	16
Number of Recordable Work-Related Injury [18]	68
Total Work-Related Injury	84
Number of Hours Worked	2,687,281

Targets

We continuously aim to have zero incidents of fatality or permanent disability and strive to minimise any work-related injuries. CDLHT will continue to engage its stakeholders, including hotel operators, to ensure that workplace health and safety measures are in place and upheld.

(17) This category includes: Number of dangerous occurrences, incidents exceeding three days of medical leave, incidents of hospitalisation, occupational disease, and/or permanent disabilities.
(18) This category includes: Number of incidents that required less than three days of medical leave, reportable incidents, and/or temporary disabilities.

SUSTAINABILITY REPORT

ENGAGING LOCAL COMMUNITIES AND ADVOCATING FOR POSITIVE IMPACT

Local Community Impact

Beyond their roles as commercial enterprises, our portfolio properties actively engage and support the diverse communities in which they operate. CDLHT views community involvement as integral to fostering goodwill and garnering support in the various localities where we do business. We strive to make positive contributions to society and uphold our responsibility as good corporate citizens.

Performance

The local community remains a top priority for CDLHT. Throughout FY 2024, our properties participated in over 80 corporate and social responsibilityv activities, both organised by our own properties and in collaboration with external organisers. These activities included volunteering initiatives, donation drives, fundraising campaigns and information sessions in our properties' local communities. Our key focus areas remain education, health, and environmental awareness.

The Managers Team Bonding Day

The Managers held a team bonding day that provided colleagues an opportunity to connect, collaborate, and build stronger relationships in a fun and engaging setting. The teams bonded over virtual reality and bowling games, where employees engaged in spirited competitions, supporting and motivating one another. The event underscored our commitment to fostering a positive and inclusive workplace culture, where teamwork and camaraderie are integral to our success.

The "Oedo Cleaning Squad" Programme

Driven by the spirit of "Let's keep our community clean ourselves!", employees from the MyStays Hotel Asakusabashi initiated a regular monthly voluntary cleaning activity of the public roads within their vicinity through participation in the voluntary cleaning program organised by the local government at the Taito ward.

Through this local initiative, various participants, including individuals, neighbourhood associations, shopping districts, companies and schools within the ward, have registered to take part.

The "Oedo Cleaning Squad" also symbolises pride in Tokyo's heritage and community spirit as the term "Oedo" evokes the Edo-period culture and tradition, often used in names of events or organisations celebrating history.

SUSTAINABILITY REPORT

Sustainable Christmas Market

The Sustainable Christmas Market 2024 was a vibrant celebration of community, sustainability, and the festive spirit. This carbon-neutral event organised by Peace of Art SG featured over 100 local green artisans offering eco-friendly products, over 50 workshops on various topics including movement, floral design, and nature, and 30 live performances from school groups, live bands, and even a special performance by the Dim Sum Dollies.

A highlight was the KIDSforKIDS Village, where young entrepreneurs showcased their eco-conscious products and talents, helping to raise funds for charity. The Kampung Kitchen featured food and drink pop-ups, with all waste converted into biomass within hours—showcasing a taste of Singapore's sustainable future. The event also included the Waste to Wonder! Bazaar, offering unique finds from fashion to home goods donated by the public, further promoting the spirit of circularity.

CDLHT was honoured to be part of this meaningful event, demonstrating our commitment to environmental and social sustainability while fostering a strong sense of community and making a positive impact on children in need. Staff and their families from CDLHT's Singapore hotels and the Managers participated in multiple workshops at the market, using recycled or sustainable materials to craft gifts.

Beyond our role as a long-standing corporate sponsor and partner, CDLHT also supported the event by helping to secure additional corporate sponsors, partners, and donors, ensuring its success and broader reach. Importantly, the Sustainable Christmas Market also champions the democratisation of giving, emphasising that every individual, regardless of age or station in life, has the capacity to contribute and be a change-maker.

We were delighted to be part of this incredible initiative, which brought together 16,000 participants and raised nearly S$400,000 in support of the children of the Singapore Red Cross Young Hearts Programme.

SUSTAINABILITY REPORT

Island Initiatives

Aligning with CDLHT's priority of contributing to the local communities and the environment, Angsana Velavaru continues to engage with the local communities in Maldives through various initiatives, including blood donation drives, island clean-ups and school visits.

In addition to these initiatives, the hotel also contributes to local reforestation efforts. For example, to celebrate Earth Day, Angsana Velavaru planted 77 trees, which include coconut trees, mango trees and geranium aralita trees. For World Tourism Day, they resumed coral planting following a coral bleaching event to restore the reefs in the area.

In the spirit of Ramadan, Angsana Velavaru also hosted the first Iftar Gathering with the Parents-Teachers Association of Maaenboodhoo School, Dhaalu Atoll, last year.

Coral Restoration Project

In collaboration with MARS Incorporated, the Raffles Maldives Meradhoo launched a coral restoration initiative in 2024. This initiative contributed to 100 coral frames and over 1,500 coral fragments planted in the hotel's 2 house reefs, revitalising the vibrant marine life at Maldives.

This initiative was also recognised as the runner-up for the Innovative Sustainability Project Award at the NSURE Private Limited's 2023-2024 Safety and Sustainability Awards, for preserving local heritage and the innovative coral restoration technique.

Targets

Last year, we set a target to conduct at least 15 community and social events or projects in FY 2024. This year, we continue to surpass our target with over 80 corporate and social responsibility activities participated by our properties globally.

GRI CONTENT INDEX

GRI Standard	Disclosure		SR Page Reference
General Disclosures			
GRI 2: General Disclosures 2021	**The organization and its reporting practices**		
	2-1	Organisational details	104, 108
	2-2	Entities included in the organization's sustainability reporting	104
	2-3	Reporting period, frequency, and contact point	104
	2-4	Restatements of Information	128
	2-5	External assurance	142
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	104
	2-7	Employees	128 - 131
	2-8	Workers who are not employees	129
	Governance		
	2-9	Governance structure and composition	108
	2-10	Nomination and selection of the highest governance body	113
	2-11	Chair of the highest governance body	144
	2-12	Role of the highest governance body in overseeing the management of impacts	108
	2-13	Delegation of responsibility for managing impacts	108
	2-14	Role of the highest governance body in sustainability reporting	108
	2-15	Conflicts of interest	149 - 151
	2-16	Communication of critical concerns	110, 113
	2-17	Collective knowledge of the highest governance body	112
	2-18	Evaluation of the performance of the highest governance body	113
	2-19	Remuneration policies	153, 156 - 159
	2-20	Process to determine remuneration	153, 156 - 159
	2-21	Annual total compensation ratio	157 - 158
	Strategy, policies, and practices		
	2-22	Statement on sustainable development strategy	105
	2-23	Policy commitments	104, 113
	2-24	Embedding policy commitments	113
	2-25	Processes to remediate negative impacts	108, 112, 115
	2-26	Mechanisms for seeking advice and raising concerns	110, 113
	2-27	Compliance with laws and regulations	109, 112
	2-28	Membership associations	107
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	110
GRI 3: Material Topics 2021	3-1	Process to determine material topics	105
	3-2	List of material topics	105 - 106

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GRI Standard	Disclosure		SR Page Reference
Responsible Investment and Sustainable Value			
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	111
	201-2	Financial implications and other risks and opportunities due to climate change	118
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106
Good Governance and Ethical Business			
Board Diversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 112 - 113
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	113, 128 - 129
Ethical and Transparent Business			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	112 - 114
	205-2	Communication and training about anti-corruption policies and procedures	114
	205-3	Confirmed incidents of corruption and actions taken	114
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	112 - 114
Whistleblowing Policy			
GRI 3:Material Topics 2021	3-3	Management of material topics	105 - 106, 113
Anti-bribery and Code of Conduct			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 114
Compliance with Social and Environmental Regulations			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 114
Data Privacy and Protection			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 114
Safe and Liveable Buildings			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 114
Climate Resilience and Environmental Stewardship			
Climate Action and Resilience			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 115

GRI Standard	Disclosure		SR Page Reference
Emissions Reduction			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 120
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	120 - 122
	305-2	Energy indirect (Scope 2) GHG emissions	120 - 122
	305-3	Other indirect (Scope 3) GHG emissions	120 - 122
	305-6	Emissions of ozone-depleting substances (ODS)	N/A as CDLHT does not emit ODS in its operations.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A as CDLHT does not emit NOx or SOx in its operations.
Energy Efficiency			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 122
GRI 305: Emissions 2016	302-1	Energy consumption within the organization	122 - 124
	302-2	Energy consumption outside of the organization	122 - 124
	302-3	Energy intensity	124
	302-4	Reduction of energy consumption	124
	302-5	Reductions in energy requirements of products and services	124
Water Stewardship			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 124 - 125
GRI 305: Emissions 2016	303-1	Interactions with water as a shared resource	124 - 125
	303-3	Water withdrawal	124 - 125
	303-5	Water consumption	124 - 125
Waste Reduction			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 126 - 127
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	126 - 127
	306-2	Management of significant waste-related impacts	126 - 127
	306-3	Waste generated	127
	306-4	Waste diverted from disposal	127
	306-5	Waste directed to disposal	127
Enabling Inclusiveness, Safety, Growth and Diversity of Our People			
Employment and Employee Engagement			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 128 - 131
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	128 - 129
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	128, 132

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GRI Standard	Disclosure		SR Page Reference
Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 131
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	131
	403-2	Hazard identification, risk assessment, and incident investigation	131
	403-3	Occupational health services	131
	403-4	Worker participation, consultation, and communication on occupational health and safety	131
	403-5	Worker training on occupational health and safety	131
	403-6	Promotion of worker health	131
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	131
	403-8	Workers covered by an occupational health and safety management system	131
	403-9	Work-related injuries	131
Diversity, Inclusion and Equal Opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 129
GRI 403: Occupational Health and Safety 2018	405-1	Diversity of governance bodies and employees	113, 129
Training and Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 130
GRI 403: Occupational Health and Safety 2018	404-1	Average hours of training per year per employee	130
	404-2	Programs for upgrading employee skills and transition assistance programs	130
	404-3	Percentage of employees receiving regular performance and career development reviews	130
Fair Labour and Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 130 - 131
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	131
Engaging Local Communities and Advocate for Positive Impact			
Local Community Impact			
GRI 3: Material Topics 2021	3-3	Management of material topics	105 - 106, 132 - 134
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	132 - 134
	413-2	Operations with significant actual and potential negative impacts on local communities	132 - 134

SASB INDEX

Topic	SASB Code	Accounting Metric	Unit of Measure	Disclosure
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	Percentage (%) by floor area	100%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage,	Megawatt hour (MWh)	119,077
		(2) Percentage grid electricity, and	Percentage (%)	61%
		(3) Percentage renewable, by property sector		3.65%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Percentage (%)	4.17%
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and	Percentage (%) by floor area	72%
		Percentage of eligible portfolio that (2) is certified to ENERGY STAR, by provpertysector		N/A as CDLHT does not have properties in the US
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	N/A	Page 112, 122 - 124
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and	Percentage (%) by floor area	100%
		Water withdrawal data coverage as a percentage of (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector		Data unavailable
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and	Thousand cubic meters (m^3)	765,257
		(2) Percentage in regions with High or Extremely High Baseline Water Stress, by property sector	Percentage (%)	Data unavailable
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	Percentage (%)	4.44%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Page 124 - 125
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and	Percentage (%) by floor area	N/A as CDLHT does not report on tenants or tenant area
		(2) Associated leased floor area, by property sector	Square feet (ft.)	
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption; and	Percentage (%) by floor area	
		(2) water withdrawals, by property sector		
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	N/A	
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	Square feet (ft.)	Data unavailable
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	N/A	Page 117 - 119

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Activity Metric	SASB Code	Unit of Measure	Disclosure
Number of assets, by property sector	IF-RE-000.A	Number	18 properties
Leasable floor area, by property sector	IF-RE-000.B	Square meter (sqm)	368,724
Percentage of indirectly managed assets, by property sector	IF-RE-000.C	Percentage (%) by floor area	N/A as SASB defines "indirectly managed assets" as solely based on landlord/ tenant relationship
Average occupancy rate, by property sector	IF-RE-000.D	Percentage (%)	77.40%

TCFD INDEX

The following table indicates our disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

TCFD Recommendations		Page
Governance		
1 (a)	Describe the board's oversight of climate-related risks and opportunities.	117
1 (b)	Describe management's role in assessing and managing climate-related risks and opportunities.	117
Strategy		
2 (a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	117
2 (b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	117-119
2 (c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	117-119
Risk Management		
3 (a)	Describe the organisation's processes for identifying and assessing climate-related risks.	120
3 (b)	Describe the organisation's processes for managing climate-related risks.	117-120
3 (c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	117-120
Metrics and Targets		
4 (a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	120-122
4 (b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG emissions and the related risks).	120-122
4 (c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	120-122

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Independent Third Party Limited Assurance Statement

Reference: BVQA_0016_20250224

Date: 24/02/2025

To: Management of CDL Hospitality Trust (M&C Reit Management Limited)

Introduction and Objectives of the Engagement

Bureau Veritas Quality Assurance Pte Ltd. ('Bureau Veritas') was engaged by CDL Hospitality Trust (M&C Reit Management Limited) ('the Company') to provide limited assurance over Scope 1 and Scope 2 greenhouse gas (GHG) emissions data for CDL Hospitality Trust (M&C Reit Management Limited). This Assurance Statement applies to the related information included within the scope of work described below.

Scope of Work

The scope of our work was limited to assurance over the Company's data for the reporting period of ONE year between 01/01/2024 to 31/12/2024 (the 'Selected Information'):

Organisation Name	**CDL Hospitality Trust (M&C Reit Management Limited)** 390 Havelock Road, #02-06 King's Centre, Singapore 169662
Organisation Boundary	Operational Control
Location (s)	W Singapore – Sentosa Cove 21 Ocean Way, Singapore 098374 Copthorne King's Hotel 403 Havelock Road, Singapore 169632 Orchard Hotel (including Claymore Connect) 442 Orchard Road, Singapore 238879 M Hotel 81 Anson Road, Singapore 079908 Grand Copthorne Waterfront Hotel 392 Havelock Road, Singapore 169663 Studio M Hotel No. 3 Nanson Road, Singapore 238910
Scope 1 Emissions	4,132.42 tCO_2e
Scope 2 Emissions	20,390.32 tCO_2e

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Reporting Criteria

The Selected Information had been prepared in accordance with ISO 14064-1: 2018 2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Limitation and Exclusions

Excluded from the scope of our work is verification of any information relating to:

- Activities outside the defined verification period, and
- Other information included in the report.

This limited assurance engagement relies on a risk-based sample of the Selected Information, which has its limitations. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

CDL Hospitality Trust (M&C Reit Management Limited) Responsibilities

- Identification of all sources of GHG emissions.
- Selecting and establishing suitable criteria for preparing the selected information subject to our limited assurance.

Bureau Veritas was responsible for:

- Provide independent verification on the accuracy of the selected information submitted in client's information management system
- Form an independent conclusion based on the assurance procedures performed and evidence obtained.
- Report our conclusions to the management of CDL Hospitality Trust (M&C Reit Management Limited)

Assessment Standard

We performed verification of greenhouse gas emissions calculated in accordance with GHG Protocol and ISAE 3000 - International Standard on Assurance Engagement. A materiality threshold of ±5 percent was set for the assurance process.

Methodology and Summary of Work

As part of our independent verification, our work included:

- Assessed the appropriateness of the Reporting Criteria for the Selected Information;
- Conducted interviews with relevant personnel of the Company;
- Carried out detailed off-site review of data from the Company sites;

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- Reviewed the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, the data scope and reporting boundaries;
- Reviewed documentary evidence produced by the Company;
- Agreed a sample of the Selected Information to the corresponding source documentation; and
- Re-performed aggregation calculations of the Selected Information.

Conclusion

Based on the scope of work, nothing came to our attention to suggest that:

- The Selected information is not fairly represented; and
- Any material errors or misstatements identified during the assurance engagement were corrected prior to this Statement being issued.

It is our opinion that the Company has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety and social accountability with over 190 years history. The company operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented a Code of Ethics which meets the requirements of the International Federation of Inspections Agencies (IFIA) across its business which ensures that all our staff maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

Purpose and Restriction on Distribution and Use

This report and the conclusions drawn are intended solely for CDL Hospitality Trust (M&C Reit Management Limited) which is stipulated in our engagement agreement. To the fullest extent permitted by law, Bureau Veritas accepts no liability or responsibility to any party other than CDL Hospitality Trust (M&C Reit Management Limited) for any analysis, interpretation, or conclusion contained in this report.

Verified by:

Winnie Tan,

Verifier

Bureau Veritas Quality Assurance Pte Ltd

To check the validity of this statement please contact: Bureau Veritas Quality Assurance

Bureau Veritas Quality Assurance Pte Ltd Office:
28 Ayer Rajah Crescent, #04-01, Singapore, 139959

CORPORATE GOVERNANCE

CDL Hospitality Trusts ("**CDLHT**") is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and CDL Hospitality Business Trust ("**HBT**") (the "**Stapled Group**") pursuant to a Stapling Deed dated 12 June 2006 (as amended) and each Stapled Security consists of one H-REIT Unit and one HBT Unit and is treated as a single instrument. M&C REIT Management Limited (the "**H-REIT Manager**") was appointed manager of H-REIT in accordance with the terms of the Trust Deed dated 8 June 2006 (as amended) between the H-REIT Manager and DBS Trustee Limited (the "**H-REIT Trustee**"). M&C Business Trust Management Limited (the "**HBT Trustee-Manager**") was appointed the trustee-manager of HBT in accordance with the terms of the Trust Deed constituting HBT dated 12 June 2006 (as amended).

The H-REIT Manager has general powers of management over the assets of H-REIT and its main responsibility is to manage H-REIT's assets and liabilities for the benefit of the holders of H-REIT Units. The H-REIT Manager is responsible for formulating the business plans in relation to H-REIT's properties and in this regard, it works closely with the master lessees of H-REIT's properties to implement H-REIT's strategies. In addition, the H-REIT Manager sets the strategic direction of H-REIT and gives recommendations to the H-REIT Trustee on acquisitions, divestments or enhancement of H-REIT's assets in accordance with its stated investment strategies.

Other roles and responsibilities of the H-REIT Manager include:

- Managing, enhancing and maintaining Claymore Connect to achieve high occupancy levels at good rentals.

- Using its best endeavours to ensure that the business of H-REIT is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for H-REIT at arm's length and on normal commercial terms.

- Ensuring that H-REIT complies with the relevant applicable laws and regulations, including the applicable provisions of the Securities and Futures Act 2001 ("**SFA**"), the Listing Rules issued by Singapore Exchange Securities Trading Limited ("**Listing Manual of SGX-ST**"), the Code on Collective Investment Schemes (including the Property Funds Appendix), the conditions set out in the Capital Markets Services ("**CMS**") Licence for REIT Management issued by the Monetary Authority of Singapore ("**MAS**"), the H-REIT Trust Deed, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of H-REIT and the holders of the Stapled Securities of CDLHT ("**Stapled Security Holders**") and all relevant contracts.

The H-REIT Manager holds a CMS licence issued by MAS to conduct real estate investment trust management activities as required under the licensing regime for real estate investment trust managers. In addition, employees of the H-REIT Manager who are engaged in investment management, asset management, financing, marketing and investor relations functions are holders of CMS representative licences.

HBT acts as the master lessee of Raffles Maldives Meradhoo, a resort in the Maldives, W Singapore – Sentosa Cove, Hotel MyStays Asakusabashi and Hotel MyStays Kamata in Japan as well as Ibis Perth and Mercure Perth, all of which are owned by H-REIT. In addition to its function as a master lessee, HBT undertakes certain hospitality and hospitality-related and other accommodation development projects, acquisitions and investments which may not be suitable for H-REIT. HBT is the owner of Hilton Cambridge City Centre, a purpose-built upper upscale hotel located in Cambridge, United Kingdom which is managed by the Hilton Hotels and Resorts, and The Lowry Hotel, a purpose-built 5-star luxury hotel located in Manchester, United Kingdom. HBT currently owns a residential build-to-rent property, The Castings, in the United Kingdom which received practical completion status on 4 June 2024. On 6 November 2024, wholly-owned subsidiaries of HBT completed the acquisition of the Hotel Indigo Exeter located in the United Kingdom. On 19 December 2024, a wholly-owned subsidiary of H-REIT and a wholly-owned subsidiary of HBT together completed the acquisition of a purpose-built student accommodation property, Benson Yard, in Liverpool, United Kingdom with HBT owning the vacant freehold land adjacent to Benson Yard.

The HBT Trustee-Manager has the dual responsibility of safeguarding the interests of the HBT Unitholders, and managing the business conducted by HBT. The HBT Trustee-Manager has general powers of management over the assets of HBT and its main responsibility is to manage HBT's assets and liabilities for the benefit of the HBT Unitholders. The HBT Trustee-Manager also sets the strategic direction of HBT and works closely with the hotel managers where it is the master lessee or owner of the properties.

Both H-REIT and HBT are externally managed by the H-REIT Manager and the HBT Trustee-Manager (collectively, the "**Managers**") respectively. Accordingly, both H-REIT and HBT do not have personnel of their own. The Managers employ experienced and well-qualified management staff to run the day-to-day operations of H-REIT and HBT. The Directors and employees of the Managers are remunerated by the Managers and not by H-REIT, HBT or CDLHT.

CORPORATE GOVERNANCE

This report sets out the corporate governance practices of both the Managers as they have adopted a similar set of corporate governance practices, with specific reference to the principles and provisions of the Code of Corporate Governance 2018, as amended ("**CG Code**"). For the financial year ended 31 December 2024 ("**FY 2024**"), the Managers have adhered to the principles of the CG Code. Where there are differences in practice from the provisions under the CG Code, the Managers' position in respect of the same is also explained in this report.

CDLHT achieved a 2nd ranking out of 43 REITs/Business Trusts on the Singapore Governance and Transparency Index (SGTI) 2024 – REIT and Business Trust Category. The SGTI is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.

BOARD MATTERS

The Board's Conduct of Affairs
Principle 1

Primary Functions of the H-REIT Manager Board and the HBT Trustee-Manager Board

Both the H-REIT Manager Board and the HBT Trustee-Manager Board are responsible for the overall corporate governance of the Managers respectively, including establishing goals for management and monitoring the achievement of these goals (for the benefit of unitholders). The Managers' Boards are also responsible for setting strategic business objectives and direction as well as the risk management of H-REIT and HBT, and to ensure that necessary financial, operational and human resources are in place for the Managers to meet their objectives. All Board members of the H-REIT Manager and the HBT Trustee-Manager participate in matters relating to corporate governance including setting corporate values and ethical standards, business operations and risk management, desired organisational culture, financial performance, engaging key stakeholder groups and the nomination and review of performance of Directors and key management personnel ("**KMPs**"). A Code of Business and Ethical Conduct duly approved by the Managers' Boards is in place.

The H-REIT Manager Board and the HBT Trustee-Manager Board have established a framework for the management of the Managers, H-REIT and HBT, including a system of internal controls and business risk management processes. The Managers' Boards meet quarterly or more often, if necessary, to (i) review respectively the financial performance of H-REIT and HBT against previously approved budgets, (ii) review the business risks of H-REIT and HBT respectively, (iii) examine liability management, (iv) oversee the sustainability performance of H-REIT and HBT, and (v) act upon any recommendations and/or comments from both the internal and external auditors of H-REIT and HBT. In assessing business risks, the Managers' Boards also consider the economic environment and risks relevant to the property and hospitality industries. They also review management reports and feasibility studies on individual projects prior to approving major transactions.

Directors' Objective Discharge of Duties and Declaration of Interests

All of the Managers' Directors are required to objectively discharge their duties and responsibilities in the best interests of H-REIT and HBT. This ability to exercise objectivity is one of the assessment criteria in the annual evaluation of the Directors. Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction will declare the nature of their interests in accordance with the provisions of the Companies Act 1967 ("**Companies Act**") and the SFA, where relevant, and in the case of any conflicts of interests, abstain from participating in the deliberation and decision making on such transactions, with abstention duly recorded within the minutes and/or resolutions of the Board and/or the Board Committees.

Delegation by the H-REIT Manager Board and the HBT Trustee-Manager Board

The primary functions of the H-REIT Manager Board and the HBT Trustee-Manager Board are either carried out directly by the H-REIT Manager Board and the HBT Trustee-Manager Board or delegated to the board committees ("**Committees**") with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Managers' Boards.

The Committees established by the Boards, together with their respective composition are set out under the corporate directory section in this Annual Report 2024 ("**Annual Report**").

Each Committee reports key matters to the Boards at Board Meetings and submit its report at least on an annual basis. All terms of reference for the Committees are approved by the H-REIT Manager Board and the HBT Trustee-Manager Board and reviewed annually to ensure their continued relevance, taking into account the changes in the governance and legal environment.

CORPORATE GOVERNANCE

The delegation of authority by the H-REIT Manager Board and the HBT Trustee-Manager Board to the Committees enables the H-REIT Manager Board and the HBT Trustee-Manager Board to achieve operational efficiency by empowering the Committees to decide, review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, without abdicating their respective overall responsibility.

Further information on the activities of the Audit & Risk Committees ("**ARCs**"), Nominating & Remuneration Committees ("**NRCs**") and Board Sustainability Committees ("**BSCs**") can be found in the sections on Principles 4 to 10 in this report.

Board Processes of the H-REIT Manager and the HBT Trustee-Manager

Meetings of the Boards, ARCs, NRCs and BSCs of the Managers were held regularly. Six Board Meetings, four ARC Meetings, two NRC Meetings and one BSC Meeting were held in 2024.

A meeting of the Non-Executive Directors ("**NEDs**") of the H-REIT Manager Board and the HBT Trustee-Manager Board, chaired by the lead independent Director ("**Lead ID**") was also held in 2024 to discuss matters without the presence of management and feedback was provided to the Board after the NEDs meeting.

The attendance of the Directors of H-REIT Manager and the HBT Trustee-Manager at meetings of the Board and Committees of the Managers, as well as the frequency of such meetings during 2024, are disclosed below. Notwithstanding such disclosure, the H-REIT Manager Board and the HBT Trustee-Manager Board are of the view that the contribution of each Director should not be focused solely on his/her attendance at meetings of the Boards and/or the Committees.

A Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which will further the interests of H-REIT and HBT.

The proposed meetings for the Boards and Committees of the Managers for each new calendar year are set out in a schedule of meetings and notified to all members of the Managers' Boards before the start of each calendar year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings, including discussions on key deliberations and decisions taken, are maintained by the Company Secretaries. The Managers' respective Constitutions allow for meetings of their Boards and Committees to be held via teleconferencing and videoconferencing. The H-REIT Manager Board and the HBT Trustee-Manager Board as well as their Committees may also make decisions by way of circulating written resolutions.

Directors' Attendance at the General Meetings and Meetings of Boards, the Committees and NEDs in 2024

	General Meeting [1]	Board	ARC	NRC	NED	BSC [2]
Number of meetings held in 2024	1	6	4	2	1	1
Name of Directors	**Number of meetings attended in 2024**					
Chan Soon Hee, Eric	1/1	6/6	N. A.	2/2	1/1	N.A.
Vincent Yeo Wee Eng	1/1	6/6	N. A.	N. A.	N.A.	1/1
Foo Say Mui (Bill)	1/1	6/6	4/4	2/2	1/1	1/1
Kim Kenny	1/1	6/6	4/4	N. A.	1/1	N.A.
Cheah Sui Ling	1/1	6/6	4/4	2/2	1/1	1/1
Kwek Eik Sheng	1/1	6/6	N. A.	N. A.	1/1	N.A.

Note:

(1) All Directors, including Mr Chan Soon Hee, Eric (Chairman of the Boards and NRCs) and Dr Foo Say Mui (Bill) (chairman of the ARCs and BSCs) were in attendance at the Annual General Meetings ("**AGMs**") in 2024, together with the KMPs and the external auditors of CDLHT.

(2) The BSCs are established on 5 April 2024. Hence, there is only one meeting held in FY 2024.

CORPORATE GOVERNANCE

Complete, Adequate and Timely Information

Prior to each meeting, members of the H-REIT Manager Board and HBT Trustee-Manager Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. The Management is in attendance at such meetings, whilst the auditors and professional advisers who can provide additional insight into the matters for discussion are invited from time to time to attend the relevant meetings. The Management also provides all Directors of the Managers with monthly updates on the financial performance of H-REIT and HBT.

Draft agendas for the Board and Committee meetings are circulated in advance to the Chairman of each Board and the chairmen of the various Committees, for them to review and suggest items for the agenda. The members of the Boards and the Committees also receive reports on the financial performance, whistle-blowing and related party transactions, where applicable, from the Management. Each of the chairmen of the ARC, NRC and BSC of the H-REIT Manager and the HBT Trustee-Manager provides an annual report of the respective Committees' activities during the year under review to the Boards. The minutes of meetings of the Committees are circulated to all Board members.

Access to Management, Company Secretaries and Independent Professional Advice

All Directors of the Managers have direct and independent access to the Management. To facilitate this access, all Directors are provided with the contact details of the KMPs. The contact details of the head/partner of internal audit are also provided to the ARCs.

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the H-REIT Manager and HBT Trustee-Manager, in furtherance of their duties and where circumstances warrant the same. The Managers have also put in place internal guidelines allowing for the Directors to seek independent professional advice.

The Company Secretaries, whose appointment and removal are subject to the approval of the H-REIT Manager Board and the HBT Trustee-Manager Board, attend all Board and Committee meetings to provide guidance for the Board procedures to be followed. The Company Secretaries, together with Management of the H-REIT Manager and the HBT Trustee-Manager, also ensure that the H-REIT Manager, H-REIT, the HBT Trustee-Manager and HBT comply with all applicable statutory and regulatory rules. Together with the Management, the Company Secretaries also assist the Board Chairman, the Board and Committees of the H-REIT Manager and the HBT Trustee-Manager on corporate governance matters and assist to implement and strengthen corporate governance practices and processes, including ensuring good information flow within the Boards of the Managers and the Committees and between the Directors and Management, facilitating induction for newly appointed Directors of the Managers and newly appointed members of Committees, and assisting in the continuing training and development of the Directors.

On an on-going basis, the Directors of the H-REIT Manager and the HBT Trustee-Manager have separate and independent access to the Company Secretaries.

H-REIT Manager Board and HBT Trustee-Manager Board Approval

The H-REIT Manager Board and the HBT Trustee-Manager Board have in place an internal guide wherein certain key matters are specifically reserved for approval by the H-REIT Manager Board and the HBT Trustee-Manager Board respectively, and these include decisions over the strategic direction and policies and financial objectives which have or may have material impact on the profitability or performance of H-REIT and HBT and decisions on material capital expenditure and undertakings of all acquisition and disposal of properties of H-REIT and HBT as well as decisions to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector, corporate or financial restructuring, decisions over new borrowings or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business, adoption of corporate governance policies and any other matters which require the H-REIT Manager Board or the HBT Trustee-Manager Board approval as prescribed under the relevant legislations and regulations as well as the provisions of the H-REIT or HBT Trust Deeds. The Management of the H-REIT Manager and HBT Trustee-Manager are fully apprised of such matters which require the approval of the respective Boards and Committees.

CORPORATE GOVERNANCE

H-REIT Manager Board and HBT Trustee-Manager Board Orientation and Training

Every newly appointed Director of the Managers receives a formal letter, setting out his/her general duties and obligations as a Director pursuant to the relevant legislations and regulations. The new Director will also receive an induction pack containing information and documents relating to the roles, duties and responsibilities of a director (and where applicable, as a member of the Committees), the principal businesses of H-REIT or HBT and their respective subsidiaries, the H-REIT Manager Board and the HBT Trustee-Manager Board processes and corporate governance practices, relevant policies and procedures, as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting of the Boards and where applicable, the Committees.

The Managers also conduct a comprehensive induction programme for newly appointed Directors and for existing Directors pursuant to their appointments to any of the Committees, which seeks to familiarise Directors with CDLHT's business, the Managers' governance practices and processes, internal controls and risk management systems, their responsibilities as Directors and in the case of appointments to any of the Committees, the roles and areas of responsibilities of such Committees. The induction programme includes meetings with various key executives of the Management to allow the new Directors to be acquainted with the Management team and to facilitate their independent access to the Management team in future. The programme also includes briefings by the Management team on key areas of the Managers' operations and by each Chairman of the relevant Committees to which the Director is newly appointed to on the roles and responsibilities of the Committees.

The Directors had attended in-house seminars conducted by external speakers and other SID courses in 2024 which included Anti-Money Laundering update and trends and Sustainability. They were also briefed during the Boards and Committees meetings on the recent regulatory changes such as financial reporting standards, the CG Code, ISSB Reporting Standards and related listing rules revisions. In addition to the aforementioned training courses/programmes and briefing updates which are non-exhaustive, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Managers' operations. During FY 2024, all BSC members attended an induction programme conducted by KPMG Services Pte. Ltd. to help them understand their roles and responsibilities as BSC members and to acquaint themselves with the relevant information and insight into matters under the purview of the BSC.

For a first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he or she will be required to also attend specific modules of the Listed Entity Director ("**LED**") Programme and LED Bridging Programme conducted by the Singapore Institute of Directors ("**SID**") or the Board of Directors (BOD) Masterclass Programme jointly conducted by Institute of Singapore Chartered Accountants and SAC Capital, in order to acquire relevant knowledge of what is expected of a listed company director, being a mandatory requirement under the SGX-ST Listing Rules. Completion of the aforesaid programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act, the Listing Manual of SGX-ST and the CG Code. A first-time Director of a manager of real estate investment trust ("**REIT**"), who has no prior experience as a director of a REIT manager, must also attend the "Essentials for Directors of REIT Managers" mandatory training programme conducted by REIT Association of Singapore. The said training programme provide the first time Director with the essential know-how for serving on the Board of a Singapore REIT. The Company Secretaries, where relevant, will co-ordinate with such Director to endeavour completion of the relevant programmes within one year from his or her date of appointment subject to available training schedule and the Director's availability.

Ms Eng Chin Chin, who was appointed an Independent Non-Executive Director in February 2025, will be provided with an induction pack containing information and documents relating to the Board and Board Committees. She will also be given detailed briefings by the management team in respect of CDLHT's business and operations, financial as well as compliance matters. Ms Eng has completed the Board of Directors (BOD) Masterclass Programme and will complete the remaining mandatory training programme by February 2026.

The Directors are provided with updates and/or briefings from time to time by professional advisers, auditors, Management and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management issues, financial reporting standards and tax laws and practices. The Directors are also regularly kept informed by the Company Secretaries of the availability of appropriate courses, conferences and seminars such as those conducted by the Accounting and Corporate Regulatory Authority ("**ACRA**"), SGX-ST and SID. The Directors are encouraged to attend such training to develop and maintain their skills and knowledge at the Managers' expense. The NRCs and the Boards of the Managers are kept informed of the trainings attended by the Directors during the year, as part of the NRCs annual assessment of the skills set of the Boards and the Committees. The NRCs would also recommend further training for the Directors in specific areas, if so required, to supplement the regular updates/briefings provided to Directors from time to time.

CORPORATE GOVERNANCE

Board Composition and Guidance
Principle 2

Board Independence

The Boards of the H-REIT Manager and the HBT Trustee-Manager currently comprise seven members each. All members of the Boards, except for Mr Vincent Yeo Wee Eng, the CEO, are NEDs. Of the six NEDs, the NRCs have recommended and the Boards have determined five of them, namely Mr Chan Soon Hee, Eric, Dr Foo Say Mui (Bill), Mr Kenny Kim, Ms Cheah Sui Ling and Ms Eng Chin Chin, being more than half on the Boards, to be Independent Directors ("**IDs**"), thus providing for a strong and independent element on the Boards capable of exercising objective judgement on corporate affairs of the H-REIT and its subsidiaries ("**H-REIT Group**") and the HBT and its subsidiaries ("**HBT Group**").

The NRCs determine on an annual basis (or as and when circumstances require) whether a Director is independent, based on the rules, guidelines and/or circumstances on director independence as set out in the Listing Manual of SGX-ST, the CG Code and the accompanying Practice Guidance, the Securities and Futures (Licencing and Conduct of Business) Regulations ("**SFR**") and the Business Trusts Regulations. A Director is considered independent if he or she is independent in conduct, character and judgement and:

(a) has no relationship with the Managers, their related corporations, their substantial shareholders, substantial Stapled Security Holders of CDLHT (being Stapled Security Holders who have interests in voting Stapled Securities with 5% or more of the total votes attached to all voting Stapled Securities) or the Managers' officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of CDLHT;

(b) is independent from the management of the Managers and CDLHT, from any business relationship with the Managers and CDLHT, and from every substantial shareholder of the Managers and every substantial Stapled Security Holder of CDLHT;

(c) is not a substantial shareholder of the Managers or a substantial Stapled Security Holder of CDLHT;

(d) is not employed and has not been employed by the Managers or CDLHT or their related corporations in the current or any of the past three financial years;

(e) does not have an immediate family member who is employed or has been employed by the Managers or CDLHT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Boards; and

(f) has not served on the Boards for a continuous period of nine years or longer.

For purposes of determination of independence, the IDs have provided confirmation that they are not related to the Managers or substantial Stapled Security Holders of CDLHT or their related corporations and the substantial shareholders of the Managers or their officers that could interfere, or be reasonably perceived to interfere, with their judgement in the best interests of CDLHT. Each member of the NRCs and the Boards recused himself or herself from the NRCs' and the Boards' deliberations respectively on his or her own independence. The following Directors' independence were assessed by the NRCs and the Boards for FY 2024:

(a) Mr Chan Soon Hee, Eric

Mr Chan Soon Hee, Eric was previously the Lead Independent Director, Chairman of the Audit and Risk, Remuneration and Board Sustainability Committees; and a member of the Board and Nominating committees of City Developments Limited ("**CDL**") which holds an indirect controlling stake in the stapled securities of CDLHT, until his resignation on 22 June 2018. The Managers are wholly-owned subsidiaries of CDL.

The NRCs and Boards of the Managers had considered Mr Chan to be independent and capable of exercising business judgement in the best interests of H-REIT and HBT, and approved the re-designation of Mr Chan from Non-Independent and Non-Executive Chairman to Independent Non-Executive Chairman with effect from 1 January 2021.

CORPORATE GOVERNANCE

The Boards also considered the conduct of Mr Chan in the discharge of his duties and responsibilities as a Director and are of the view that the past relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationship stated above, Mr Chan does not have any other relationships and is not faced with any of the circumstances identified in the CG Code, SFR, Business Trusts Regulations and Listing Manual of SGX-ST, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Chan has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards determined that Mr Chan is an ID for FY 2024.

(b) Dr Foo Say Mui (Bill)

Dr Foo is not faced with any of the circumstances identified in the CG Code, SFR, Business Trusts Regulations and Listing Manual of SGX-ST and does not have any other relationships which may affect his independent judgement. The Boards also considered the conduct of Dr Foo in the discharge of his duties and responsibilities as a Director. The Boards are of the view that Dr Foo has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards determined that Dr Foo is an ID for FY 2024.

(c) Mr Kenny Kim

Mr Kenny Kim is not faced with any of the circumstances identified in the CG Code, SFR, Business Trusts Regulations and Listing Manual of SGX-ST and does not have any other relationships which may affect his independent judgement. The Boards also considered the conduct of Mr Kim in the discharge of his duties and responsibilities as a Director. The Boards are of the view that Mr Kim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards determined that Mr Kim is an ID for FY 2024.

(d) Ms Cheah Sui Ling

Ms Cheah Sui Ling is not faced with any of the circumstances identified in the CG Code, SFR, Business Trusts Regulations and Listing Manual of SGX-ST and does not have any other relationships which may affect her independent judgement. The Boards also considered the conduct of Ms Cheah in the discharge of her duties and responsibilities as a Director. The Boards are of the view that Ms Cheah has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Boards determined that Ms Cheah is an ID for FY 2024.

Taking into consideration the guidelines for independence set out in Provision 2.1 of the CG Code and the Business Trusts Regulations, the NRCs and the Boards have determined that Mr Kwek Eik Sheng is considered non-independent by virtue of his employment as Group Chief Operating Officer of CDL and an Executive Director of Millennium & Copthorne Hotels Limited (the "**Sponsor**"), both being substantial Stapled Security Holders of CDLHT.

H-REIT Manager / HBT Trustee-Manager Board Composition, Size and Diversity

The NRCs review the size and composition of the H-REIT Manager Board and the HBT Trustee-Manager Board and the Board Committees annually. At the recommendation of the NRCs, the Boards adopted a Board Diversity Policy which is available on CDLHT's corporate website, setting out its policy and framework for promoting diversity on the Boards. The Boards recognise that a diverse Board of Directors is an important element which will better support CDLHT's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Boards, to avoid group think and foster constructive debate through the perspectives derived from the various skills, qualifications/knowledge, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors. The final decision on selection of Directors will be based on merit against an objective criterion that complements and expands the skills and experience of the Boards as a whole, and after having given due regard to the overall balance and effectiveness of the diverse Boards.

The NRCs had considered the core competencies of the Directors based on the skills and experience of each Director and are of the view that the Boards have the critical skills and expertise needed in the strategic direction and planning of the business of H-REIT and HBT. The NRCs are satisfied that there is a good balance of expertise on the Boards, with experience in real estate and hospitality-related businesses, hospitality and funds management, corporate finance, business leadership and management, strategic planning, marketing, accounting or finance, risk management and sustainability. H-REIT and HBT own assets in various regions such as Asia, Oceania and Europe including the United Kingdom. The CEO, who is also an Executive Director of the H-REIT Manager Board and the HBT Trustee-Manager Board, together with the NEDs collectively have prior work experience in these regions.

CORPORATE GOVERNANCE

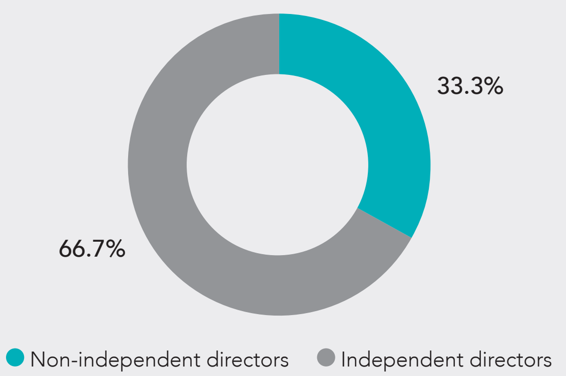
The Boards will continue to review opportunities to refresh the Boards with a view to expanding the skills, experience and diversity of the Boards as a whole. The Boards also agreed that there was no need to set a specific target for ethnicity or nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Boards as a whole. Further information on the individual Directors' background, experience and skills can be found in the "Board of Directors" section in this Annual Report.

Having considered the scope and nature of the operations of the H-REIT Group and the HBT Group, the Boards are satisfied that the current composition mix and size of the Boards provide for diversity and allow for informed and constructive discussion and effective decision-making at the meetings of Boards and Committees. No individual or small group of individuals dominates the Boards' decision-making. No alternate Directors have been appointed in respect of any of the Directors.

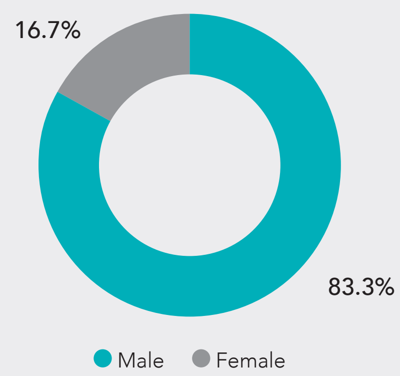
So long as the H-REIT Units remain stapled to HBT Units, in order to avoid any conflict between H-REIT and HBT and to act in the best interest of CDLHT, each of the Directors of the H-REIT Manager Board is also a Director of the HBT Trustee-Manager Board, and vice versa. Further, in line with the SFR, under circumstances where unitholders of H-REIT are not given the right to appoint directors, at least half of the H-REIT Manager Board would have to be IDs. Similarly, the HBT Trustee-Manager Board would also be required to comply with the provision under Regulation 12 of the Business Trusts Regulations that at least a majority of the Directors of the board of the trustee-manager of a business trust to comprise Directors who are independent from management and business relationships with the trustee-manager. Majority of the H-REIT Manager Board and the HBT Trustee-Manager Board comprise IDs. The statement on the Composition of the Board of Directors of the HBT Trustee-Manager pursuant to Regulation 12 of the Business Trusts Regulations can be found on pages 176 and 177 of this Annual Report.

Board Composition in terms of independence, diversity, age spread and IDs' length of service as at 31 December 2024

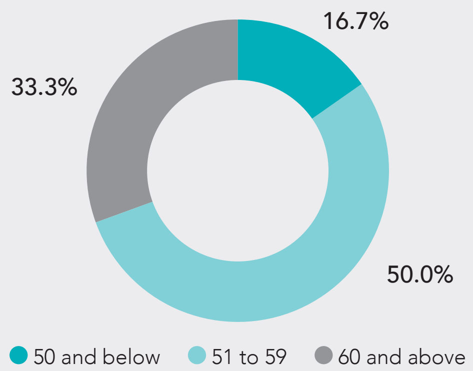
BOARD INDEPENDENCE



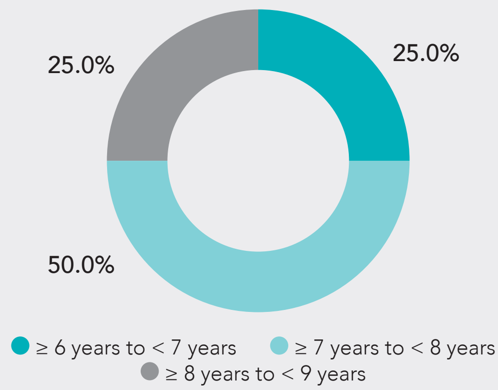
BOARD GENDER DIVERSITY



AGE SPREAD



INDEPENDENT DIRECTORS' LENGTH OF SERVICE



OVERVIEW AND FINANCIAL REVIEW
MARKET REVIEW
LEADERSHIP STRUCTURE
PROPERTY PORTFOLIO
SUSTAINABILITY & GOVERNANCE
FINANCIAL STATEMENTS AND OTHER INFORMATION

CORPORATE GOVERNANCE

Diversity Targets and Progress in FY 2024

Targets	Progress
Size: Maintain a board size of six with two out of three or more members being independent.	There were six members on the Boards with two out of three members being independent in FY 2024. Ms Eng Chin Chin was appointed as an Independent Non-Executive Director in February 2025. The board size is currently at seven with five out of seven being independent.
Skills and Experience: Broaden the skillset of directors on the Board by appointing directors with the relevant expertise and experience that would complement those already on the Board and which would help drive CDLHT's strategy.	There were no changes to the Boards in FY 2024. The Boards currently consist of members who are experienced in real estate and hospitality-related businesses, hospitality and funds management, corporate finance, business leadership and management, strategic planning, marketing, accounting or finance, risk management and sustainability. Other than identifying these aforementioned skills in the search for new directors, the Boards will however continue to review opportunities to refresh the Boards with a view to expanding their skills set in CDLHT's business activities.
Age: Improve age diversity by appointing younger directors (50 years and below)	There is one out of six members in the age group of 50 years or below in FY 2024.
Gender: Improve gender diversity by achieving at least 25% female representation	The female representation on the Boards is 16.7% in FY 2024. With the appointment of Ms Eng Chin Chin in February 2025, the female representation on the Boards has increased to above 25%.

In connection with the appointment of new Director(s), the Boards of the H-REIT Manager and the HBT Trustee-Manager will consider all aspects of diversity based on targets and timelines set for promoting and achieving diversity on the Boards to arrive at an optimal balanced composition of the Boards.

Succession Planning

The Boards believe in carrying out succession planning for themselves, the Board Chairman, CEO and the KMPs to ensure continuity of leadership. Board renewal is a continuous process and in this regard, the NRCs review annually the composition of the Boards and Committees, which include size and mix and recommend to the Boards the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Boards' skillsets taking into account the Group's strategy and business operations. The Boards will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Boards. A Director who has served as a director for a continuous period of nine years will retire from the Board.

In addition to the above, the NRCs also take charge of the succession planning of the CEO and KMPs, in particular the appointment and/or replacement of the CEO and KMPs. A review of career development and succession planning for the CEO and KMPs was conducted by the NRCs annually.

Non-Executive Directors' Participation

NEDs of the H-REIT Manager and the HBT Trustee-Manager are encouraged to participate actively at Board meetings in the development of H-REIT's and HBT's strategic plans and direction, in the review and monitoring of Management's performance through periodic reports from the Management and have unrestricted access to the Management. They also sit on various Committees established by the Boards of the H-REIT Manager and the HBT Trustee-Manager to provide unbiased and independent views, constructive input and the necessary review and monitoring of performance of H-REIT, HBT and the Management. The Lead ID may call for meetings of NEDs or IDs from time to time, when appropriate, without the presence of the Management and provide feedback to the Chairman after such meetings. The H-REIT Manager and HBT Trustee-Manager held respective meetings of the NEDs, chaired by the Lead ID in October 2024 (without the presence of Management and the CEO).

CORPORATE GOVERNANCE

Chairman and Chief Executive Officer
Principle 3

The roles of the Chairman and CEO are separate. Mr Chan Soon Hee, Eric is an independent and non-executive Chairman, while the CEO, Mr Vincent Yeo Wee Eng, is an executive Director. This ensures an appropriate balance of power, increased accountability and greater capacity of the H-REIT Manager Board and the HBT Trustee-Manager Board for independent decision-making. The Chairman is not related to the CEO.

The Chairman sets the right ethical and behavioural tone and bears primary responsibility for the workings of the H-REIT Manager Board and the HBT Trustee-Manager Board, by ensuring effectiveness on all aspects of its role including setting agenda for both the H-REIT Manager Board and the HBT Trustee-Manager Board meetings with input from Management, ensuring that sufficient allocation of time for thorough discussion of each agenda item at Board meetings, promoting an open environment within the Board room for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the H-REIT Manager/HBT Trustee-Manager Board and Management. At annual general meetings and other general meetings of the Stapled Security Holders, he plays a pivotal role in fostering constructive dialogue between Stapled Security Holders, the Boards of the H-REIT Manager and the HBT Trustee-Manager and Management.

The CEO of the H-REIT Manager and the HBT Trustee-Manager is responsible for working with the H-REIT Manager Board and the HBT Trustee-Manager Board to determine the overall business, investment and operational strategies for H-REIT and HBT. The CEO also works with the other members of the Managers' management team, master lessees and managers of H-REIT's properties to ensure that the business, investment and operational strategies of H-REIT and HBT are carried out as planned.

In addition, the CEO is responsible for the overall management and planning of the strategic direction of the Stapled Group, including overseeing the acquisition of hospitality and hospitality-related assets and the asset and property management strategies for H-REIT and HBT.

Lead Independent Director

Dr Foo Say Mui (Bill), who was appointed as the Lead ID of the H-REIT Manager and HBT Trustee-Manager, serves as an intermediary between the IDs and the Chairman. The role of each of the H-REIT Manager Board's Lead ID and the HBT Trustee-Manager Board's Lead ID is set out under the written terms of reference of the Lead ID which have been approved by the Board of the H-REIT Manager and the Board of the HBT Trustee-Manager.

The Lead ID is available to the Stapled Security Holders should they have concerns and for which contact through the normal channels of the Chairman or the Management has failed to resolve or is inappropriate. No query or request on any matter which requires the Lead ID's attention was received from the Stapled Security Holders in 2024.

Board Membership
Principle 4

Nominating and Remuneration Committee Composition, Roles and Responsibilities

All three members of the NRCs are IDs, including the NRC Chairman. The Lead ID is one of the members of the NRC. Please refer to the 'Corporate Directory' section of this Annual Report for the composition of the NRCs.

The NRCs' role and responsibilities as set out in its written terms of reference approved by the Boards, include the following:

(a) review the structure, size and composition of the Boards and Committees;
(b) review the succession plans for the Chairman of the Board, CEO and KMPs;
(c) review the appointments and resignations of Directors and relevant KMPs, including the CEO and the CFO;
(d) determine the Directors' independence annually;
(e) evaluate the performance of the Boards, Committees and Directors;
(f) review the Directors' induction, orientation, training and continuous professional development programmes; and
(g) review the remuneration framework and policies of the Managers and specific remuneration packages of Directors and KMPs.

During the review for FY 2024, the NRCs conducted a self-assessment of their own effectiveness in the discharge of their role and responsibilities, which was facilitated through the use of a self-assessment checklist ("**NRC Self-Assessment Checklist**"). The NRC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NRCs under the terms of reference and considered also the contributions of NRC members to the deliberation and decision-making process at the meetings of NRCs.

CORPORATE GOVERNANCE

Based on the self-assessment, the NRCs are of the view that they have fulfilled their responsibilities and discharged their duties as set out in the terms of reference.

H-REIT Manager and HBT Trustee-Manager Directors' Time Commitments

It is recommended under the CG Code Practice Guidance that the Boards of the H-REIT Manager and HBT Trustee-Manager should establish guidelines on the maximum number of directorships and principal commitments for each Director of the H-REIT Manager and HBT Trustee-Manager may hold in order to address competing time commitments faced by directors serving on multiple boards.

The NRCs and the Boards had set the maximum number of listed company board representations which each Director of the H-REIT Manager and HBT Trustee-Manager may hold at six. The NRCs may review this guideline from time to time and will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships above the recommended number to determine their capacity to participate and contribute effectively to the Boards.

Based on an annual analysis of directorships held by the Directors as well as each Director's confirmation as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director on the respective Boards, the NRCs were satisfied that all Directors are able to carry out and have been adequately carrying out their duties as a Director of the Managers. The NRCs of the H-REIT Manager and HBT Trustee-Manager further noted that, excluding the directorships held in the H-REIT Manager Board and HBT Trustee-Manager Board, the number of listed company board representations currently held by the Directors did not exceed four.

Criteria and Process for Nomination, Selection and Appointment of New Directors of the H-REIT Manager and HBT Trustee-Manager

The NRC of the Managers have formalised guidelines for Boards and Committees appointments which include taking into consideration:

(a) the current Boards and Committees size, composition mix and core competencies;

(b) the candidate's/Director's independence, in the case of an ID;

(c) the composition requirements for the Board and Committees (if the candidate/Director is proposed to be appointed to any of the Committees);

(d) the candidate's/Director's age, gender, track record, experience and capabilities and such other relevant factors as may be determined by the H-REIT Manager Board and HBT Trustee-Manager Board which would provide an appropriate balance and contribute to the collective skills of the respective Boards; and

(e) any competing time commitments if the candidate/Director has multiple board representations and/or other principal commitments.

The NRCs interview shortlisted candidates before formally considering and recommending them for appointment to the Boards and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from Directors and various other sources. An external search may also include candidates who may be suggested by SID, the Council for Board Diversity and any other relevant organisations.

The NRCs may also consider the use of external search firms and the Board Appointment Service of SID, to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history, skillsets and experience (if any) as directors of listed companies. The NRCs consider relevant skills such as hospitality related, other accommodation, tax, risk management and legal to contribute to the collective skills of the respective Boards. All appointment of Directors is subject to the approval of the MAS.

As part of the Board renewal process, Ms Eng Chin Chin was appointed as an Independent Non-Executive Director with effect from 21 February 2025. Ms Eng was identified through contacts and recommendation.

CORPORATE GOVERNANCE

Key Information on Directors

Please refer to the "Board of Directors" section in this Annual Report for key information on the H-REIT Manager Directors and the HBT Trustee-Manager Directors and "Directors' Statement", including *inter alia* their date of appointment, the academic/professional qualifications, major appointments/principal commitments, directorships held in listed companies, both currently and in the preceding five years, and other relevant information as well as the number of stapled securities held by Directors in CDLHT.

Boards Development

The NRCs review the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Boards and where applicable, the Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the expense of the H-REIT Manager or HBT Trustee-Manager (as the case may be). A separate programme is established for new Directors, details of which together with details of the internal briefing and updates provided to the Directors are set out in the paragraph under the header "H-REIT Manager Board and HBT Trustee-Manager Board Orientation and Training". The members of the Boards are kept apprised twice yearly on the list of training programmes attended by the Directors during the year.

Board Performance
Principle 5

Boards Evaluation Process and Individual Director Evaluation Process

The H-REIT Manager Board and HBT Trustee-Manager Board have in place formal processes to assess the effectiveness of each Board as a whole, the various Committees and the contribution by each Director towards the effectiveness of the Boards and the Committees, where applicable. For FY 2024, no external facilitator has been used. The Boards may consider appointing independent external facilitators to assist in the evaluation process of the Boards, Committees and individual Directors, as and when required.

The performance of each Board was assessed on an annual basis through feedback from individual Directors on areas relating to the Boards' role on strategy and performance, the Boards' process and governance (including oversight on internal controls and risk management) and effectiveness of the Board Chairman. A consolidated report is prepared and reviewed/evaluated by the NRCs. The NRCs' comments and recommendations for improvements, if any, are presented to the Boards.

The NRCs also undertook the evaluation of the performance of the Committees, with the assistance of self-assessment checklists completed by the members of the Committees.

Each of the H-REIT Manager Board and HBT Trustee-Manager Board is of the view that in the financial year, it had operated effectively and each of its members had contributed to its overall effectiveness and is committed to maintaining such effectiveness.

The annual evaluation for the Chairman of the Boards and the individual Director's performance comprises three parts:

(a) self-evaluation completed by each Director which comprised criteria such as abilities and competencies, objectivity and participation at meetings;

(b) review of background information concerning the Director including his/her attendance records at the Boards and Committees meetings; and

(c) NRCs' evaluation based on certain assessment parameters,

which were recommended by the NRCs and approved by the Boards. When deliberating on the performance of a particular Director who is also a member of the NRCs, that member abstains from the discussions to avoid any conflict of interests. The NRCs are of the view that for FY 2024, each Director has objectively discharged his or her duties and responsibilities at all times in the interests of the Managers and CDLHT.

The Chairman of the Boards would be fully apprised of the results of the performance evaluation.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for developing Remuneration Policies
Principle 6

All Directors and employees of the Managers are remunerated by the H-REIT Manager and HBT Trustee-Manager, as appropriate, and in accordance with the remuneration policies set out in the following paragraphs.

The H-REIT Manager and HBT Trustee-Manager Boards have adopted a Remuneration Framework which covers all aspects of remuneration including fees, salaries, allowances, bonuses and benefits-in-kind for the Directors and KMPs and includes termination terms which are applicable to the Executive Director and KMPs.

Aon Human Capital Solutions, an external human resource consultant was engaged to provide benchmarking for all levels of employees of the Managers for FY 2024. The consultant is independent and not related to the Managers, their controlling shareholder, their related corporations or any of their Directors.

Level and Mix of Remuneration
Principle 7

All Directors of the H-REIT Manager, including the Executive Director, will receive a fixed base director's fee and the Lead ID will receive an additional fee to reflect his expanded responsibility. The Board Chairman, chairman and members of the ARCs, NRCs and BSCs respectively also receive additional fees. Such fees are subject to the shareholder's approval at the annual general meeting of the H-REIT Manager. The Directors of the HBT Trustee-Manager presently do not receive any Directors' fees.

The NRCs ensure that the remuneration of NEDs is appropriate to their level of contribution taking into account factors such as effort and time spent, and their responsibilities. The Directors' fees are paid by the H-REIT Manager and the FY 2024 fees structure of IDs and NEDs, including Board Committee fees, are set out in the Directors' fees table under Principle 8. During the year, there were no termination, retirement or post-employment benefits (other than CPF contributions) granted to any Director or CEO.

The Managers' remuneration policy for Directors comprises the following distinct objectives:

(a) to ensure that the procedure for determining remuneration for Directors is formal and transparent;

(b) to ensure that the level of remuneration is sufficient to attract and retain Directors to exercise oversight responsibility over the Company; and

(c) to ensure that no Director is involved in deciding on his own remuneration.

The Managers' remuneration policy for employees comprises the following distinct objectives:

(a) to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Managers' needs;

(b) to ensure that remuneration commensurate with employees' duties, responsibilities and length of service;

(c) to build sustainable value-creation to align with longer term shareholder's interests;

(d) to reward employees for achieving corporate and individual performance targets in an equitable way; and

(e) to enhance retention of key talents to build strong organisational capabilities.

Under the Managers' remuneration policy, the remuneration packages for employees, including the CEO who is an Executive Director, comprises a fixed base component (in the form of a base salary) and a variable component which includes the short-term incentives of variable, year-end annual and special bonuses. The variable component is determined by the individual's performance, competitive market practices and information gathered from market surveys conducted by independent human resource consultants as well as CDLHT's overall performance in each specific year. Employees are also provided with the standard benefits including insurance and medical benefits.

CORPORATE GOVERNANCE

The remuneration structure is also directly linked to CDLHT and the individual performance of the CEO and KMPs, both in terms of financial and non-financial performances by incorporating appropriate key performance indicators ("**KPIs**") that are measurable, appropriate and meaningful as well as competency reviews for the award of annual cash incentives.

The KPIs used to determine remuneration and performance of the CEO and KMPs include (but not limited to):

- Financials include targets relating to the total distribution income against budget; total distribution per stapled security; gearing ratio; valuation change; and one year and three year total unitholder return;

- Operations include targets relating to asset enhancement, capital expenditure management and lease management; treasury, refinancing and fund raising; compliance, corporate governance and risk management; and environmental, social and governance ("**ESG**");

- Strategic Projects include targets relating to asset acquisition, earnings growth from acquisition and asset disposal; and

- People include targets relating to staff retention and bench strength of the H-REIT Manager team.

The KPIs are set and chosen because they support how the Managers achieve their strategic objectives. The framework enable staff to understand how they contribute to the Managers' overall strategic goals. The H-REIT Manager Board, at the recommendation of the H-REIT Manager NRC, reviews and approves the evaluation of the CEO and KMPs annually. Currently, the remuneration of the Directors, KMPs and employees are paid in cash only and no compensation is payable to any Director, KMPs or employee of the H-REIT Manager in the form of options in stapled securities or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, under their service contracts.

Although there is currently no share scheme or other forms of long-term incentive schemes in place, the Managers continue to execute the long-term growth and value creation strategies of CDLHT. Accordingly, the Boards and the NRCs of the Managers are of the view that the level and structure of remuneration for the KMPs take into account the long-term interests and risk management of CDLHT.

Disclosure on Remuneration
Principle 8

For FY 2024, the aggregate amount of Directors' fees receivable by each of the Directors of the H-REIT Manager Board was less than $250,000. These fees have been approved by the shareholder of the H-REIT Manager. No Director is involved in deciding his or her own remuneration. The Directors of the HBT Trustee-Manager Board did not receive any Directors' fees for FY 2024.

The structure of the fees payable to Directors of the H-REIT Manager for FY 2024 is as follows:

Appointment	Per Annum ($)
Board of Directors - Chairman's Fee - Base Fee	 90,000 [(1)] 60,000
Audit and Risk Committee - ARC Chairman's Fee - ARC Member's Fee	 70,000 [(2)] 40,000
Nominating and Remuneration Committee - NRC Chairman's Fee - NRC Member's Fee	 10,000 [(2)] 5,000
Board Sustainability Committee - BSC Chairman's Fee - BSC Member's Fee	 5,000 [(2)] 2,500
Lead Independent Director's Fee	10,000

(1) Inclusive of Base Fee
(2) Inclusive of member's fee

CORPORATE GOVERNANCE

The remuneration of each Director (including the CEO) for FY 2024, comprising a breakdown in percentage terms of the components of the remuneration, is set out below:

	Base Salary [(1)] %	Bonuses %	Board/ Committee Fees %	Benefits In Kind %	Total $
Executive Director and Chief Executive Officer					
Vincent Yeo Wee Eng	48.4	41.7	4.3	5.6	1,438,487
Non-Executive Directors					
Chan Soon Hee, Eric	–	–	100.0	–	100,000
Foo Say Mui (Bill)	–	–	100.0	–	150,000
Kenny Kim	–	–	100.0	–	100,000
Cheah Sui Ling	–	–	100.0	–	107,500
Kwek Eik Sheng	–	–	100.0	–	60,000

Note:

(1) Inclusive of Annual Wage Supplement and employer's Central Provident Fund contributions.

Level and Mix of Remuneration of KMPs (not being a Director or CEO)

The NRCs had recommended and the Boards of the Managers had assessed and decided against the disclosure of the remuneration of the top five executive officers (excluding the CEO) on a named basis, whether in exact quantum or bands of $250,000 and the total remuneration paid in aggregate to the top five KMPs (who are not directors or the CEO), and believe that the interests of the Stapled Security Holders will not be prejudiced as a result of such non-disclosure, for the following reasons:

- due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the area of real estate investment trusts and business trusts, such disclosure of remuneration information may give rise to recruitment and talent retention issues;

- the negative impact to H-REIT and HBT if members of the experienced and qualified management team are poached individually and/or collectively, thereby affecting both the ability to nurture a sustainable talent pool and ensure the smooth continuity of leadership to achieve business and operations objectives of H-REIT and HBT;

- there is no misalignment between the remuneration of the KMPs and the interest of Stapled Security Holders, given that their remuneration is not linked to the gross revenue of H-REIT or HBT and are paid out of the assets of the Managers; and

- there is full and frank disclosure regarding the total amount of fees paid to the H-REIT Manager and HBT Trustee-Manager in Note 18 of the Notes to the Financial Statements.

The NRCs and the Boards of the Managers are of the view that their practice is consistent with the intent of Principle 8 of the CG Code as a whole.

For each of the H-REIT Manager and HBT Trustee-Manager, there is no employee who is a substantial shareholder; or an immediate family member of a director or the CEO or a substantial shareholder.

Pursuant to their terms of reference, the NRCs shall regularly review and recommend to the Boards, their assessment of the performance of KMPs. The NRCs shall also take a holistic approach to the Managers' remuneration policy by considering the contribution and performance of KMPs in light of the performance of CDLHT and prevailing economic and industry conditions.

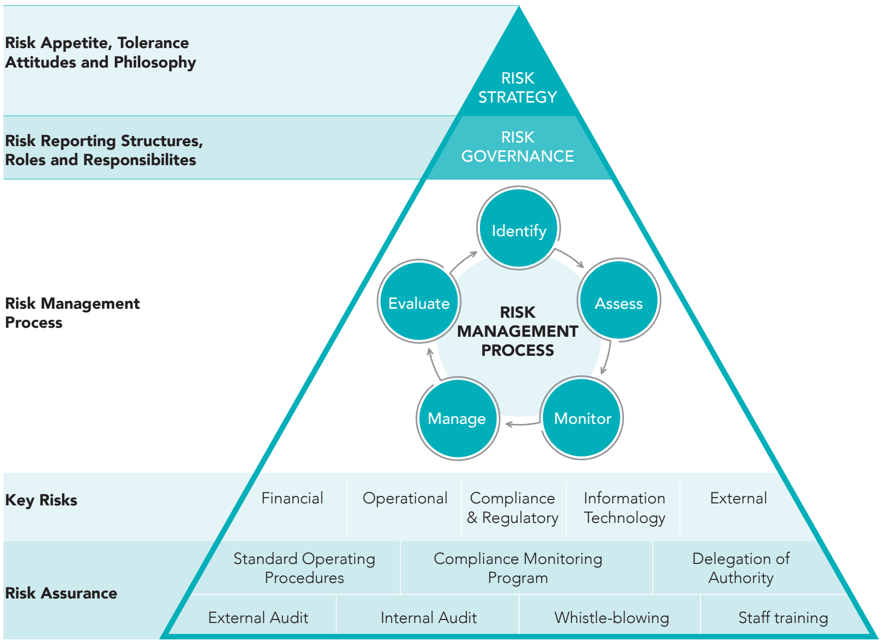
CORPORATE GOVERNANCE

Accountability and Audit
Principle 9

Risk Management and Internal Controls

The H-REIT Manager Board and the HBT Trustee-Manager Board recognise that they have overall responsibility to ensure proper financial reporting for the H-REIT Group, the HBT Group and the Stapled Group and the adequacy and effectiveness of H-REIT's and HBT's system of internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems.

Oversight of Risk Management



The ARCs assist the H-REIT Manager Board and HBT Trustee-Manager Board in providing oversight of risk management and maintaining an effective control environment that reflects both the established risk appetite and the business objectives and reporting to the Boards annually their observations on any matters under their purview including any risk management, internal controls or financial and management matters as they consider necessary and make recommendations to the Boards as they think fit.

An organisational risk management framework has been established by the Managers to formalise and document the internal processes, many of which are currently in place, to enable key business risks affecting H-REIT and HBT to be identified, assessed, monitored, managed and evaluated. The key risks identified include but are not limited to the following:

- External Risk
  As part of its active asset management strategy, the Managers continue to closely monitor economic and geopolitical developments across the markets that CDLHT operates in. As the global tourism and travel industry recovers, Management monitors the macro environment and reviews the hotels' business operations on an on-going basis.

- Financial Risk
  Financial market risks and capital adequacy are closely monitored by the Managers and are reported to the Boards on a quarterly basis. At the portfolio level, this includes active management of CDLHT's debt maturity profile, operating cash flows and availability of funding facilities to meet its capital, re-financing and operating needs. CDLHT also hedges its portfolio exposure to interest rate volatility risks through interest rate derivatives and fixed rate borrowings. For more information, please refer to Note 25 on page 270 of this Annual Report.

- Operational Risk
  The H-REIT Manager and HBT Trustee-Manager have put in place standard operating procedures ("**SOPs**") to manage the risks associated with the day-to-day operations of CDLHT. To stay relevant and effective, these SOPs are reviewed periodically. The Management provides monthly reports covering H-REIT Group's and HBT Group's financial performance to all Directors. Apart from the periodic updates provided by the Management, any member of the H-REIT Manager Board or HBT Trustee-Manager Board may at any time seek further information from and discuss the respective operations and performance with the Management.

- Compliance and Regulatory Risk
  Breaches of applicable regulations and laws in the various jurisdictions in which CDLHT operates in may result in litigation, penalties, revocation of business licenses and bad publicity. The H-REIT Manager and HBT Trustee-Manager identify the applicable regulations and laws and are committed to ensuring compliance in their day-to-day business operations.

- Information Technology Risk
  With the rapidly changing technology, this exposes businesses to potential information technology ("**IT**") breaches and cyber security threats. The H-REIT Manager and HBT Trustee-Manager have put in place policies and procedures for IT governance and controls as well as an IT Disaster Recovery Plan to ensure timely recovery of business-critical IT systems. In addition, all staff are also required to attend IT and cybersecurity awareness training.

The Managers recognise that the risk management process is an ongoing process and will thus, continuously ensure that the current risk management system and processes are in line with industry practices.

During the financial year under review, the ARCs reported to their respective Boards on the nature and extent of the risk management functions performed by them and made recommendations to the Boards on matters within their scope of duties. The ARCs shall within their written terms of reference, specifically:

- review the overall risk appetite and tolerance as determined using the risk limits and/or parameters established by the Management and approved by the ARCs, which limits and/or parameters are to be reviewed from time to time;

- keep under review the key strategic risks (and gaps) identified by the Management and discuss with Management the risk acceptance and/or risk mitigation strategies taken in respect of such risks;

- review H-REIT's and HBT's risk profile periodically and assist the Boards in the review of H-REIT's and HBT's risk strategy and key risk policies;

- ensure that Management puts in place procedures for accurate and timely monitoring of large exposures and critical risks so that H-REIT and HBT are capable of responding to current and prospective changes within both H-REIT's and HBT's business and industry and the macroeconomic and financial environment;

- review reports on any material breaches of risk limits and the adequacy of the proposed actions taken to rectify such breaches; and

- review and report to the Boards annually on the adequacy and effectiveness of the established risk management framework, especially to address H-REIT's and HBT's financial, operational, compliance and information technology risks (which review may be carried out internally or with the assistance of competent third parties).

Internal Controls

Having regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of mitigating such risks, H-REIT's and HBT's internal controls structure have been designed and put in place by Management to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud or other irregularities. H-REIT's and HBT's internal controls structure includes:

- an external audit programme;
- an internal audit programme;

CORPORATE GOVERNANCE

- a risk management framework established for the identification, evaluation, management and monitoring of its key risks;
- the establishment and review from time to time of policies and procedures which govern and allow for the monitoring of financial, operational and compliance controls; and
- a whistle blowing programme.

The Management provides monthly reports covering H-REIT Group's and HBT Group's financial performance to all Directors. Apart from the periodic updates provided by the Management, any member of the H-REIT Manager Board or HBT Trustee-Manager Board may at any time seek further information from and discuss the respective operations and performance with the Management. Each Board also receives a separate quarterly representation on the financial information and controls, that nothing has come to Management's attention which may render the financial statements to be false or misleading in any material respect.

Based on the internal controls framework established, the independent annual review conducted by an external consultant, work performed by the internal and external auditors, quarterly regulatory and compliance reviews of CDLHT and the written assurance from the CEO and the CFO, the H-REIT Manager Board and HBT Trustee-Manager Board confirm, with the assistance of the ARCs, that they have reviewed the adequacy and effectiveness of H-REIT's and HBT's risk management and internal controls systems that addresses the financial, operational, compliance and information technology controls. The Boards, with the concurrence of the ARCs, conclude that the risk management and internal controls systems in place as at 31 December 2024 are adequate and effective to address in all material respects the financial, operational, compliance and information technology risks within the current scope of H-REIT's and HBT's business operations and that the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of H-REIT and HBT.

Audit Committee
Principle 10

Composition of the ARCs

The ARCs of both the H-REIT Manager and the HBT Trustee-Manager currently comprise four NEDs, all of whom (including the chairman of the ARCs) are independent.

The chairman and members of the ARCs have audit, accounting or finance background and experience. The H-REIT Manager Board and the HBT Trustee-Manager Board are of the view that the ARCs have sufficient financial management expertise and experience amongst their members to discharge the functions of the ARCs within their written terms of reference approved and adopted by the respective Boards.

Powers and Duties of the ARCs

The ARCs are authorised by the H-REIT Manager Board and the HBT Trustee-Manager Board to review and investigate any matters they deem appropriate within their written terms of reference and have direct and unrestricted access to the external auditors and the internal auditors. The ARCs may invite any Director, Management, officer or employee of the H-REIT Manager and/or the HBT Trustee-Manager to attend their meetings. The ARCs are also authorised to engage any firm of accountants, lawyers or other professionals as they see fit to provide independent counsel and advice to assist in the review or investigation on such matters within their terms of reference as they deem appropriate at the expense of the H-REIT Manager and the HBT Trustee-Manager respectively.

The principal responsibility of the ARCs is to assist the H-REIT Manager Board and the HBT Trustee-Manager Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the adequacy and effectiveness of H-REIT's and HBT's financial reporting process (including reviewing the accounting policies and practices of the H-REIT Group, the HBT Group and the Stapled Group on a consolidated basis) and risk management and key internal controls, including financial, operational, compliance and information technology controls. Other duties within their written terms of reference include, *inter alia*:

- to monitor the integrity of the financial statements of H-REIT Group, HBT Group and the Stapled Group, in particular, the application and consistency of accounting standards used at company and group levels;
- to assess and challenge, if necessary, the correctness, completeness and consistency of financial information in the financial statements of H-REIT Group, HBT Group and the Stapled Group and any announcements relating to the financial performance of H-REIT Group, HBT Group and the Stapled Group, before submission to the Boards for approval or before they are made public;

CORPORATE GOVERNANCE

- to review the assurance provided by the CEO and the CFO that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the H-REIT Group's, the HBT Group's and the Stapled Group's operations and financial position; and (b) the adequacy and effectiveness of the risk management and internal controls systems;
- to review the adequacy, effectiveness, independence, scope and results of the internal audit function;
- to review the scope and results of the external audit, and the adequacy, effectiveness, independence and objectivity of the external auditors;
- to approve, on behalf of the Boards, the remuneration and terms of engagement of the external auditors;
- to review and make recommendation to the Boards on the appointment, re-appointment or removal of the external auditors;
- to review all Interested Party Transactions and/or Related Party Transactions entered into from time to time and ensure compliance with the relevant provisions of the Listing Manual of SGX-ST, the Property Funds Appendix and the relevant accounting standards;
- to ensure that the H-REIT Group, the HBT Group and the Stapled Group are in compliance with the applicable laws and regulations; and
- to oversee the establishment and operation of the whistle-blowing processes.

Financial Matters

In the review of the financial statements for FY 2024, the ARCs have discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors and were reviewed by the ARCs:

<table>
<tr><th>Significant Matters</th><th>How the ARCs reviewed these matters and what decisions were made</th></tr>
<tr><td>Valuation of investment properties</td><td>The H-REIT Manager ARC and the HBT Trustee-Manager ARC considered the approach and methodology applied to the valuation model in assessing the valuation of the investment properties. The ARCs noted that:
• there was appropriate use of third party valuation expertise;
• sufficient robust challenge was given to management by the external auditors;
• material judgemental assumptions that were used in the valuations were within reasonable parameters; and
• conclusions have been appropriately drawn.

The valuation of the investment properties was an area of focus by the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2024. Refer to page 186 of this Annual Report.</td></tr>
<tr><td>Valuation of property, plant and equipment</td><td>The H-REIT Manager ARC and the HBT Trustee-Manager ARC considered the approach and methodology applied to the valuation model in assessing the valuation of the property, plant and equipment. The ARCs noted that:
• there was appropriate use of third party valuation expertise;
• sufficient robust challenge was given to management by the external auditors;
• material judgemental assumptions that were used in the valuations were within reasonable parameters; and
• conclusions have been appropriately drawn.

The valuation of property, plant and equipment was an area of focus by the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2024. Refer to pages 186 and 187 of this Annual Report.</td></tr>
</table>

CORPORATE GOVERNANCE

During the financial year under review, the ARCs have established an internal controls system to ensure that all Related Party Transactions and/or Interested Party Transactions are undertaken on normal commercial terms and are not prejudicial to the interests of Stapled Security Holders. The ARCs have been kept abreast on changes to the accounting standards and issues which have direct impact on the H-REIT Group's, the HBT Group's and the Stapled Group's financial statements by the CFO and the external auditors during FY 2024.

The ARCs held four meetings each during the year respectively and carried out their duties as set out within the terms of reference. The Company Secretaries maintain records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARCs met with the external auditors separately without the presence of Management annually.

In performing its duties, the ARCs also took guidance from the Audit Committee Guide and the Board Risk Committee Guide both issued by the SID. For the financial year under review, the ARCs conducted a self-assessment of its effectiveness in the discharge of its duties and responsibilities. The assessment was facilitated through the use of a self-assessment checklist ("**ARC Self-Assessment Checklist**") which covered, *inter alia*, the responsibilities of the ARCs under their terms of reference.

Based on the outcome of the self-assessment, the H-REIT Manager ARC and the HBT Trustee-Manager ARC agreed that they had fulfilled their responsibilities and discharged their duties as set out in their terms of reference.

External Auditors

The ARCs had evaluated the performance of the external auditors for FY 2024. The ARCs also reviewed the responses furnished by KPMG LLP ("**KPMG**") based on the sample questionnaire set out in the Guidebook for Audit Committees in Singapore produced by the Audit Committee Guidance Committee.

Taking cognisance that the external auditors should be free from any business or other relationships with the H-REIT Group, HBT Group and the Stapled Group that could materially interfere with their ability to act with integrity and objectivity, the ARCs had, in 2024, undertaken a review of the independence of KPMG and gave careful consideration to the H-REIT Group's, the HBT Group's and the Stapled Group's relationships with them during 2024 including the processes, policies and safeguards adopted by the H-REIT Group, the HBT Group and the Stapled Group. The ARCs also considered the nature of the provision of the non-audit services in 2024 and the corresponding fees and are of the opinion that such non-audit fees did not impair or threaten the audit independence. Based on the review, the ARCs are of the opinion that KPMG is, and is perceived to be, independent for the purpose of the H-REIT Group's, HBT Group's and the Stapled Group's statutory audit.

For details of the fees paid and/or payable by the H-REIT Group, HBT Group and the Stapled Group in respect of audit and non-audit services for FY 2024, please refer to Note 20 of the Notes to the Financial Statements.

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2025, the ARCs had taken into consideration the Audit Quality Indicators Framework introduced by ACRA. The ARCs also considered the following in their review:

(i) the adequacy and experience of the supervisory and professional staff of KPMG assigned to the audit of the H-REIT Group, HBT Group and the Stapled Group;

(ii) the audit engagement partner assigned to the audit;

(iii) KPMG's past experience in auditing clients in the REIT sector; and

(iv) the size and complexity of the audit exercise for the H-REIT Group, HBT Group and the Stapled Group.

KPMG have confirmed that they are registered with ACRA in accordance with Rule 712(2) of the Listing Manual of SGX-ST. The Stapled Group is thus in compliance with Rules 712 and 715 (read with Rule 716) of the Listing Manual of SGX-ST in relation to the appointment of its auditors.

On the basis of the above, the ARCs have recommended to the Boards the nomination of KPMG for re-appointment as external auditors of the H-REIT Group, HBT Group and the Stapled Group at the 2025 Annual General Meetings ("**2025 AGMs**").

CORPORATE GOVERNANCE

Whistle Blowing Policy

The H-REIT Manager and the HBT Trustee-Manager have in place a whistle blowing policy setting out the procedure where staff of the H-REIT Manager and the HBT Trustee-Manager and other persons can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters, without fear of reprisals in any form. The ARCs have the responsibility of overseeing this policy which is administered with the assistance of Management. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow up action to be taken.

The H-REIT Manager and the HBT Trustee-Manager are committed to maintaining procedures for the confidential and anonymous submission of reports and the anonymity of whistle-blowers concerned will be maintained where so requested by the whistle-blowers who lodged the report. Investigations into such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances, and involve persons who need to be involved in order to properly carry out the investigation and will, on a best efforts basis, be carried out in a timely manner.

In order to facilitate and encourage the reporting of such matters, the whistleblowing policy, including the dedicated whistle blowing email address at archairman@cdlht.com and postal correspondence channel are available on CDLHT's website and clearly communicates to employees the existence of a whistle-blowing policy. The whistle blowing policy and procedural arrangements are reviewed by the ARCs from time to time.

Internal Audit

Internal Audit ("**IA**") plays an important role in monitoring an effective system of internal controls. The IA function of the Singapore hotels' operations (except for W Singapore – Sentosa Cove) which are managed by Millennium & Copthorne International Limited, is performed by the internal audit team of CDL, parent company of the Managers, who presents their control findings to the H-REIT Manager's ARC. Deloitte & Touche Enterprise Risk Services Pte Ltd ("**Deloitte IA**"), staffed with professionals with relevant qualifications and experience, has been appointed for the IA work on the H-REIT Manager, HBT Trustee-Manager, and hospitality, retail and living asset properties which are not managed by the Sponsor group. The ARCs review the IA plan and Deloitte IA reports its control findings to the ARCs. Deloitte IA's appointment and removal as the internal auditor requires the approval of the ARCs of the H-REIT Manager and HBT Trustee-Manager.

The internal auditors have adopted the standards set by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Processes are in place such that material control weaknesses raised in the IA reports are dealt with in a timely manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARCs on a half-yearly basis.

The ARCs review the activities of the internal auditors on a half-yearly basis and are satisfied that the IA function is independent of the activities which it audits; is adequately resourced; and has appropriate standing within the H-REIT Manager and HBT Trustee-Manager to perform their role and responsibilities effectively. The ARC's evaluation of Deloitte IA function's effectiveness was guided by the ARC's self-assessment checklist as well as through the reports submitted by Deloitte at ARC meetings.

The ARCs met with the internal auditors separately without the presence of Management in January 2025.

RIGHTS OF STAPLED SECURITY HOLDERS AND ENGAGEMENT

Rights of Stapled Security Holders and Conduct of General Meetings
Principle 11

Being committed to good corporate practices, the H-REIT Manager and the HBT Trustee-Manager treat all Stapled Security Holders fairly and equitably. To facilitate the exercise of Stapled Security Holders' rights, the H-REIT Manager and the HBT Trustee-Manager ensure that all material information relating to the Stapled Group and its financial performance is disclosed in an accurate and timely manner via SGXNet.

CORPORATE GOVERNANCE

All Stapled Security Holders are entitled to attend and vote at general meetings in person or by proxy. The rules including the voting procedures are set out in the notice of general meetings. In accordance with the H-REIT Trust Deed (as amended) and HBT Trust Deed (as amended), Stapled Security Holders who are not relevant intermediaries may appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and Stapled Security Holders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings.

The proxy forms must be deposited at such place or places specified in the notice convening the general meetings not less than forty-eight (48) hours before the time set for the general meetings. Separate resolutions on each substantial issue are put to vote at the general meetings. Detailed information on each item in the agenda of the general meetings is in the explanatory notes to the notice of the general meetings.

At general meetings, Stapled Security Holders are given the opportunity to communicate their views and are encouraged to ask the H-REIT Manager Board and the HBT Trustee-Manager Board and the Management questions regarding matters affecting H-REIT and HBT. Stapled Security Holders can submit questions in advance of the general meetings and substantial and relevant questions will be addressed prior to or at the general meetings. A presentation slides, which included an overview of CDLHT were also made available on SGX-ST prior to the AGMs, and CDLHT's website.

All Stapled Security Holders are allowed to vote in person or by proxy. As the authentication of a Stapled Security Holder's identity information and other related integrity issues still remain a concern, the H-REIT Manager and HBT Trustee-Manager have decided, for the time being, not to implement voting in absentia by mail or electronic means as recommended by Provision 11.4 of the CG Code.

Pursuant to Rule 730A(2) of the Listing Manual of SGX, all resolutions proposed at AGMs and at any adjournment thereof shall be put to vote by way of poll. In support of greater transparency and to allow for a more efficient voting system, the H-REIT Manager and the HBT Trustee-Manager have introduced electronic poll voting instead of voting by show of hands since the 2014 AGMs. With electronic poll voting, Stapled Security Holders present in person or represented by proxy at the meeting are entitled to vote on a "one-stapled security, one-vote" basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed on-screen at the meeting. An external firm will be appointed as scrutineers for the AGMs voting process, which is independent of the firm appointed to undertake the electronic poll voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNet after the AGMs.

The H-REIT Manager and HBT Trustee-Manager also maintain minutes of the general meetings, which includes the key comments and queries raised by Stapled Security Holders and the responses from the H-REIT Manager Board, HBT Trustee-Manager Board, Management and/or the external auditors. The minutes of the general meetings will be made available on the corporate website as soon as practicable.

2024 AGMs

The last Annual General Meetings ("**2024 AGMs**") of H-REIT and HBT were held on 26 April 2024 in a wholly physical mode, at M Hotel Singapore. The notice of 2024 AGMs together with a copy each of the proxy form and AR request form for the use of the Stapled Security Holders were sent by post to them. These documents were published on the website of CDLHT and released via SGXNet. The Stapled Security Holders (including CPF and SRS investors) who participated at the 2024 AGMs were able to submit questions in advance or during the 2024 AGMs and/or appoint proxy(ies) to attend, speak and vote on their behalf at the 2024 AGMs. All substantial and relevant questions submitted by the Stapled Security Holders prior to the 2024 AGM, as well as those received live, were addressed by CDLHT.

The resolutions tabled at 2024 AGMs for approval have not been bundled or made inter-conditional on each other. The Stapled Security Holders were given the right to express their views and exercise their voting rights on each resolution separately. At the 2024 AGMs, the CEO took the Stapled Security Holders through a presentation, which included an overview of CDLHT's FY 2023 performance, key highlights and the outlook for 2024. The presentation slides were made available on SGX-ST and CDLHT's website prior to the 2024 AGMs.

All the Directors including the chairmen of the ARCs and NRCs as well as the Management, external auditors and legal adviser had attended 2024 AGMs. The Directors also took the opportunity to interact with the Stapled Security Holders before and after 2024 AGMs. The voting results of the 2024 AGMs were released on the same day via SGXNet and the minutes of 2024 AGMs were released via SGXNet within one month from 2024 AGMs.

CORPORATE GOVERNANCE

Forthcoming 2025 AGMs

The forthcoming 2025 AGMs will continue to be held, in a wholly physical mode, at Grand Copthorne Waterfront Hotel on 24 April 2025. There will be no option for Stapled Security Holders to participate virtually.

Distribution Policy

H-REIT's current distribution policy is to distribute at least 90.0% of its taxable income and its tax-exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager's discretion. H-REIT makes distributions to unitholders 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. As for HBT's distribution policy, the determination to distribute and the quantum of distributions will be made by the HBT Trustee-Manager Board at its sole discretion.

Engagement with Stapled Security Holders
Principle 12

The H-REIT Manager Board and the HBT Trustee-Manager Board provide the Stapled Security Holders with half year and full year financial results of the H-REIT Group, the HBT Group and the Stapled Group. The unaudited half year results of the H-REIT Group, the HBT Group and the Stapled Group were released to Stapled Security Holders within 45 days of the end of the six-month period whilst unaudited full year results of the H-REIT Group, HBT Group and the Stapled Group are released within 60 days from the financial year ended 31 December 2024. In presenting the 2024 full year and half-yearly results of the H-REIT Group, the HBT Group and the Stapled Group as well as operational updates for first and third quarters, the H-REIT Manager Board and HBT Trustee-Manager Board aimed to provide the Stapled Security Holders with a balanced and understandable assessment of the performance and financial position of the H-REIT Group, the HBT Group and the Stapled Group, with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which CDLHT operates.

The H-REIT Manager and the HBT Trustee-Manager ensure that Stapled Security Holders are notified of all material information in an accurate and timely manner, including the date of release of the financial results of the H-REIT Group, the HBT Group and the Stapled Group via SGXNet. The half year and full year financial results of the H-REIT Group, the HBT Group and the Stapled Group are announced within the mandatory period. The financial statements of the H-REIT Group, the HBT Group and the Stapled Group and other presentation materials presented at general meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNet on a timely basis.

All Stapled Security Holders receive the annual report of CDLHT, the HBT Trustee-Manager's financial statements and Notice of general meetings. Stapled Security Holders, stakeholders and investors can access information on CDLHT at its website at www.cdlht.com which provides, *inter alia*, corporate announcements, press releases and the latest financial results as disclosed by CDLHT on SGXNet.

From time to time, the Management of the H-REIT Manager and the HBT Trustee-Manager hold briefings with analysts and the media to coincide with the release of CDLHT's half year and full year financial results. Presentation slides are also released on SGXNet and made available on the CDLHT's website. In addition, the Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in roadshows and conferences both locally and overseas.

Investor Relations Policy

The H-REIT Manager and the HBT Trustee-Manager are committed to building investor confidence and trust through effective open, two-way communication with Stapled Security Holders, the investment community and the media. The Investor Relations ("**IR**") Policy, available on the CDLHT's corporate website, sets out the process and mechanism to engage its stakeholders, including the channel of communication through which Stapled Security Holders and investors may pose queries and through which the Company may respond. The IR Policy outlines the principles and framework in which the Company communicates and engages with investors, analysts and other IR stakeholders to provide balanced, clear and pertinent information.

CORPORATE GOVERNANCE

Engagement with Stakeholders
Principle 13

The Management of the H-REIT Manager and the HBT Trustee-Manager noted that the relationships with the key stakeholders may have an impact on the CDLHT's long term sustainability. Regular dialogue with key stakeholders such as the Boards, employees, Trustee, master lessees, hotel managers, hotel guests, tenants, suppliers, government/ regulators, investors and local communities are ongoing to better understand and manage their expectations.

The Managers are committed to sustainability issues and more details can be found on CDLHT's Sustainability Report found on pages 100 to 143 of this Annual Report.

The rights of one of CDLHT's key trade creditors, the lending banks, are protected. The Managers ensure that the gearing ratio is well below the regulatory limits and that the loan covenants are complied with.

ADDITIONAL INFORMATION

Rationale for Choice of H-REIT Manager

The H-REIT Manager comprises staff with experience and competencies such as hospitality, investment, investor relations, asset management, capital markets and finance. This enables the H-REIT Manager to discharge its duties in an effective manner. The H-REIT Manager's Board of Directors has a majority of Independent Directors and each Director has expertise which contributes to the sound governance of the H-REIT Manager and CDLHT.

Provision for Removal of H-REIT Manager

Under certain circumstances as provided for in the H-REIT Trust Deed, the H-REIT Manager may be removed by notice in writing given by the H-REIT Trustee, including by a resolution passed by a simple majority of H-REIT Unitholders present and voting (with no H-REIT Unitholders being disenfranchised) at a general meeting duly convened and held in accordance with the provisions of the H-REIT Trust Deed.

Availability of H-REIT and HBT Trust Deeds

Copies of the H-REIT and HBT Trust Deeds are available for inspection at the registered offices of the Managers during business hours. Prior appointment is appreciated. A nominal charge will be applied for photocopies of the Trust Deeds.

Dealing with Conflicts of Interest

The Managers have established the following procedures to manage conflicts of interest involving CDLHT:

(i) In respect of matters which a Director and his or her associates have an interest, direct or indirect, the interested Director will inform the Boards as soon as he or she becomes aware of the matter and abstain from voting. The quorum will comprise a majority without the interested Director's vote;

(ii) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any director appointed to represent their interests will abstain from voting on such matters. The quorum will comprise a majority of the IDs and will exclude the director representing the Sponsor's interests; and

(iii) At least two thirds of the Boards shall comprise IDs, as disclosed on page 54 of this Annual Report.

In FY 2024, there are no material contracts entered into by CDLHT or any of its subsidiaries that involve the interests of any Director, the CEO or any controlling Stapled Security Holders save as disclosed in this Annual Report.

Dealing with Interested Person Transactions

With regards to Interested Person Transactions ("**IPTs**"), the Managers are guided by the following principles:

(i) IPTs will be undertaken on an arm's length basis with normal commercial terms;

(ii) IPTs must not be prejudicial to the interests of CDLHT and its minority Stapled Security Holders; and

(iii) IPTs are compliant with applicable SGX Listing Rules and other regulatory guidelines as prescribed from time to time.

CORPORATE GOVERNANCE

For IPTs concerning H-REIT which are entered or to be entered by the H-REIT Trustee (acting in its capacity as trustee of H-REIT), the H-REIT Trustee is required to consider the terms of the IPTs to satisfy itself that such transactions are conducted as per the principles stated above.

Furthermore, the H-REIT Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into an IPT. If the H-REIT Trustee is to sign any IPT contract, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs as well as guidelines (amended from time to time) prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

Information on the measures and procedures put in place by the HBT Trustee-Manager to manage potential IPTs can also be found in the Statement on the Policies and Practices in Relation to the Management and Governance of CDL Hospitality Business Trust on pages 171 to 177.

The Managers maintain master registers of all IPTs and related party transactions entered into by CDLHT. Furthermore, the ARCs will periodically review the master registers to ensure IPTs are in compliance with the Managers' internal controls systems, the SGX Listing Manual and the Property Funds Appendix.

Please refer to page 302 for more details about IPTs in FY 2024.

Anti-Corruption, Anti-Bribery and Code of Conduct and Ethics

The H-REIT Manager Board, HBT Trustee-Manager Board and Management are committed to conducting business with integrity and consistent with the highest standards of business ethics, and in compliance with all applicable laws and regulatory requirements. There is no tolerance for bribery or corruption. To mitigate reputational risk, the Managers have established various policies and guidelines to guide employees of the Managers, such as the receipt of corporate gifts, entertainment or concessionary offerings in order to avoid any misperception of impropriety. The Managers also uphold the anti-corruption and anti-bribery clauses found in some contractual agreements when dealing with business partners.

The Managers have also adopted an internal code of business and ethical conduct which sets out the business principles and practices with respect to matters which may have ethical implications. The code provides a communicable and understandable framework for employees of the Managers to observe principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of business in their relationships with suppliers and amongst employees, including situations where there are potential conflicts of interests.

New employees of the Managers are made aware of the importance of business ethics as part of their orientation and on a periodic basis, employees of the Managers undergo refresher training. Employees of the Managers also provide an annual self-attestation to affirm their fit and proper status. The various anti-corruption policies and the internal code of business and ethical conduct are made available to all employees in the Managers' shared drive.

Confidential Information

The H-REIT Manager and HBT Trustee-Manager may in the course of business, collect, process, use or disclose personal data of individuals, including H-REIT and HBT Unitholders, employees, lessees or tenants, and in some cases, guests or employees of hotels owned, third-party hotel owners, agents, partners, suppliers and other individuals. The CDLHT Data Protection Handbook is in place to ensure that the personal data processed is subject to certain legal safeguards and restrictions, in line with the requirements of the Personal Data Protection Act and SFA.

Internal Code on Dealings in Securities

The H-REIT Manager and the HBT Trustee-Manager have in place an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the stapled securities of CDLHT by the Managers, Directors and employees of both the Managers and CDLHT being the listed issuer. These guidelines prohibit dealing in the stapled securities of CDLHT (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such stapled securities, and (c) during the "closed period", which is defined as one month before the date of announcement of the H-REIT's and HBT's half-yearly and full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the H-REIT Manager are notified in advance of the commencement of each "closed period" relating to dealing in the stapled securities of CDLHT.

CORPORATE GOVERNANCE

A pre-trading approval process is in place for Directors and the CEO of the Managers who intend to trade in CDLHT's stapled securities. Dealings by each Director and the Chief Executive Officer in CDLHT's stapled securities are disclosed in accordance with the applicable SGX listing rules and the SFA. In FY 2024, based on the information available to the Managers, save as disclosed in accordance with such requirements, there were no dealings by the Directors in CDLHT's stapled securities.

STATEMENT OF POLICIES AND PRACTICES OF HBT

Apart from the corporate governance practices disclosed above, the HBT Trustee-Manager has prepared a statement of policies and practices in relation to the management and governance of HBT (as described in section 87(1) of the Business Trusts Act 2004) in respect of FY 2024, which is set out on pages 171 to 177 of this Annual Report.

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE REIT MANAGER

Pursuant to the Clauses 14.1, 14.2 and 14.7 of the H-REIT Trust Deed, the H-REIT Manager is entitled to receive fees payable out of the deposited property of H-REIT.

The methodology for the computation and payment of fees, with reference to the aforesaid Trust Deed clauses, is disclosed on pages 210 to 213 of this Annual Report. The various fees earned by the H-REIT Manager and their rationale are further elaborated as follows:

Management Fee

The base fee covers the H-REIT Manager's operational, compliance, reporting and administrative costs for developing and executing strategies and business plans for H-REIT and represents fair compensation to the H-REIT Manager for discharging its core responsibilities and duties. It is based on a percentage of the value of H-REIT's deposited properties and is an appropriate metric because as H-REIT grows in size and complexity, the Manager's responsibilities will grow correspondingly.

The performance fee payable to the H-REIT Manager is based on a percentage of the H-REIT Group's net property income. The fee methodology is transparent and reflective of the alignment of interest between the H-REIT Manager and Stapled Security Holders in growing higher property income over the long term through proactive management which includes working with lessees/ hotel managers to drive revenues and cost efficiencies at the property level, carrying out asset enhancement, repositioning or rebranding initiatives, operator selection exercises and negotiation of commercial lease terms or management contract terms. Accordingly, the H-REIT Board is of the view that the performance fee will incentivise the H-REIT Manager to take a holistic and balanced approach towards seeking growth opportunities and encourage the H-REIT Manager to act in the interests of Stapled Security Holders to enhance the net property income and consequently the long-term value of assets.

Acquisition fee & Divestment fee

The acquisition fee and divestment fee payable to the H-REIT Manager serve as a form of compensation for the time, effort and resources spent in sourcing, evaluating, conducting due diligence and executing potential opportunities to acquire new properties or in rebalancing and unlocking the underlying value of existing properties by divestments respectively.

The H-REIT Manager provides these services over and above the provision of ongoing management services with the aim of generating long-term value for Stapled Security Holders. The acquisition fee is higher than the divestment fee because the time and efforts undertaken in terms of sourcing, evaluating and conducting due diligence, and fund raising for an acquisition, are higher as compared to a divestment.

Development Management fee

The development management fee payable is to compensate the H-REIT Manager for its time, costs and effort in facilitating the undertaking of development projects, on behalf of H-REIT, when an attractive opportunity arises which is beneficial to Stapled Security Holders as development projects can potentially provide significant returns and contribute to improving the net asset value of H-REIT's portfolio, and provide growing distributions to Stapled Security Holders.

CORPORATE GOVERNANCE

The development management fee is higher than the acquisition fee because unlike outright acquisitions of completed income-producing properties, the process of property development is more complex as it requires a longer gestation period and involves the management and supervision of significant construction activity. The gestation period (i.e. from the time taken between identification of development opportunities and the confirmation of a deal) may take up to a year and sometimes longer. From confirmation of a deal to the completion of the construction of the development project, the development management process may typically take 12 to 36 months depending on the size, complexity and location of the project. In contrast, the time frame for outright acquisitions may be as short as three to six months from the initial inspection until the completion of the acquisition.

In addition, development management usually involves more extensive liaisons with external parties such as architects, engineers, designers, contractors and the relevant authorities. The services rendered for a development project is significantly more than the services rendered for an acquisition.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

CDL Hospitality Business Trust ("**HBT**") was activated on 31 December 2013 by M&C Business Trust Management Limited, as the trustee-manager of HBT (the "**HBT Trustee-Manager**"), to be the master lessee of Raffles Maldives Meradhoo, a property which was acquired by a wholly-owned subsidiary of CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and which was leased to a wholly-owned subsidiary of HBT. Since then, HBT has proceeded to act as the master lessee of Hotel MyStays Asakusabashi and Hotel MyStays Kamata, Japan and on 1 October 2015, acquired Hilton Cambridge City Centre, United Kingdom. On 4 May 2017, HBT added The Lowry Hotel to its portfolio and operates it as an owner-operator. On 16 July 2020, H-REIT completed the acquisition of W Singapore - Sentosa Cove and a wholly-owned subsidiary of HBT is the master lessee and business owner of W Singapore - Sentosa Cove. On 30 April 2021, wholly-owned subsidiaries of HBT have acquired business assets of Ibis Perth and Mercure Perth (the "**Perth Hotels**") as well as entered into separate leases with subsidiaries of H-REIT, to act as lessor of the Perth Hotels. On 6 November 2024, wholly-owned subsidiaries of HBT completed the acquisition of the Hotel Indigo Exeter located in the United Kingdom.

HBT's principal investment strategy include references to real estate which is primarily used for other accommodation and/or lodging purposes including, without limitation, properties used for rental housing, co-living, student accommodation and senior housing. HBT currently owns a residential build-to-rent property The Castings in the United Kingdom which received practical completion status on 4 June 2024. On 19 December 2024, a wholly-owned subsidiary of H-REIT and a wholly-owned subsidiary of HBT together completed the acquisition of a purpose-built student accommodation property namely Benson Yard in Liverpool, United Kingdom with HBT owning the vacant freehold land adjacent to Benson Yard.

The Board of Directors of the HBT Trustee-Manager (the "**HBT Trustee-Manager Board**") is responsible for safeguarding the interests of the unitholders of HBT (the "**HBT Unitholders**") as a whole and managing the business of HBT. The HBT Trustee-Manager has general power of management over the business and assets of HBT and its main responsibility is to manage HBT's assets and liabilities for the benefit of the HBT Unitholders as a whole. In the event of a conflict between the interests of the HBT Unitholders as a whole and its own interests, the HBT Trustee-Manager will give priority to the interests of the HBT Unitholders as a whole over its own interests.

The HBT Trustee-Manager Board is also obliged to exercise due care to comply with the relevant provisions of all applicable legislations and regulations, the listing manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the trust deed constituting HBT dated 12 June 2006 (as amended from time to time) (the "**HBT Trust Deed**"), the stapling deed dated 12 June 2006 (as amended from time to time) (the "**Stapling Deed**") and all relevant contracts entered into by HBT.

The HBT Trustee-Manager, in exercising its powers and carrying out its duties as trustee-manager of the HBT, is required to, and will:

- treat the HBT Unitholders who hold units of HBT ("**HBT Units**") in the same class fairly and equally and HBT Unitholders who hold HBT Units in different classes (if any) fairly;
- ensure that all payments out of the trust property of HBT (the "**HBT Trust Property**") are made in accordance with the Business Trusts Act 2004 (the "**BTA**"), the HBT Trust Deed and the Stapling Deed;
- report to Monetary Authority of Singapore ("**MAS**") any contravention of the BTA or Business Trusts Regulations by any other person that:
  - o relates to HBT; and
  - o has had, has or is likely to have, a material adverse effect on the interests of all the HBT Unitholders, or any class of HBT Unitholders, as a whole,

  as soon as practicable after the HBT Trustee-Manager becomes aware of the contravention;
- ensure that the HBT Trust Property is properly accounted for; and
- ensure that the HBT Trust Property is kept distinct from the property of the HBT Trustee-Manager held in its own capacity.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

In addition, the HBT Trustee-Manager will:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as the trustee-manager of the HBT in accordance with the BTA, the HBT Trust Deed and the Stapling Deed;
- act in the best interests of all the HBT Unitholders as a whole and give priority to the interests of all HBT Unitholders as a whole over its own interests in the event of a conflict between the interests of all HBT Unitholders as a whole and its own interests;
- not make improper use of any information acquired by virtue of its position as the HBT Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the HBT Unitholders;
- hold the HBT Trust Property on trust for all HBT Unitholders as a whole in accordance with the terms of the HBT Trust Deed;
- adhere with the business scope of HBT as set out in the HBT Trust Deed;
- review interested person transactions in relation to HBT;
- review expense and cost allocations payable to the HBT Trustee-Manager in its capacity as trustee-manager of HBT out of the HBT Trust Property and ensure that fees and expenses charged to HBT are appropriate and in accordance with the HBT Trust Deed; and
- comply with the BTA and the Listing Manual.

The MAS has granted the HBT Trustee-Manager an exemption from compliance with Section 10(2)(a) of the BTA and the directors of the HBT Trustee-Manager (the "**HBT Trustee-Manager Directors**") from compliance with Section 11(1)(a) of the BTA subject to the condition that for the duration of the time that the HBT Units are stapled to the units of H-REIT, the HBT Trustee-Manager and HBT Trustee-Manager Directors shall act in the best interests of all the holders of the stapled securities ("**Stapled Security Holders**") of CDL Hospitality Trusts ("**CDLHT**").

Waivers, subject to certain conditions, were obtained from the MAS to permit HBT to (i) provide the documents referred to under Sections 33(2)(a) and 78(1) of the BTA to Stapled Security Holders electronically; and (ii) give notice of any declaration of distribution of profits, income or other payments or returns (the "**Notice**") from the trust property of HBT to Stapled Security Holders electronically, in lieu of publication of the Notice in one or more newspapers circulating in Singapore as required under Section 33(2)(b) of the BTA.

The HBT Trustee-Manager Board, in exercising its power and carrying out its duties as trustee-manager of HBT, has put in place measures to ensure that:

- the HBT Trust Property is properly accounted for and is kept distinct from the property held by the HBT Trustee-Manager in its own capacity;
- the business scope of HBT as set out in the HBT Trust Deed has been adhered to;
- potential conflicts between the interests of the HBT Trustee-Manager and the interests of the HBT Unitholders as a whole are appropriately managed;
- interested person transactions are transparent, properly recorded and disclosed;
- expenses and cost allocations payable to the HBT Trustee-Manager out of the HBT Trust Property, and the fees and expenses charged to HBT are appropriate and are made in accordance with the HBT Trust Deed; and
- the BTA, Business Trusts Regulations and the Listing Manual have been complied with.

The HBT Trustee-Manager has also adopted a set of corporate governance practices as set out on pages 144 to 170 of this Annual Report.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

HBT Trust Property Properly Accounted For

To ensure that the HBT Trust Property is properly accounted for and is kept distinct from the property held by the HBT Trustee-Manager in its own capacity, the accounting records of HBT are kept separate and distinct from the accounting records of the HBT Trustee-Manager. The Trustee-Manager maintains different bank accounts in its own capacity and in its capacity as the Trustee-Manager of HBT. Regular internal reviews are also carried out to ascertain that all Trust Property of HBT has been fully accounted for.

Each of the financial statements of HBT and HBT Trustee-Manager are approved by the HBT Trustee-Manager Directors on a half-yearly basis. Each of the financial statements of HBT and HBT Trustee-Manager are also kept separate and distinct and are duly audited by external auditors on an annual basis to ensure that the HBT Trust Property is properly accounted for and the HBT Trust Property is kept distinct from the property of the HBT Trustee-Manager held in its own capacity.

Adherence to Business Scope

The HBT Trustee-Manager Board reviews and approves all authorised businesses undertaken by HBT so as to ensure its adherence to the business scope under the HBT Trust Deed. Such authorised businesses include:

(i) the investment in, development of, operation of and/or management of real estate and real estate related assets and all activities, concerns, functions and matters reasonably incidental thereto;

(ii) acquisition, disposition, ownership, management, operation, finance leasing and leasing of real estate and real estate related assets and all activities, concerns, functions and matters reasonably incidental thereto; and

(iii) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii),

whether directly, indirectly through subsidiaries or in the form of joint ventures together with other parties.

Management provides regular updates to the Board and the Audit and Risk Committee of the HBT Trustee-Manager about potential projects that it is looking into on behalf of HBT and the Board and the Audit and Risk Committee of the HBT Trustee-Manager ensure that all such projects are within the permitted business scope under the HBT Trust Deed. Prior to the carrying out of any significant business transactions, the Board, the Audit and Risk Committee and/or management of the HBT Trustee-Manager will have careful regard to the provisions of the HBT Trust Deed and when in doubt, will seek advice from professional advisers.

Potential conflicts of interest

The HBT Trustee-Manager is not involved in any other businesses other than managing HBT. All potential conflicts of interest, as and when they arise, will be identified by the HBT Trustee-Manager Board and management, and will be reviewed accordingly.

As the HBT Trustee-Manager is an indirect wholly-owned subsidiary of Millennium & Copthorne Hotels Limited (the "**Sponsor**"), being the sponsor and controlling unitholder of HBT, there may be potential conflicts of interest between HBT, the HBT Trustee-Manager and the Sponsor.

The HBT Trustee-Manager has instituted, among others, the following procedures to deal with issues of conflicts of interest:

- The HBT Trustee-Manager Board comprises five independent directors who do not have management or business relationships with the HBT Trustee-Manager and are independent from the substantial shareholder of the HBT Trustee-Manager. The independent directors form the majority of the HBT Trustee-Manager Board. This allows the HBT Trustee-Manager Board to examine independently and objectively, any potential issue of conflicts of interest arising between the HBT Trustee-Manager in its own capacity and the HBT Unitholders as a whole.

- In respect of matters in which the Sponsor and/or its subsidiaries has an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the HBT Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum shall comprise a majority of the independent HBT Trustee-Manager Directors and shall exclude nominee director of the Sponsor and/or its subsidiaries.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

- In respect of matters in which a HBT Trustee-Manager Director or his Associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested Director shall abstain from voting in such matters. The quorum must comprise a majority of the HBT Trustee-Manager Directors and must exclude such interested director.

- Employees, if any, are directly employed by the HBT Trustee-Manager.

- All resolutions in writing of the HBT Trustee-Manager Directors in relation to matters concerning HBT must be approved by all the HBT Trustee-Manager Directors.

- Where matters concerning HBT relate to transactions to be entered into by the HBT Trustee-Manager for and on behalf of HBT with an interested person of the HBT Trustee-Manager or HBT (which would include relevant associates thereof), the Audit and Risk Committee is required to consider the terms of such transactions (except transactions under agreements which are deemed to have been specifically approved by HBT Unitholders upon purchase of HBT Units) to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of HBT and the HBT Unitholders, and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transactions in question. If the HBT Trustee-Manager is to sign any contract with an interested person of the HBT Trustee-Manager or HBT, the HBT Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed to apply to business trusts.

Present and Ongoing Interested Person Transactions

(i) Exempted Agreements

The fees and charges payable by HBT to the HBT Trustee-Manager under the HBT Trust Deed are considered interested person transactions which are deemed to have been specifically approved by the HBT Unitholders upon their purchase of the HBT Units, to the extent that there are no subsequent changes to the rates and/or bases of the fees charged thereunder which will adversely affect HBT.

(ii) Future Interested Person Transactions

Depending on the materiality of the transaction, HBT may make a public announcement of or obtain prior approval of the HBT Unitholders for such a transaction. If necessary, the HBT Trustee-Manager Board may make a written statement in accordance with the resolution of the HBT Trustee-Manager Board and signed by at least two HBT Trustee-Manager Directors on behalf of the HBT Trustee-Manager Board certifying that, *inter alia*, such interested person transaction is not detrimental to the interests of the HBT Unitholders as a whole, based on the circumstances at the time of the transaction.

The HBT Trustee-Manager may, in future, seek an annual general mandate from the HBT Unitholders for recurrent transactions of revenue or trading nature or those necessary for the day-to-day operations with interested persons, and all transactions would then be conducted under such a general mandate for that relevant financial year. In seeking such an annual general mandate, the HBT Trustee-Manager may appoint an independent financial adviser to render an opinion as to whether the methods or procedures for determining the transaction prices contemplated under the annual general mandate are sufficient, in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of HBT and the HBT Unitholders.

The HBT Trustee-Manager has in place an internal control system as well as policies and procedures to ensure that all future interested person transactions will be undertaken on an arm's length basis, on normal commercial terms, will not be prejudicial to the interests of HBT and its minority Unitholders, and will be in accordance with all applicable requirements of the BTA, the Listing Manual and all applicable guidelines as may from time to time be prescribed to apply to business trusts relating to the transaction in question.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

Management identifies interested person transactions in relation to HBT. The HBT Trustee-Manager maintains a register to record all interested person transactions which are entered into by HBT. The HBT Trustee-Manager incorporates into its plan a review of all interested person transactions entered into by HBT during the financial year. The Audit and Risk Committee reviews at least quarterly in each financial year the interested person transactions entered into during such quarterly period to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. The review includes the examination of the nature of the transactions and their supporting documents or such other data that the Audit and Risk Committee deems necessary. If a member of the Audit and Risk Committee has an interest in a transaction, he or she will abstain from participating in the review and approval process in relation to that transaction.

In addition, all such interested person transactions conducted and any contracts entered into by the HBT Trustee-Manager on behalf of HBT with an interested person of the HBT Trustee-Manager or HBT, shall comply with and be in accordance with all applicable requirements of the Listing Manual, the BTA and Business Trusts Regulations as well as such other guidelines as may from time to time be prescribed to apply to business trusts.

In particular, when HBT acquires assets from the Sponsor or parties related to the Sponsor in future, the HBT Trustee-Manager will obtain valuations from independent parties. In any event, interested person transactions entered into by HBT, depending on the materiality of such transactions, may be publicly announced or, as the case may be, approved by HBT Unitholders, and will, in addition, be:

- reviewed and recommended by the Audit and Risk Committee of the HBT Trustee-Manager, which comprises only independent directors; and
- decided by the HBT Trustee-Manager Board, of which more than half of the directors are independent directors.

Fees and expenses charged to HBT are appropriate and in accordance with the HBT Trust Deed

The HBT Trustee-Manager is entitled under the HBT Trust Deed to a management fee comprising a base fee of up to a maximum of 0.25% per annum of the value of the HBT's Deposited Property and a performance fee of 5.0% per annum of HBT's net property income. For the purpose of calculating the management fee, if HBT holds only a partial interest in an investment from which such profit is derived, such profit shall be pro-rated in proportion to the partial interest held.

The management fee is payable to the HBT Trustee-Manager in the form of cash and/or Stapled Securities as the HBT Trustee-Manager may elect, and in such proportion and for such period as may be determined by the HBT Trustee-Manager.

Under the HBT Trust Deed, if the value of the HBT Trust Property is at least $50.0 million, a maximum of 0.1% per annum of the value of the HBT's Deposited Property (if any), subject to a minimum fee of $10,000 per month, excluding out-of-pocket expenses and goods and services tax, is payable to the HBT Trustee-Manager as trustee fee. For the purpose of calculating the trustee fee, if HBT holds only a partial interest in any of HBT's Deposited Property, such HBT's Deposited Property shall be pro-rated in proportion to the partial interest held.

The trustee fee is payable to the HBT Trustee-Manager in arrears on a monthly basis in the form of cash.

The HBT Trustee-Manager is also entitled to receive an acquisition fee at the rate of 0.75% of the acquisition price for acquisition from interested persons and at a rate of 1.0% of the acquisition price for all other acquisitions directly or indirectly by HBT (pro-rated if applicable to the proportion of HBT's interest in the authorised investment acquired).

The acquisition fee is payable to the HBT Trustee-Manager in the form of cash and/or Stapled Securities as the HBT Trustee-Manager may elect, and in such proportion and for such period as may be determined by the HBT Trustee-Manager.

The HBT Trustee-Manager is also entitled to a divestment fee at the rate of 0.5% of the sale price of any divestment directly or indirectly by HBT (pro-rated if applicable to the proportion of HBT's interest). The divestment fee is payable to the HBT Trustee-Manager in the form of cash and/or Stapled Securities as the HBT Trustee-Manager may elect, and in such proportion and for such period as may be determined by the HBT Trustee-Manager.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

Any increase in the rate or any change in structure of the HBT Trustee-Manager's management fee, trustee fee, the acquisition fee or the divestment fee, must be approved by an extraordinary resolution passed at a meeting of HBT Unitholders duly convened and held in accordance with the provisions of the HBT Trust Deed.

The table below sets out the fees earned by the HBT Trustee-Manager for the financial year ended 31 December 2024.

Fee	Amount ($'000)	% in Cash	% in Units
Management Fee	1,343	20	80
Acquisition Fee	334	100	0
Trustee Fee	381	100	0

For the financial year ended 31 December 2024, the HBT Trustee-Manager will receive 100% of trustee fee in cash while the management fee is in the form of 20% cash and 80% Stapled Securities. No expenses were paid to the HBT Trustee-Manager during the financial year ended 31 December 2024 and any out-of-pocket expenses incurred were funded by HBT's working capital.

The HBT Trustee-Manager Board will meet every quarter to review the material expenses, cost allocations and fees charged to HBT and to ensure that the fees and expenses payable to the HBT Trustee-Manager out of the HBT Trust Property are appropriate and in accordance with the HBT Trust Deed.

Compliance with the Business Trusts Act and Listing Manual

The HBT Trustee-Manager has an internal compliance manual which serves to summarise all the applicable rules and regulations as well as key internal policies and processes which HBT needs to comply with. The manual will be consistently updated whenever there are changes to the rules and regulations and such policies and processes, and this will help management to ensure that applicable rules and regulations are being complied with.

The HBT Trustee-Manager will also engage the services of and obtain advice from professional advisers and consultants from time to time, and in particular when dealing with acquisitions and capital raising, to ensure compliance with the requirements of the BTA and the Listing Manual.

Compliance of the HBT Trustee-Manager Board

Under regulation 12(1) of the Business Trusts Regulations, the HBT Trustee-Manager Board is required to comprise:

- at least a majority of the directors who are independent from management and business relationships with the HBT Trustee-Manager;
- at least one-third of the directors who are independent from management and business relationships with the HBT Trustee-Manager and from every substantial shareholder of the HBT Trustee-Manager; and
- at least a majority of the directors who are independent from any single substantial shareholder of the HBT Trustee-Manager.

None of the HBT Trustee-Manager directors would, by definition under the Business Trusts Regulations, be independent from a substantial shareholder of the HBT Trustee-Manager as the HBT Trustee-Manager is wholly-owned by the H-REIT Manager. As H-REIT and HBT are stapled, the directors of the Managers are the same to avoid any differences or deadlock in the operation of CDLHT. The MAS has, subject to certain conditions, granted an exemption to the HBT Trustee-Manager from the requirement under Regulation 12(1) of the Business Trusts Regulations which deals with the independence of the HBT Trustee-Manager Directors.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CDL HOSPITALITY BUSINESS TRUST

The HBT Trustee-Manager Board currently consists of seven directors, five of whom are independent directors for the purposes of the Business Trusts Regulations. In accordance with Regulation 12(8) of the Business Trusts Regulations, the HBT Trustee-Manager Board and the board of M&C REIT Management Limited, Manager of H-REIT, has determined that the following directors are independent from management and business relationships with the HBT Trustee-Manager and from the substantial shareholder of the HBT Trustee-Manager:

Mr Chan Soon Hee, Eric;
Dr Foo Say Mui (Bill);
Mr Kenny Kim;
Ms Cheah Sui Ling; and
Ms Eng Chin Chin.

Mr Vincent Yeo Wee Eng, the Chief Executive Officer of the H-REIT Manager and the HBT Trustee-Manager; and Mr Kwek Eik Sheng, an Executive Director of the Sponsor, are considered non-independent directors.

FINANCIAL STATEMENTS

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REPORT OF THE TRUSTEE-MANAGER OF CDL HOSPITALITY BUSINESS TRUST

The directors of M&C Business Trust Management Limited, the trustee-manager of CDL Hospitality Business Trust ("**HBT**") (the "**Trustee-Manager**") and its subsidiaries (collectively, the "**HBT Group**"), are pleased to present this report to the unitholders together with the audited financial statements for the financial year ended 31 December 2024.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Chan Soon Hee, Eric	(Chairman)
Vincent Yeo Wee Eng	(Chief Executive Officer)
Foo Say Mui (Bill)	
Kenny Kim	
Cheah Sui Ling	
Kwek Eik Sheng	
Eng Chin Chin	(Appointed on 21 February 2025)

DIRECTORS' INTEREST IN UNITS OR DEBENTURES

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act 2004 of Singapore (the "**BTA**"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children below 18 years of age) in units of HBT are as follows:

	Holdings at beginning of the year	Holdings at end of the year
Vincent Yeo Wee Eng	138,000	138,000
Kwek Eik Sheng	695,638	695,638

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units of HBT either at the beginning or at the end of the financial year.

There were no changes in the abovementioned interests of HBT between the end of the financial year and 21 January 2025.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of HBT.

DIRECTORS' CONTRACTUAL BENEFITS

During the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Trustee-Manager, on behalf of HBT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest.

REPORT OF THE TRUSTEE-MANAGER OF CDL HOSPITALITY BUSINESS TRUST

OPTIONS

During the financial year, there were:

(i) no options granted by the Trustee-Manager to any person to take up unissued units in HBT; and

(ii) no units issued by virtue of any exercise of option to take up unissued units of HBT.

As at the end of the financial year, there were no unissued units of HBT under options.

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the date of this statement are:

- Foo Say Mui (Bill) (Chairman), Independent, non-executive director
- Kenny Kim, Independent, non-executive director
- Cheah Sui Ling, Independent, non-executive director
- Eng Chin Chin, Independent, non-executive director (Appointed on 21 February 2025)

The Audit and Risk Committee performs the functions specified in Section 201B of the Companies Act 1967, Regulation 13(6) of the Business Trusts Regulations 2005, the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX Listing Manual**") and the Code of Corporate Governance.

The Audit and Risk Committee has held four meetings since the last report of the Trustee-Manager. In performing its functions, the Audit and Risk Committee met with HBT's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the HBT's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by HBT's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of HBT prior to their submission to the directors of the Trustee-Manager for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit and Risk Committee has full access to the Trustee-Manager and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors of the Trustee-Manager that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of HBT.

In appointing our auditors for the HBT Group, we have complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

REPORT OF THE TRUSTEE-MANAGER OF CDL HOSPITALITY BUSINESS TRUST

STATEMENT BY THE TRUSTEE-MANAGER

In our opinion:

(a) the consolidated financial statements of the HBT Group set out on pages 190 to 299 are drawn up so as to give a true and fair view of the state of affairs of the HBT Group as at 31 December 2024 and the financial performance, movements in unitholders' funds and cash flows of the HBT Group for the year ended on that date in accordance with the provisions of the BTA and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having considered the cash liquidity of the HBT Group and the financial support given by H-REIT to HBT, there are reasonable grounds to believe that the HBT Group will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the Trustee-Manager further certify that:

- fees or charges paid or payable out of the trust property of the HBT Group to the Trustee-Manager are in accordance with HBT's trust deed dated 12 June 2006 (as amended);

- interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transaction; and

- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the HBT Group or on the interests of all the unitholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,
M&C Business Trust Management Limited

Chan Soon Hee, Eric
Director

Vincent Yeo Wee Eng
Director

21 March 2025

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

In accordance with Section 86 of the BTA, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of HBT Group or on the interests of all the unitholders of HBT as a whole.

Vincent Yeo Wee Eng
Chief Executive Officer

21 March 2025

REPORT OF THE TRUSTEE OF CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST

DBS Trustee Limited (the "**H-REIT Trustee**") is under a duty to take into custody and hold the assets of CDL Hospitality Real Estate Investment Trust ("**H-REIT**") held by it or through its subsidiaries (collectively, the "**H-REIT Group**") in trust for the holders of units in H-REIT. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the H-REIT Trustee shall monitor the activities of M&C REIT Management Limited (the "**H-REIT Manager**") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 June 2006 (as amended) (the "**H-REIT Trust Deed**") between the H-REIT Manager and the H-REIT Trustee in each annual accounting period; and report thereon to unitholders in an annual report.

To the best knowledge of the H-REIT Trustee, the H-REIT Manager has, in all material respects, managed the H-REIT Group during the period covered by these financial statements set out on pages 190 to 299, in accordance with the limitations imposed on the investment and borrowing powers set out in the H-REIT Trust Deed.

For and on behalf of the H-REIT Trustee,
DBS Trustee Limited

Jane Lim Puay Yuen
Director

21 March 2025

REPORT OF THE MANAGER OF CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST

In the opinion of M&C REIT Management Limited (the "**H-REIT Manager**"), the Manager of CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), the accompanying consolidated financial statements of H-REIT and its subsidiaries (collectively, the "**H-REIT Group**"), and CDL Hospitality Trusts (the "**Stapled Group**", comprising the H-REIT Group and HBT Group) set out on pages 190 to 299, comprising the statement of financial position, statement of total return, statement of movements in unitholders' funds, portfolio statement and statement of cash flows of the H-REIT Group; the statement of financial position, statement of total return, statement of movements in unitholders' funds, distribution statement, portfolio statement and statement of cash flows of the Stapled Group; and notes to the consolidated financial statements, are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the H-REIT Group and the Stapled Group as at 31 December 2024 and the financial performance, movements in unitholders' funds and cash flows of the H-REIT Group and the financial performance, movements in unitholders' funds, distributable income and cash flows of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the provisions of H-REIT's trust deed between DBS Trustee Limited (the "**H-REIT Trustee**") and the H-REIT Manager dated 8 June 2006 (as amended) and the stapling deed of CDL Hospitality Trusts between the H-REIT Trustee, the H-REIT Manager and M&C Business Trust Management Limited (the Trustee-Manager of HBT) dated 12 June 2006 (as amended). At the date of this statement, there are reasonable grounds to believe that the H-REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the H-REIT Manager,
M&C REIT Management Limited

Vincent Yeo Wee Eng
Director

21 March 2025

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS

CDL Hospitality Business Trust
(Constituted under a Trust Deed in the Republic of Singapore)
CDL Hospitality Real Estate Investment Trust
(Constituted under a Trust Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited:

(i) the consolidated financial statements of CDL Hospitality Business Trust ("**HBT**") and its subsidiaries (the "**HBT Group**"), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, statement of comprehensive income, statement of movements in unitholders' funds and statement of cash flows of the HBT Group for the year then ended, and notes to the consolidated financial statements, including material accounting policy information;

(ii) the consolidated financial statements of CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and its subsidiaries (the "**H-REIT Group**"), which comprise the statement of financial position and portfolio statement as at 31 December 2024, the statement of total return, statement of movements in unitholders' funds and statement of cash flows of the H-REIT Group for the year then ended, and notes to the consolidated financial statements, including material accounting policy information; and

(iii) the consolidated financial statements of CDL Hospitality Trusts, which comprise the statement of financial position and portfolio statement as at 31 December 2024, the statement of total return, distribution statement, statement of movements in unitholders' funds and statement of cash flows of CDL Hospitality Trusts for the year then ended, and notes to the consolidated financial statements, including material accounting policy information;

as set out on pages 190 to 299. CDL Hospitality Trusts, which comprises the HBT Group and the H-REIT Group, is hereinafter referred to as the "**Stapled Group**".

In our opinion:

(a) the accompanying consolidated financial statements of the HBT Group are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 of Singapore (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the financial position of the HBT Group as at 31 December 2024 and the financial performance, movements in unitholders' funds and cash flows of the HBT Group for the year ended on that date; and

(b) the accompanying consolidated financial statements of the H-REIT Group and the Stapled Group present fairly, in all material respects, the financial position and portfolio holdings of the H-REIT Group and the Stapled Group as at 31 December 2024 and the financial performance, movements in unitholders' funds and cash flows of the H-REIT Group and the financial performance, movements in unitholders' funds, distributable income and cash flows of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("**RAP**") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("**ISCA**").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the consolidated financial statements'* section of our report. We are independent of the HBT Group, the H-REIT Group and the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 4 to the consolidated financial statements)

The key audit matter

As at 31 December 2024, the Stapled Group, the H-REIT Group and the HBT Group own properties which are classified as investment properties with a total carrying value of $2.5 billion, $2.8 billion and $163.4 million respectively. Investment properties represent significant asset items on the statements of financial position.

The accounting policy of the Stapled Group, the H-REIT Group and the HBT Group is to state investment properties at fair value based on independent external valuations. The valuation process involves significant judgement in determining the valuation method to be used and in estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions could have a significant impact to the valuation.

Our response

We assessed the qualifications and objectivity of the external valuers. We held discussions with the valuers to understand their valuation methods, assumptions and basis used. We considered the valuation methodologies used against those applied for similar property types by other valuers. We evaluated the reasonableness of the key assumptions used in the valuations which included a comparison of the assumptions against historical rates and available industry data, taking into consideration comparability and market factors.

Our findings

The valuers are members of recognised professional bodies for valuers. The valuation methodology and key assumptions used by the valuers are in line with generally accepted market practices and comparable to available industry data.

Valuation of property, plant and equipment
(Refer to Note 6 to the consolidated financial statements)

The key audit matter

As at 31 December 2024, the Stapled Group, the H-REIT Group and the HBT Group own hotels classified as property, plant and equipment with a total carrying value of $846.5 million, $82.4 million and $313.9 million respectively. Property, plant and equipment represents a significant asset item on the statements of financial position.

The accounting policy of the Stapled Group, the H-REIT Group and the HBT Group is to revalue freehold land, leasehold land and buildings included as part of property, plant and equipment to their fair value at the reporting date based on independent external valuations. The valuation process involves significant judgement in determining the valuation method to be used and in estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions could have a significant impact to the valuation.

Our response

We assessed the qualifications and objectivity of the external valuers. We held discussions with the valuers to understand their valuation methods, assumptions and basis used. We considered the valuation methodologies used against those applied for similar property types by other valuers. We evaluated the reasonableness of the key assumptions used in the valuations which included a comparison of the assumptions against historical rates and available industry data, taking into consideration comparability and market factors.

INDEPENDENT AUDITORS' REPORT

Our findings

The valuers are members of recognised professional bodies for valuers. The valuation methodology and key assumptions used by the valuers are in line with generally accepted market practices and comparable to available industry data.

Other information

M&C Business Trust Management Limited, the Trustee-Manager of HBT (the "**HBT Trustee-Manager**") and M&C REIT Management Limited, the Manager of H-REIT (the "**H-REIT Manager**") are responsible for the other information. The other information is defined as all information in the annual report other than the consolidated financial statements and our auditors' reports thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the HBT Trustee-Manager for the consolidated financial statements

The HBT Trustee-Manager is responsible for the preparation of the consolidated financial statements of the HBT Group that gives a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the HBT Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, the HBT Trustee-Manager is responsible for assessing the ability of the HBT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the HBT Trustee-Manager either intends to terminate the HBT Group or to cease the operations of the HBT Group, or has no realistic alternative but to do so.

The HBT Trustee-Manager's responsibilities include overseeing the HBT Group's financial reporting process.

Responsibilities of the H-REIT Manager for the consolidated financial statements

The H-REIT Manager is responsible for the preparation and fair presentation of the consolidated financial statements of the H-REIT Group and the Stapled Group in accordance with the recommendations of RAP 7 issued by ISCA, and for such internal controls as the H-REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the H-REIT Manager is responsible for assessing the ability of the H-REIT Group and the Stapled Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the H-REIT Manager either intends to terminate the H-REIT Group and the Stapled Group or to cease the operations of the H-REIT Group and the Stapled Group, or has no realistic alternative but to do so.

The H-REIT Manager's responsibilities include overseeing the financial reporting process of the H-REIT Group and of the Stapled Group.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the HBT Group, the H-REIT Group and the Stapled Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the HBT Trustee-Manager and the H-REIT Manager.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the HBT Trustee-Manager and the H-REIT Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the HBT Group, the H-REIT Group and the Stapled Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the HBT Group, the H-REIT Group and the Stapled Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business unit within the HBT Group, the H-REIT Group and the Stapled Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the HBT Trustee-Manager and the H-REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the HBT Trustee-Manager and the H-REIT Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the HBT Trustee-Manager and the H-REIT Manager, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the HBT Trustee-Manager on behalf of HBT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
21 March 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	HBT Group		H-REIT Group		Stapled Group	
		2024	2023	2024	2023	2024	2023
		$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets							
Investment properties	4	163,430	–	2,828,851	2,750,215	2,478,796	2,232,899
Investment property under development	5	–	131,423	–	–	–	131,423
Property, plant and equipment	6	313,894	288,444	82,402	71,814	846,454	814,611
Finance lease receivables	7	–	–	3,435	4,345	3,435	4,345
Deferred tax assets	13	795	721	727	751	1,522	1,472
Financial derivative assets	11	–	–	8,065	8,300	8,065	8,300
Other receivables	8	529	529	222,745	145,801	677	677
		478,648	421,117	3,146,225	2,981,226	3,338,949	3,193,727
Current assets							
Inventories		2,501	2,451	–	–	2,501	2,451
Finance lease receivables	7	–	–	910	800	910	800
Trade and other receivables	8	24,049	23,705	43,290	45,997	31,298	27,446
Financial derivative assets	11	–	–	655	6,210	655	6,210
Cash and cash equivalents	9	21,713	14,798	56,575	57,202	78,288	72,000
		48,263	40,954	101,430	110,209	113,652	108,907
Total assets		526,911	462,071	3,247,655	3,091,435	3,452,601	3,302,634
Non-current liabilities							
Loans and borrowings	10	422,040	352,768	907,844	834,679	1,017,730	941,683
Financial derivative liabilities	11	–	–	548	1,476	548	1,476
Other payables	12	57	74	12,099	11,665	12,156	11,739
Deferred tax liabilities	13	26,058	23,886	21,203	16,429	49,548	43,151
		448,155	376,728	941,694	864,249	1,079,982	998,049
Current liabilities							
Loans and borrowings	10	9,333	8,896	461,300	348,173	461,348	348,313
Trade and other payables	12	75,128	67,221	41,267	45,088	62,685	60,260
Financial derivative liabilities	11	–	–	179	30	179	30
Provision for taxation		2,290	2,870	5,831	6,850	8,121	9,720
		86,751	78,987	508,577	400,141	532,333	418,323
Total liabilities		534,906	455,715	1,450,271	1,264,390	1,612,315	1,416,372
Net (liabilities)/assets		(7,995)	6,356	1,797,384	1,827,045	1,840,286	1,886,262
Represented by:							
Unitholders' funds		(7,995)	6,356	1,789,476	1,819,229	1,832,378	1,878,446
Non-controlling interests	14	–	–	7,908	7,816	7,908	7,816
		(7,995)	6,356	1,797,384	1,827,045	1,840,286	1,886,262
Units/Stapled Securities in issue ('000)	15	1,256,857	1,245,832	1,256,857	1,245,832	1,256,857	1,245,832
Net asset value per Unit/ Stapled Security ($)	16	(0.0063)	0.0051	1.42	1.45	1.45	1.50

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF PROFIT OR LOSS OF THE HBT GROUP STATEMENTS OF TOTAL RETURN OF THE H-REIT GROUP AND THE STAPLED GROUP

Year ended 31 December 2024

	Note	HBT Group 2024 $'000	HBT Group 2023 $'000	H-REIT Group 2024 $'000	H-REIT Group 2023 $'000	Stapled Group 2024 $'000	Stapled Group 2023 $'000
Revenue	17	144,607	141,985	143,049	144,712	260,259	257,556
Property expenses							
Operations and maintenance expenses		(32,267)	(30,280)	–	–	(32,267)	(30,280)
Employee benefit expenses		(46,826)	(45,214)	–	–	(46,826)	(45,214)
Rental expenses		(15,634)	(17,310)	–	–	(53)	(59)
Property tax		(1,910)	(1,374)	(8,375)	(6,931)	(10,285)	(8,305)
Other property expenses		(29,206)	(28,446)	(13,893)	(9,118)	(35,605)	(35,394)
		(125,843)	(122,624)	(22,268)	(16,049)	(125,036)	(119,252)
Net property income		18,764	19,361	120,781	128,663	135,223	138,304
H-REIT Manager's management fee	18	–	–	(12,726)	(12,639)	(12,726)	(12,639)
H-REIT Trustee's fee		–	–	(448)	(409)	(448)	(409)
HBT Trustee-Manager's management fee	18	(1,343)	(1,188)	–	–	(1,343)	(1,188)
HBT Trustee-Manager's trustee fee		(381)	(305)	–	–	(381)	(305)
HBT Trustee-Manager's acquisition fee		(334)	–	–	–	(334)	–
Valuation fee		(46)	(53)	(188)	(208)	(234)	(261)
Depreciation		(16,428)	(16,471)	(1,804)	(1,877)	(22,576)	(21,931)
Other expenses		(5,175)	(2,024)	(2,778)	(3,302)	(7,947)	(5,269)
Finance income		98	86	7,937	7,188	578	849
Finance costs		(20,604)	(16,531)	(58,923)	(58,023)	(68,823)	(63,310)
Net finance costs	19	(20,506)	(16,445)	(50,986)	(50,835)	(68,245)	(62,461)
Net (loss)/income before fair value adjustment		(25,449)	(17,125)	51,851	59,393	20,989	33,841
Gain from a bargain purchase		3,035	–	–	–	3,035	–
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment		1,819	3,158	–	–	(8,689)	943
Net fair value (loss)/gain on investment properties and investment property under development		(574)	6,735	(9,738)	80,787	5,771	106,972
(Loss)/Total return for the year before tax	20	(21,169)	(7,232)	42,113	140,180	21,106	141,756
Tax expense	21	(1,480)	(4,779)	(5,080)	(10,949)	(6,163)	(17,791)
(Loss)/Total return for the year	22	(22,649)	(12,011)	37,033	129,231	14,943	123,965
(Loss)/Total return attributable to:							
Unitholders		(22,649)	(12,011)	36,455	128,478	14,365	123,212
Non-controlling interests	14	–	–	578	753	578	753
		(22,649)	(12,011)	37,033	129,231	14,943	123,965
Earnings per Stapled Security (cents)	23						
Basic						1.15	9.91
Diluted						1.14	9.84

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME OF THE HBT GROUP

Year ended 31 December 2024

	HBT Group	
	2024	**2023**
	$'000	**$'000**
Loss for the year	(22,649)	(12,011)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation surplus on property, plant and equipment	4,918	9,251
Tax effect on revaluation of property, plant and equipment	(1,401)	(3,144)
	3,517	6,107
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries	2,018	4,867
Exchange differences on monetary items forming part of net investment in foreign operations	1,155	2,867
Exchange differences on hedge of net investment in foreign operations	534	(1,623)
	3,707	6,111
Other comprehensive income for the year, net of tax	7,224	12,218
Total comprehensive income for the year	(15,425)	207

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2024

HBT GROUP

	Units in issue and to be issued $'000	Issue expenses $'000	Revaluation reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000
At 1 January 2024	108,488	(121)	11,926	(1,588)	(112,349)	6,356
Operations						
- Decrease in net assets resulting from operations	–	–	–	–	(22,649)	(22,649)
Revaluation reserve						
- Revaluation surplus on property, plant and equipment	–	–	4,918	–	–	4,918
- Tax effect on revaluation of property, plant and equipment	–	–	(1,401)	–	–	(1,401)
Foreign currency translation reserve						
- Translation differences relating to financial statements of foreign subsidiaries	–	–	–	2,018	–	2,018
- Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	1,155	–	1,155
- Exchange differences on hedge of net investment in foreign operations	–	–	–	534	–	534
Other comprehensive income	–	–	3,517	3,707	–	7,224
Total comprehensive income	–	–	3,517	3,707	(22,649)	(15,425)
Transactions with owners, recorded directly in equity						
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee-Manager's management fee	1,074	–	–	–	–	1,074
Total transactions with owners	1,074	–	–	–	–	1,074
At 31 December 2024	109,562	(121)	15,443	2,119	(134,998)	(7,995)

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2024

H-REIT GROUP

	Attributable to Stapled Security Holders $'000	Non-controlling interests $'000	Total $'000
At 1 January 2024	1,819,229	7,816	1,827,045
Operations			
- Increase in net assets resulting from operations	36,455	578	37,033
Revaluation reserve			
- Revaluation surplus on property, plant and equipment	17,129	–	17,129
- Tax effect on revaluation of property, plant and equipment	(3,021)	–	(3,021)
Foreign currency translation reserve			
- Translation differences relating to financial statements of foreign subsidiaries	(17,567)	(259)	(17,826)
- Exchange differences on monetary items forming part of net investment in foreign operations	(1,952)	–	(1,952)
- Exchange differences on hedge of net investment in foreign operations	315	–	315
Other comprehensive income	(5,096)	(259)	(5,355)
Total comprehensive income	31,359	319	31,678
Transactions with owners, recorded directly in equity			
- Distributions to holders of Stapled Securities	(71,293)	(227)	(71,520)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	10,181	–	10,181
Total transactions with owners	(61,112)	(227)	(61,339)
At 31 December 2024	1,789,476	7,908	1,797,384

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
Year ended 31 December 2024

STAPLED GROUP

	Attributable to Stapled Security Holders $'000	Non-controlling interests $'000	Total $'000
At 1 January 2024	1,878,446	7,816	1,886,262
Operations			
- Increase in net assets resulting from operations	14,365	578	14,943
Revaluation reserve			
- Revaluation surplus on property, plant and equipment	20,087	–	20,087
- Tax effect on revaluation of property, plant and equipment	(4,422)	–	(4,422)
Foreign currency translation reserve			
- Translation differences relating to financial statements of foreign subsidiaries	(15,592)	(259)	(15,851)
- Exchange differences on monetary items forming part of net investment in foreign operations	(796)	–	(796)
- Exchange differences on hedge of net investment in foreign operations	328	–	328
Other comprehensive income	(395)	(259)	(654)
Total comprehensive income	13,970	319	14,289
Transactions with owners, recorded directly in equity			
- Distributions to holders of Stapled Securities	(71,293)	(227)	(71,520)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	10,181	–	10,181
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee-Manager's management fee	1,074	–	1,074
Total transactions with owners	(60,038)	(227)	(60,265)
At 31 December 2024	1,832,378	7,908	1,840,286

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2024

HBT GROUP

	Units in issue and to be issued $'000	Issue expenses $'000	Revaluation reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000
At 1 January 2023	108,643	(121)	5,819	(7,699)	(99,631)	7,011
Operations						
- Decrease in net assets resulting from operations	–	–	–	–	(12,011)	(12,011)
Revaluation reserve						
- Revaluation surplus on property, plant and equipment	–	–	9,251	–	–	9,251
- Tax effect on revaluation of property, plant and equipment	–	–	(3,144)	–	–	(3,144)
Foreign currency translation reserve						
- Translation differences relating to financial statements of foreign subsidiaries	–	–	–	4,867	–	4,867
- Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	2,867	–	2,867
- Exchange differences on hedge of net investment in foreign operations	–	–	–	(1,623)	–	(1,623)
Other comprehensive income	–	–	6,107	6,111	–	12,218
Total comprehensive income	–	–	6,107	6,111	(12,011)	207
Transactions with owners, recorded directly in equity						
- Distributions to holders of Stapled Securities	(1,105)	–	–	–	(707)	(1,812)
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee-Manager's management fee	950	–	–	–	–	950
Total transactions with owners	(155)	–	–	–	(707)	(862)
At 31 December 2023	108,488	(121)	11,926	(1,588)	(112,349)	6,356

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2024

H-REIT GROUP

	Attributable to Stapled Security Holders $'000	Non-controlling interests $'000	Total $'000
At 1 January 2023	1,750,373	6,926	1,757,299
Operations			
- Increase in net assets resulting from operations	128,478	753	129,231
Revaluation reserve			
- Revaluation surplus on property, plant and equipment	10,407	–	10,407
- Tax effect on revaluation of property, plant and equipment	(1,820)	–	(1,820)
Foreign currency translation reserve			
- Translation differences relating to financial statements of foreign subsidiaries	(7,370)	137	(7,233)
- Exchange differences on monetary items forming part of net investment in foreign operations	546	–	546
- Exchange differences on hedge of net investment in foreign operations	2,378	–	2,378
Other comprehensive income	4,141	137	4,278
Total comprehensive income	132,619	890	133,509
Transactions with owners, recorded directly in equity			
- Distributions to holders of Stapled Securities	(73,874)	–	(73,874)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	10,111	–	10,111
Total transactions with owners	(63,763)	–	(63,763)
At 31 December 2023	1,819,229	7,816	1,827,045

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2024

STAPLED GROUP

	Attributable to Stapled Security Holders $'000	Non-controlling interests $'000	Total $'000
At 1 January 2023	1,786,218	6,926	1,793,144
Operations			
- Increase in net assets resulting from operations	123,212	753	123,965
Revaluation reserve			
- Revaluation surplus on property, plant and equipment	40,152	–	40,152
- Tax effect on revaluation of property, plant and equipment	(4,964)	–	(4,964)
Foreign currency translation reserve			
- Translation differences relating to financial statements of foreign subsidiaries	(2,921)	137	(2,784)
- Exchange differences on monetary items forming part of net investment in foreign operations	3,413	–	3,413
- Exchange differences on hedge of net investment in foreign operations	(2,039)	–	(2,039)
Other comprehensive income	33,641	137	33,778
Total comprehensive income	156,853	890	157,743
Transactions with owners, recorded directly in equity			
- Distributions to holders of Stapled Securities	(75,686)	–	(75,686)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	10,111	–	10,111
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee-Manager's management fee	950	–	950
Total transactions with owners	(64,625)	–	(64,625)
At 31 December 2023	1,878,446	7,816	1,886,262

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into Singapore dollar, exchange differences on monetary items which form part of the Stapled Group's net investment in foreign operations and exchange differences arising from hedge of net investment in foreign operations.

DISTRIBUTION STATEMENT OF THE STAPLED GROUP

Year ended 31 December 2024

	Note	Stapled Group 2024 $'000	Stapled Group 2023 $'000
Amount available for distribution to holders of Stapled Securities at the beginning of the year		38,697	43,413
Total return of H-REIT	22	20,929	141,424
Loss of HBT	22	(12,671)	(3,658)
Net tax adjustments (Note A)		54,530	(73,032)
		62,788	64,734
Less: Amount retained for working capital		(6,261)	(6,473)
Add: Capital distribution		10,323	12,709
Amount available for distribution to holders of Stapled Securities		105,547	114,383
Distribution to holders of Stapled Securities:			
Distribution of 3.59 cents per Stapled Security for the period from 1/7/2022 to 31/12/2022		–	(44,452)
Distribution of 2.51 cents per Stapled Security for the period from 1/1/2023 to 30/06/2023		–	(31,234)
Distribution of 3.19 cents per Stapled Security for the period from 1/7/2023 to 31/12/2023		(39,789)	–
Distribution of 2.51 cents per Stapled Security for the period from 1/1/2024 to 30/06/2024		(31,504)	–
		(71,293)	(75,686)
Amount available for distribution to holders of Stapled Securities at the end of the year		34,254	38,697
Distribution per Stapled Security (DPS) (cents) [1]		5.32	5.70

Note A – Net tax adjustments comprise:

		2024 $'000	2023 $'000
Non-tax deductible/(chargeable) items:			
- Amortisation of transaction costs		2,140	1,993
- Fair value loss on financial derivatives		5,023	13,333
- Financial expense arising from accretion of non-current rental deposits measured at amortised cost		282	271
- Foreign exchange loss/(gain)		6,720	(1,728)
- Impairment loss on investment in subsidiaries (net)		5,892	6,592
- H-REIT Manager's management fee paid/payable in Stapled Securities		10,181	10,111
- H-REIT Trustee's fee		448	409
- HBT Trustee-Manager's management fee paid/payable in Stapled Securities		1,074	950
- HBT Trustee-Manager's trustee fee		381	305
- Net fair value loss/(gain) on investment properties		6,781	(121,223)
- Other items		15,608	15,955
Net tax adjustments		54,530	(73,032)

Distributions of the Stapled Group represent the aggregate of distributions by H-REIT and HBT.

(1) The DPS relates to the distributions in respect of the relevant financial year. The distribution for the second half of the financial year will be made subsequent to the financial year end.

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2024

H-REIT GROUP

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 (1) $'000	Carrying value at 31/12/2023 (1) $'000	Percentage of total net assets at 31/12/2024 %	Percentage of total net assets at 31/12/2023 %
Investment properties									
Singapore									
Orchard Hotel	Freehold (2)	75 years	57 years	442 Orchard Road	Hotel	517,000	515,000	28.8	28.2
Claymore Connect	Freehold (2)	75 years	57 years	442 Orchard Road	Retail	120,000	110,000	6.7	6.0
Grand Copthorne Waterfront Hotel	Freehold (2)	75 years	57 years	392 Havelock Road	Hotel	428,000	420,000	23.8	23.0
M Hotel	Freehold (2)	75 years	57 years	81 Anson Road	Hotel	272,000	271,000	15.1	14.8
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	42 years	403 Havelock Road	Hotel	146,000	146,000	8.1	8.0
Studio M Hotel	Leasehold	99 years from 26 February 2007	81 years	3 Nanson Road	Hotel	206,000	206,000	11.5	11.3
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	81 years	21 Ocean Way	Hotel	383,101	396,227	21.3	21.7
Balance carried forward						2,072,101	2,064,227	115.3	113.0

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS
As at 31 December 2024

H-REIT GROUP (CONT'D)

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 [1] $'000	Carrying value at 31/12/2023 [1] $'000	Percentage of total net assets at 31/12/2024 %	Percentage of total net assets at 31/12/2023 %
Balance brought forward						2,072,101	2,064,227	115.3	113.0
Germany									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	147,662	152,935	8.2	8.4
Italy									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	67,517	66,398	3.8	3.6
New Zealand									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	167,907	176,248	9.3	9.6
Australia									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	31,978	26,571	1.8	1.5
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	37,908	35,578	2.1	1.9
Maldives									
Angsana Velavaru	Leasehold	99 years from 26 August 1997	72 years	South Nilandhe Atoll	Resort	92,135	89,769	5.1	4.9
Raffles Maldives Meradhoo	Leasehold	99 years from 15 June 2006	80 years	Gaafu Alifu Atoll	Resort	60,499	58,940	3.4	3.2
United Kingdom									
voco Manchester (formerly known as Hotel Brooklyn)	Leasehold	197 years from 7 May 2021	193 years	57 & 59 Portland Street, Manchester	Hotel	84,001	79,549	4.7	4.4
Benson Yard	Freehold	–	–	18 Benson Street, Liverpool	Residential	67,143 [3]	–	3.7	–
Investment properties						2,828,851	2,750,215	157.4	150.5

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2024

H-REIT GROUP (CONT'D)

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 [1]	Carrying value at 31/12/2023 [1]	Percentage of total net assets at 31/12/2024	Percentage of total net assets at 31/12/2023
						$'000	$'000	%	%
Property, plant and equipment									
Japan									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo	Hotel	52,643	42,501	2.9	2.3
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo	Hotel	28,306	28,086	1.6	1.5
Other plant and equipment	–	–	–	–	–	1,453	1,227	0.1	0.1
Property, plant and equipment						82,402	71,814	4.6	3.9
Investment properties and property, plant and equipment						2,911,253	2,822,029	162.0	154.4
Other assets and liabilities (net)						(1,113,869)	(994,984)	(62.0)	(54.4)
Net assets of the H-REIT Group						1,797,384	1,827,045	100.0	100.0

(1) The carrying values include right-of-use assets recognised on leases of land.
(2) H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.
(3) The acquisition of Benson Yard was completed on 19 December 2024.

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS
As at 31 December 2024

STAPLED GROUP

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 [1] $'000	Carrying value at 31/12/2023 [1] $'000	Percentage of total net assets at 31/12/2024 %	Percentage of total net assets at 31/12/2023 %
Investment properties									
Singapore									
Orchard Hotel	Freehold [2]	75 years	57 years	442 Orchard Road	Hotel	517,000	515,000	28.1	27.3
Claymore Connect	Freehold [2]	75 years	57 years	442 Orchard Road	Retail	120,000	110,000	6.5	5.8
Grand Copthorne Waterfront Hotel	Freehold [2]	75 years	57 years	392 Havelock Road	Hotel	428,000	420,000	23.3	22.3
M Hotel	Freehold [2]	75 years	57 years	81 Anson Road	Hotel	272,000	271,000	14.8	14.4
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	42 years	403 Havelock Road	Hotel	146,000	146,000	7.9	7.7
Studio M Hotel	Leasehold	99 years from 26 February 2007	81 years	3 Nanson Road	Hotel	206,000	206,000	11.2	10.9
Balance carried forward						1,689,000	1,668,000	91.8	88.4

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2024

STAPLED GROUP (CONT'D)

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 [1] $'000	Carrying value at 31/12/2023 [1] $'000	Percentage of total net assets at 31/12/2024 %	Percentage of total net assets at 31/12/2023 %
Balance brought forward						1,689,000	1,668,000	91.8	88.4
Germany									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	147,662	152,935	8.0	8.1
Italy									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	67,517	66,398	3.7	3.5
New Zealand									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	167,907	176,248	9.1	9.3
Maldives									
Angsana Velavaru	Leasehold	99 years from 26 August 1997	72 years	South Nilandhe Atoll	Resort	92,135	89,769	5.0	4.8
United Kingdom									
voco Manchester (formerly known as Hotel Brooklyn)	Leasehold	197 years from 7 May 2021	193 years	57 & 59 Portland Street, Manchester	Hotel	84,001	79,549	4.6	4.2
The Castings	Freehold	–	–	9 Heyrod Street, Manchester	Residential	156,621	131,423 [4]	8.5	7.0
Hotel Indigo Exeter (retail units)	Freehold	–	–	3 Catherine St, Exeter	Retail	6,810 [5]	–	0.4	–
Benson Yard	Freehold	–	–	18 Benson Street, Liverpool	Residential	67,143 [3]	–	3.6	–
Investment properties						2,478,796	2,364,322	134.7	125.3

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS
As at 31 December 2024

STAPLED GROUP (CONT'D)

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2024 [1] $'000	Carrying value at 31/12/2023 [1] $'000	Percentage of total net assets at 31/12/2024 %	Percentage of total net assets at 31/12/2023 %
Property, plant and equipment									
Singapore									
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	81 years	21 Ocean Way	Hotel	387,137	409,248	21.0	21.7
Australia									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	35,578	31,074	1.9	1.6
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	41,931	40,532	2.3	2.1
Maldives									
Raffles Maldives Meradhoo	Leasehold	99 years from 15 June 2006	80 years	Gaafu Alifu Atoll	Resort	71,370	69,528	3.9	3.7
Japan									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo	Hotel	52,643	42,501	2.9	2.3
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo	Hotel	28,306	28,086	1.5	1.5
United Kingdom									
Hilton Cambridge City Centre	Leasehold	125 years from 25 December 1990	91 years	20 Downing Street, Cambridge	Hotel	110,574	107,486	6.0	5.7
The Lowry Hotel	Leasehold	150 years from 18 March 1997	122 years	50 Dearmans Place, Salford, Manchester	Hotel	87,283	84,744	4.7	4.5
Hotel Indigo Exeter	Freehold	–	–	3 Catherine St, Exeter	Hotel	30,179 [5]	–	1.6	–
Other plant and equipment	–	–	–	–	–	1,453	1,412	0.1	0.1
Property, plant and equipment						846,454	814,611	45.9	43.2
Investment properties and property, plant and equipment						3,325,250	3,178,933	180.6	168.5
Other assets and liabilities (net)						(1,484,964)	(1,292,671)	(80.6)	(68.5)
Net assets of the Stapled Group						1,840,286	1,886,262	100.0	100.0

(1) The carrying values include right-of-use assets recognised on leases of land and buildings.
(2) H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.
(3) The acquisition of Benson Yard and the vacant freehold land adjacent to Benson Yard was completed on 19 December 2024.
(4) The residential build-to-rent project was classified as investment property under development in 2023 and subsequently reclassified to investment properties (Note 4) after the practical completion of the development work on 4 June 2024 and is known as the "The Castings".
(5) The acquisition of Hotel Indigo Exeter was completed on 6 November 2024.

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2024

The carrying values of the investment properties are as follows:

	H-REIT Group		Stapled Group	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Investment properties				
Orchard Hotel	517,000	515,000	517,000	515,000
Grand Copthorne Waterfront Hotel	428,000	420,000	428,000	420,000
M Hotel	272,000	271,000	272,000	271,000
Copthorne King's Hotel	146,000	146,000	146,000	146,000
W Singapore – Sentosa Cove	383,101	396,227	–	–
Studio M Hotel	206,000	206,000	206,000	206,000
Claymore Connect	120,000	110,000	120,000	110,000
Grand Millennium Auckland	167,907	176,248	167,907	176,248
Ibis Perth	31,978	26,571	–	–
Mercure Perth	37,908	35,578	–	–
Angsana Velavaru	92,135	89,769	92,135	89,769
Raffles Maldives Meradhoo	60,499	58,940	–	–
Pullman Hotel Munich	147,662	152,935	147,662	152,935
Hotel Cerretani Firenze – MGallery	67,517	66,398	67,517	66,398
The Castings	–	–	156,621	131,423 [(1)]
voco Manchester (formerly known as Hotel Brooklyn)	84,001	79,549	84,001	79,549
Hotel Indigo Exeter (retail units)	–	–	6,810	–
Benson Yard	67,143	–	67,143	–
	2,828,851	2,750,215	2,478,796	2,364,322

The carrying values of property, plant and equipment by property are set out below:

	H-REIT Group		Stapled Group	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Property, plant and equipment				
W Singapore – Sentosa Cove	–	–	387,137	409,248
Ibis Perth	–	–	35,578	31,074
Mercure Perth	–	–	41,931	40,532
Raffles Maldives Meradhoo	–	–	71,370	69,528
Hotel MyStays Asakusabashi	52,643	42,501	52,643	42,501
Hotel MyStays Kamata	28,306	28,086	28,306	28,086
Hilton Cambridge City Centre	–	–	110,574	107,486
The Lowry Hotel	–	–	87,283	84,744
Hotel Indigo Exeter	–	–	30,179	–
Other plant and equipment	1,453	1,227	1,453	1,412
	82,402	71,814	846,454	814,611

(1) Investment property under development in 2023.

The accompanying notes form an integral part of these consolidated financial statements.

PORTFOLIO STATEMENTS

As at 31 December 2024

As at 31 December 2024 and 31 December 2023, Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and Grand Millennium Auckland are leased by the H-REIT Group to related corporations of the H-REIT Manager. As at 31 December 2024 and 31 December 2023, W Singapore – Sentosa Cove, Raffles Maldives Meradhoo, the Japan properties and the Australia properties are leased by the H-REIT Group to the HBT Group.

The terms of the leases are as follows:

Singapore

The leases for Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King's Hotel contain an initial term of 20 years from 19 July 2006 with an option to renew for another 20 years. The lease for Studio M Hotel contains an initial term of 20 years from 3 May 2011 with an option to renew up to a total term of 70 years. The lease for W Singapore – Sentosa Cove contains a term of 20 years. The leases for Claymore Connect generally contain an initial term of 1 to 3 years.

New Zealand

The lease for Grand Millennium Auckland contains a term of 3 years from 7 September 2019 with an option to extend for a 3-year period, which has been renewed for a term of 3 years from 7 September 2022.

Australia

The leases for the Australia properties contain a term of 10 years from 1 May 2021.

Maldives

The lease for Angsana Velavaru contains a term of 10 years from 1 February 2023. The lease of Raffles Maldives Meradhoo is with CDL HBT Oceanic Maldives Private Limited, an indirect subsidiary of HBT, for a term of 10 years from 31 December 2013 with an option to renew for another 10 years, which has been renewed for a term of 10 years from 31 December 2023.

Japan

The Japan properties are under master lease arrangements between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan hotels) and AKO GK, an indirect subsidiary of HBT. The leases for the properties were renewed for a term of 1 year from 18 July 2024.

Germany

The lease for Pullman Hotel Munich contains a term of 20 years from 14 July 2017. The leases for the office and retail components generally contain an initial term of 1 to 5 years.

Italy

The lease for Hotel Cerretani Firenze – MGallery contains a term of 20 years from 27 November 2018.

United Kingdom

The lease for voco Manchester contains a term of 60 years from 7 May 2021, with an option for lessee to terminate the lease on 15 January 2045 and every 5-year interval thereafter.

The leases for The Castings and Benson Yard generally contain an initial term of between 6 to 12 months.

The leases for Hotel Indigo Exeter (retail units) contain an initial term of 10 years where the two tenants may terminate the lease by serving a written notice at least 6 months before the fifth and sixth anniversary of the lease.

Subsequent renewals are renegotiated with the lessees.

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2024

		HBT Group		H-REIT Group		Stapled Group	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash flows from operating activities							
(Loss)/Total return for the year before tax		(21,169)	(7,232)	42,113	140,180	21,106	141,756
Adjustments for:							
H-REIT Manager's and HBT Trustee-Manager's fees paid/payable in Stapled Securities		1,074	950	10,181	10,111	11,255	11,061
Depreciation of property, plant and equipment	6	16,428	16,471	1,804	1,877	22,576	21,931
Gain on disposal of property, plant and equipment		–	–	–	–	–	(13)
Write-off of property, plant and equipment		–	410	–	–	–	410
Impairment loss on trade and other receivables		43	93	7,494	2,333	43	255
Gain from a bargain purchase		(3,035)	–	–	–	(3,035)	–
(Reversal of revaluation deficit)/Revaluation deficit on property, plant and equipment		(1,819)	(3,158)	–	–	8,689	(943)
Net fair value loss/(gain) on investment properties and investment property under development		574	(6,735)	9,738	(80,787)	(5,771)	(106,972)
Net finance costs		20,506	16,445	50,986	50,835	68,245	62,461
Operating income before working capital changes		12,602	17,244	122,316	124,549	123,108	129,946
Changes in:							
- Inventories		68	(83)	–	–	68	(83)
- Trade and other receivables		(3,544)	(1,651)	(6,036)	(10,590)	(6,478)	(4,523)
- Trade and other payables		17,476	6,853	(3,102)	8,399	9,897	5,772
Cash generated from operations		26,602	22,363	113,178	122,358	126,595	131,112
Tax paid		(2,723)	(2,449)	(3,166)	(4,896)	(5,889)	(7,345)
Net cash generated from operating activities		23,879	19,914	110,012	117,462	120,706	123,767
Cash flows from investing activities							
Loans to related entity		–	–	(67,317)	(50,205)	–	–
Acquisition of properties and business	29	(35,045)	–	(67,119)	–	(102,164)	–
Additions to property, plant and equipment		(1,925)	(3,238)	(616)	(1,621)	(16,790)	(13,934)
Proceeds from disposal of property, plant and equipment		–	–	–	–	–	13
Capital expenditure on investment properties and investment property under development		(26,848)	(58,000)	(37,769)	(27,784)	(49,488)	(74,875)
Receipt of finance lease receivables		–	–	800	561	800	561
Interest received		98	86	506	847	604	933
Net cash used in investing activities		(63,720)	(61,152)	(171,515)	(78,202)	(167,038)	(87,302)

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS
Year ended 31 December 2024

	Note	HBT Group		H-REIT Group		Stapled Group	
		2024	2023	2024	2023	2024	2023
		$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from financing activities							
Loans from related entity		67,317	50,205	–	–	–	–
Proceeds from bank loans		–	–	736,307	417,638	736,307	417,638
Repayment of bank loans		–	–	(550,445)	(352,349)	(550,445)	(352,349)
Payment of transaction costs related to bank loans		(6)	(15)	(2,273)	(1,796)	(2,279)	(1,811)
Payment of lease liabilities		(8,832)	(7,978)	(957)	(718)	(1,099)	(853)
Finance costs paid		(11,673)	(10,102)	(48,760)	(41,734)	(56,818)	(47,917)
Distributions to holders of Stapled Securities		–	(1,812)	(71,293)	(73,874)	(71,293)	(75,686)
Movement in restricted cash		–	–	(186)	(538)	(186)	(538)
Net cash generated from/(used in) financing activities		46,806	30,298	62,393	(53,371)	54,187	(61,516)
Net increase/(decrease) in cash and cash equivalents		6,965	(10,940)	890	(14,111)	7,855	(25,051)
Cash and cash equivalents at beginning of the year		14,798	25,549	55,185	69,751	69,983	95,300
Effect of exchange rate changes on cash and cash equivalents		(50)	189	(1,554)	(455)	(1,604)	(266)
Cash and cash equivalents at end of the year	9	21,713	14,798	54,521	55,185	76,234	69,983

Significant non-cash transactions

There were the following non-cash transactions:

(i) 9,991,504 (2023: 8,091,477) Stapled Securities amounting to $10.4 million (2023: $9.6 million) were issued to the H-REIT Manager as satisfaction of the management fee payable in Stapled Securities.

(ii) 1,033,978 (2023: 720,643) Stapled Securities amounting to $1.1 million (2023: $0.9 million) were issued to the HBT Trustee-Manager as satisfaction of the management fee payable in Stapled Securities.

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements were authorised for issue by the HBT Trustee-Manager, the H-REIT Manager and the H-REIT Trustee on 21 March 2025.

1 GENERAL

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and its subsidiaries (the "**H-REIT Group**") and CDL Hospitality Business Trust ("**HBT**") and its subsidiaries (the "**HBT Group**") (collectively, the "**Stapled Group**"). H-REIT is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 June 2006 (as amended) (the "**H-REIT Trust Deed**") between M&C REIT Management Limited (the "**H-REIT Manager**") and DBS Trustee Limited (the "**H-REIT Trustee**"). The H-REIT Trust Deed is governed by the laws of the Republic of Singapore. The H-REIT Trustee is under a duty to take into custody and hold the assets of H-REIT held by it or through its subsidiaries in trust for the holders of units in H-REIT. HBT is a business trust constituted by a trust deed dated 12 June 2006 (as amended) (the "**HBT Trust Deed**") and is managed by M&C Business Trust Management Limited (the "**HBT Trustee-Manager**"). The securities in each of H-REIT and HBT are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between the H-REIT Manager, the H-REIT Trustee and the HBT Trustee-Manager (the "**Stapling Deed**") and cannot be traded separately. Each stapled security in CDL Hospitality Trusts (the "**Stapled Security**") comprises a unit in H-REIT (the "**H-REIT Unit**") and a unit in HBT (the "**HBT Unit**").

CDL Hospitality Trusts was formally admitted to the Official List of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 July 2006.

The principal activity of H-REIT and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally.

The principal activity of HBT and its subsidiaries is to invest in diversified portfolio of real estate or development projects and real estate related assets, which are used or primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally, and may also include the operation and management of the real estate assets.

The consolidated financial statements of the H-REIT Group relate to H-REIT and its subsidiaries. The consolidated financial statements of the HBT Group relate to HBT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the HBT Group and the H-REIT Group.

Several service agreements are in place in relation to the management of HBT and H-REIT and its property operations. The fee structures of these services are as follows:

(i) *HBT Trustee-Manager's fees*

Pursuant to Clauses 12.1, 12.2, 12.3 and 12.4 of the HBT Trust Deed, the HBT Trustee-Manager is entitled to the following:

- Trustee fee of not exceeding 0.1% per annum of the value of HBT's Deposited Property (as defined in the HBT Trust Deed), subject to a minimum fee of $10,000 per month, if the value of HBT's Deposited Property is at least $50.0 million. The trustee fee is payable in arrears on a monthly basis in the form of cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL (CONT'D)

(i) *HBT Trustee-Manager's fees (cont'd)*

- Management fees comprising a base fee of 0.25% per annum of the value of HBT's Deposited Property (as defined in the HBT Trust Deed) and a performance fee of 5.0% per annum of HBT's Net Property Income (as defined in the HBT Trust Deed).

  The HBT Trustee-Manager's management fees are payable in the form of Stapled Securities and/or cash as the HBT Trustee-Manager may elect (such election to be irrevocable and made prior to the relevant calendar quarter), and in such proportion as may be determined by the HBT Trustee-Manager, such determination to be irrevocable and made prior to the relevant calendar quarter. Where the management fees are payable in the form of Stapled Securities or (in the event that unstapling of the H-REIT units and HBT units has taken place) HBT units, such Stapled Securities or HBT units shall be issued at the Market Price (as defined in the HBT Trust Deed) prevailing at the date the management fees accrue.

  For the years ended 31 December 2024 and 31 December 2023, 80% of the HBT Trustee-Manager's management fees was satisfied in Stapled Securities and the remaining 20% was satisfied in cash.

  Any increase in the maximum permitted rate or any change in the structure of the HBT Trustee-Manager's management fees must be approved by an extraordinary resolution at a meeting of holders of the HBT units duly convened and held in accordance with the provisions of the HBT Trust Deed.

  The portion of the base management fee payable in the form of Stapled Securities is paid on a quarterly basis, in arrears. The portion of the base management fee payable in the form of cash is paid on a monthly basis, in arrears. Performance fee is paid on an annual basis in arrears, regardless of whether it is paid in the form of Stapled Securities or in cash.

- An acquisition fee of 1% (0.75% for acquisitions from related parties as defined in the HBT Trust Deed) of the acquisition price and a divestment fee of 0.5% of the sale price on all future acquisitions or disposals of properties. Both the acquisition fee and divestment fee are payable in the form of Stapled Securities and/or cash as the HBT Trustee-Manager may elect, and in such proportion as may be determined by the HBT Trustee-Manager. In the event that the HBT Trustee-Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities issued at the market price.

- Development management fee of 3% of the Total Project Costs (as defined in the HBT Trust Deed) incurred in a Development Project (as defined in the HBT Trust Deed) undertaken on behalf of the HBT Group. If the estimated Total Project Costs exceeds $200.0 million, the HBT Trustee-Manager's independent directors will first review and approve the quantum of the development management fee whereupon the HBT Trustee-Manager may be directed by its independent directors to reduce the development management fee.

  The development management fee is payable in equal monthly instalments in cash over the construction period of each Development Project based on the HBT Trustee-Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount to be paid to the HBT Trustee-Manager or (as the case may be) paid by the HBT Trustee-Manager when the Total Project Costs is finalised. No acquisition fee shall be paid when the HBT Trustee-Manager receives the development management fee for a Development Project.

  Any increase in the percentage or any change in the structure of the HBT Trustee-Manager's development management fee must be approved by an extraordinary resolution at a meeting of holders of the HBT units duly convened and held in accordance with the provisions of the HBT Trust Deed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL (CONT'D)

(ii) *H-REIT Manager's fees*

Pursuant to Clauses 14.1, 14.2 and 14.7 of the H-REIT Trust Deed, the H-REIT Manager is entitled to the following:

- Management fees comprising a base fee of 0.25% per annum of the value of H-REIT's Deposited Property (as defined in the H-REIT Trust Deed) and a performance fee of 5.0% per annum of H-REIT's Net Property Income (as defined in the H-REIT Trust Deed).

  The H-REIT Manager's management fees are payable in the form of Stapled Securities and/or cash as the H-REIT Manager may elect (such election to be irrevocable and made prior to the relevant calendar quarter), and in such proportion as may be determined by the H-REIT Manager, such determination to be irrevocable and made prior to the relevant calendar quarter. Where the management fees are payable in the form of Stapled Securities or (in the event that unstapling of the H-REIT units and HBT units has taken place) H-REIT units, such Stapled Securities or H-REIT units shall be issued at the Market Price (as defined in the H-REIT Trust Deed) prevailing at the date the management fees accrue.

  For the years ended 31 December 2024 and 31 December 2023, 80% of the H-REIT Manager's management fees was satisfied in Stapled Securities and the remaining 20% was satisfied in cash.

  Any increase in the maximum permitted rate or any change in the structure of the H-REIT Manager's management fees must be approved by an extraordinary resolution at a meeting of holders of the H-REIT units duly convened and held in accordance with the provisions of the H-REIT Trust Deed.

  The portion of the base management fee payable in the form of Stapled Securities is paid on a quarterly basis, in arrears. The portion of the base management fee payable in the form of cash is paid on a monthly basis, in arrears. Performance fee is paid on an annual basis in arrears, regardless of whether it is paid in the form of Stapled Securities or in cash.

- Acquisition fee of 1% (0.75% for acquisitions from related parties as defined in the H-REIT Trust Deed) of the acquisition price and a divestment fee of 0.5% of the sale price on all future acquisitions or disposals of properties. Both the acquisition fee and divestment fee are payable in the form of Stapled Securities and/or cash as the H-REIT Manager may elect, and in such proportion as may be determined by the H-REIT Manager. In the event that the H-REIT Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities issued at the market price.

- Development management fee of 3% of the Total Project Costs (as defined in the H-REIT Trust Deed) incurred in a Development Project (as defined in the H-REIT Trust Deed) undertaken on behalf of the H-REIT Group. If the estimated Total Project Costs exceeds $200.0 million, the H-REIT Manager's independent directors will first review and approve the quantum of the development management fee whereupon the H-REIT Manager may be directed by its independent directors to reduce the development management fee.

  The development management fee is payable in equal monthly instalments in cash over the construction period of each Development Project based on the H-REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount to be paid to the H-REIT Manager or (as the case may be) paid by the H-REIT Manager when the Total Project Costs is finalised. No acquisition fee shall be paid when the H-REIT Manager receives the development management fee for a Development Project.

  Any increase in the percentage or any change in the structure of the H-REIT Manager's development management fee must be approved by an extraordinary resolution at a meeting of holders of the H-REIT units duly convened and held in accordance with the provisions of the H-REIT Trust Deed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL (CONT'D)

(iii) H-REIT Trustee's fee

Pursuant to the H-REIT Trust Deed, the H-REIT Trustee's fee shall not exceed 0.1% per annum of the value of H-REIT's Deposited Property (subject to a minimum of $10,000 per month) or such higher percentage as may be fixed by an extraordinary resolution of a meeting of holders of the H-REIT units. The H-REIT Trustee's fee is payable out of H-REIT's Deposited Property on a monthly basis, in arrears. The H-REIT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the H-REIT Trust Deed.

Based on the current agreement between the H-REIT Manager and the H-REIT Trustee, the H-REIT Trustee's fee is charged on a scaled basis of up to 0.02% per annum of the value of H-REIT's Deposited Property (subject to a minimum of $10,000 per month).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the HBT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), the applicable requirements of the Business Trusts Act 2004 of Singapore and the provisions of the HBT Trust Deed.

The consolidated financial statements of the H-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice ("**RAP**") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "**CIS Code**") issued by the Monetary Authority of Singapore ("**MAS**") and the provisions of the H-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards ("**FRS**").

2.2 Going concern

The consolidated financial statements of the HBT Group have been prepared on a going concern basis. Even though there is a deficiency in unitholders' funds of $8.0 million as at 31 December 2024, after having considered the cash liquidity of the HBT Group and the financial support given by H-REIT to HBT, the HBT Group is expected to have sufficient funds to discharge its obligations as and when they fall due.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as described below.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Singapore dollars, which is the functional currency of HBT and H-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.5 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.5 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 5 – Valuation of investment property under development
- Note 6 – Valuation of property, plant and equipment

Measurement of fair values

A number of the Stapled Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The H-REIT Manager and the HBT Trustee-Manager have an established control framework with respect to the measurement of fair values. This includes a team that regularly reviews significant unobservable inputs and reports directly to the Chief Financial Officer, who has overall responsibility for all significant fair value measurements.

The H-REIT Manager and the HBT Trustee-Manager regularly review significant unobservable inputs and valuation adjustments included in the fair value measurements. If third party information, such as property valuations or broker quotes or pricing services, is used to measure fair value, then the H-REIT Manager and the HBT Trustee-Manager assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS/SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

When measuring the fair value of an asset or a liability, the H-REIT Manager and the HBT Trustee-Manager use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Transfers between levels of the fair value hierarchy are recognised as of the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Valuation of investment properties
- Note 5 – Valuation of investment property under development
- Note 6 – Valuation of property, plant and equipment
- Note 25 – Valuation of financial instruments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.6 Change in material accounting policies

New amendments to accounting standards

The Stapled Group has applied the following amendments to FRSs/SFRS(I)s for the first time for the annual period beginning on 1 January 2024:

- Amendments to FRS 1/SFRS(I) 1-1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to FRS 116/SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to FRS 7/SFRS(I) 1-7 and FRS 107/SFRS(I) 7: Supplier Finance Arrangements

The application of these amendments to standards did not have a material effect on the financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been consistently applied by the HBT Group, the H-REIT Group and the Stapled Group to all periods presented in these consolidated financial statements.

3.1 Consolidation

(i) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(ii) Business combinations

The Stapled Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Stapled Group. In determining whether a particular set of activities and assets is a business, the Stapled Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Stapled Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Stapled Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("**NCI**") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss or the statements of total return (as the case may be).

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS/SFRS(I).

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Stapled Group incurs in connection with a business combination are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

(iii) Subsidiaries

Subsidiaries are entities controlled by either the HBT Group or the H-REIT Group. The HBT Group and the H-REIT Group control an entity when they are exposed to or has rights to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies of the HBT Group, the H-REIT Group and the Stapled Group, where appropriate. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the HBT Group, the H-REIT Group and the Stapled Group.

3.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the entities in the HBT Group, the H-REIT Group and the Stapled Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss or the statements of total return (as the case may be). However, for foreign currency differences arising on the translation of a financial liability designated as a hedge of the HBT Group's, the H-REIT Group's and the Stapled Group's net investment in a foreign operation to the extent that the hedge is effective are recognised in other comprehensive income ("**OCI**") or unitholders' funds (as the case may be) directly.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in OCI or unitholders' funds (as the case may be). However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss or the statements of total return (as the case may be) as part of the gain or loss on disposal. When only part of the interest in a subsidiary that includes a foreign operation is disposed of while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised directly in the foreign currency translation reserve in OCI or unitholders' funds (as the case may be).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currencies (cont'd)

(iii) Hedge of net investment in foreign operation

The HBT Group, the H-REIT Group and the Stapled Group apply hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the HBT Group, the H-REIT Group and the Stapled Group's functional currency (Singapore dollars), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in foreign currency translation reserve in unitholders' funds to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss or the statements of total return (as the case may be). When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss or the statements of total return (as the case may be) as part of the profit or loss on disposal.

3.3 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent to recognition, freehold land, leasehold land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses while other assets are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any surplus arising on the revaluation is recognised in OCI or unitholders' funds (as the case may be), except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in profit or loss or the statements of total return (as the case may be), in which case the credit to that extent is recognised in profit or loss or the statements of total return (as the case may be). Any deficit on revaluation is recognised in profit or loss or the statements of total return (as the case may be) except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in OCI or unitholders' funds (as the case may be).

When an item of property, plant and equipment is sold or retired, its cost and accumulated depreciation are removed from the statements of financial position. The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss or the statements of total return (as the case may be). The revaluation surplus included in equity or unitholders' funds (as the case may be) in respect of an item of property, plant and equipment measured using revaluation model, is transferred directly to accumulated profits/losses or unitholders' funds (as the case may be).

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Stapled Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss or the statements of total return (as the case may be) as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss or the statements of total return (as the case may be) on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Stapled Group will obtain ownership by the end of the lease term. Freehold land and capital work-in-progress are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land	Remaining useful lives of land leases of 80 years to 123 years (2023: 81 years to 124 years)
• Buildings	31 years to 50 years
• Plant and machinery	10 years to 12 years
• Furniture and fixtures	7 years
• Motor vehicles and boats	5 years
• Office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3.4 Investment properties and investment property under development

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property under development is property being constructed or developed for future use as investment property. Investment properties and investment property under development are measured at cost on initial recognition and subsequently at fair value with any changes therein recognised in profit or loss or the statements of total return (as the case may be).

The cost of a purchased property comprises its purchase price and any directly attributable expenditure including transaction costs. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Fair value is determined in accordance with the HBT Trust Deed and the H-REIT Trust Deed which requires the investment properties and investment property under development to be valued by independent registered valuers in the following events:

- at least once a year in accordance with the Property Funds Appendix of CIS Code issued by MAS; and
- where the HBT Trustee-Manager and the H-REIT Manager propose to issue new units for subscription or to redeem existing units unless the investment properties have been valued not more than 6 months ago.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss or the statements of total return (as the case may be) is the difference between net disposal proceeds and the carrying amount of the property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Investment properties and investment property under development (cont'd)

Properties are classified either as investment properties or property, plant and equipment in the statements of financial position. In assessing whether a property is classified as an investment property or property, plant and equipment, the Stapled Group takes into consideration several factors including, but not limited to, the business model, the extent of ancillary services provided, the power that the Stapled Group has to make significant operating and financing decisions regarding the operations of the property and the significance of its exposure to variations in the net cash flows of the property. The factors above are considered collectively, together with the facts and circumstances of each lease, in determining the classification of a property.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.5 Leases

At inception of a contract, the Stapled Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Stapled Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Stapled Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Stapled Group recognises a right-of-use ("**ROU**") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The subsequent measurement of the ROU asset will depend on whether it is presented in investment properties or property, plant and equipment. The accounting policies for investment properties and property, plant and equipment are set out in Note 3.4 and Note 3.3 respectively.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate as the discount rate.

The Stapled Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substances fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Stapled Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Stapled Group changes its assessment of whether it will exercise an extension option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

(i) As a lessee (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Stapled Group presents ROU assets that do not meet the definition of investment properties in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statements of financial position.

Short-term leases and leases of low value assets

The Stapled Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Stapled Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Stapled Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Stapled Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Stapled Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Stapled Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Stapled Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

If an arrangement contains lease and non-lease components, then the Stapled Group applies FRS 115/SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Stapled Group applies the derecognition and impairment requirements in FRS 109/SFRS(I) 9 *Financial Instruments* to the net investment in the lease (see Note 3.7(i)).

The Stapled Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Stapled Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("**FVOCI**") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Stapled Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Stapled Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Stapled Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Stapled Group's continuing recognition of the assets.

The Stapled Group has financial assets that have a held-to-collect business model. The objective of the business model is to collect the amounts due from the Stapled Group's receivables and where applicable to earn contractual interest income on the amounts collected.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Stapled Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Stapled Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Stapled Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss or the statements of total return (as the case may be). Any gain or loss on derecognition is recognised in profit or loss or the statements of total return (as the case may be).

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss or the statements of total return (as the case may be).

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss or the statements of total return (as the case may be). Directly attributable transaction costs are recognised in profit or loss or the statements of total return (as the case may be) as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss or the statements of total return (as the case may be).

(iii) Derecognition

Financial assets

The Stapled Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Stapled Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Stapled Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Stapled Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Stapled Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss or the statements of total return (as the case may be).

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Stapled Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits that are subject to an insignificant risk of changes in their fair values, and are used by the Stapled Group in the management of its short-term commitments. For the purpose of the statements of cash flows, restricted cash is excluded.

(vi) Derivative financial instruments and hedge accounting

The Stapled Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss or the statements of total return (as the case may be) as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss or the statements of total return (as the case may be).

The Stapled Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Stapled Group documents the risk management objective and strategy for undertaking the hedge. The Stapled Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Net investment hedges

The Stapled Group designates certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of foreign exchange gains and losses for a non-derivative financial liability is recognised in OCI or unitholders' funds (as the case may be) and presented in the translation reserve within unitholders' funds. Any ineffective portion of foreign exchange gains and losses on the non-derivative financial liability is recognised immediately in profit or loss or the statements of total return (as the case may be). The amount recognised in the foreign currency translation reserve is fully or partially reclassified to profit or loss or the statements of total return (as the case may be) as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss or the statements of total return (as the case may be).

3.7 Impairment

(i) Non-derivative financial assets

The Stapled Group recognises loss allowances for expected credit loss ("**ECL**") on financial assets measured at amortised cost ('cash and cash equivalents' and 'trade and other receivables') and lease receivables.

Loss allowances of the Stapled Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Stapled Group applies the simplified approach to provide for ECL for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Stapled Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Stapled Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Stapled Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Stapled Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The Stapled Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Stapled Group in full, without recourse by the Stapled Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Stapled Group is exposed to credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Stapled Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Stapled Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Stapled Group on terms that the Stapled Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Stapled Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Stapled Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, investment property under development, deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit ("**CGU**") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss or the statements of total return (as the case may be). Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (groups of CGUs), and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Unitholders' funds

Unitholders' funds of the Stapled Group comprise unitholders' funds of the HBT Group and the H-REIT Group. Unitholders' funds are classified as equity.

Issue expenses relate to expenses incurred in connection with the issue of Stapled Securities. The expenses are deducted directly against the unitholders' funds.

3.9 Revenue

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in the profit or loss or the statements of total return (as the case may be) on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Variable rentals are recognised as income in the accounting period in which they are earned and the amount can be measured reliably.

(ii) Hotel revenue

Revenue from hotel and resort operations comprises mainly room, food and beverage and other hotel related services income. Room revenue is recognised when performance obligations are satisfied over the period of stay. Food and beverage revenue and other hotel related services are recognised at a point in time when performance obligations are satisfied by rendering the relevant goods and services to the customers.

3.10 Finance income and finance costs

Finance income comprises interest income on funds invested, finance lease receivables and loan to related entity, net foreign exchange gains and gains on hedging instruments that are recognised in profit or loss or the statements of total return (as the case may be). Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on loans and borrowings, lease liabilities and loan from related entity, amortisation of transaction costs on loans and borrowings, unwinding of the discount on non-current rental deposits, net foreign exchange losses and losses on hedging instruments that are recognised in profit or loss or the statements of total return (as the case may be). Interest expenses are recognised as they accrue, using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss or the statements of total return (as the case may be) except to the extent that it relates to a business combination, or items recognised directly in OCI or unitholders' funds (as the case may be).

The Stapled Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37/SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflect uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Stapled Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Stapled Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Stapled Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Tax (cont'd)

H-REIT received a tax ruling from the Inland Revenue Authority of Singapore ("**IRAS**") and subject to meeting the terms and conditions of the tax ruling, which includes a distribution of at least 90% of the taxable income of H-REIT, H-REIT will not be taxed on the portion of taxable income of H-REIT that is distributed to holders of H-REIT units. Any portion of the taxable income that is not distributed to holders of H-REIT units will be taxed in the hands of the H-REIT Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of H-REIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

Although H-REIT is not taxed on its taxable income distributed, the H-REIT Trustee and the H-REIT Manager are required to deduct income tax at the applicable corporate tax rate from distributions of such taxable income of H-REIT (i.e. which has not been taxed in the hands of the H-REIT Trustee) to certain holders of H-REIT units. The H-REIT Trustee and the H-REIT Manager will not deduct tax from distributions made out of H-REIT's taxable income to the extent that the beneficial holder of H-REIT units is:

- An individual;
- A company incorporated and tax resident in Singapore;
- A branch in Singapore of a company incorporated outside Singapore;
- A body of persons incorporated or registered in Singapore, including:
  - (i) a charity registered under the Charities Act 1994 or established by any written law;
  - (ii) a town council;
  - (iii) a statutory board;
  - (iv) a co-operative society registered under the Co-operative Societies Act 1979;
  - (v) a platform work association registered under Part 3 of the Platform Workers Act 2024;
  - (vi) a trade union registered under the Trade Unions Act 1940;
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; and
- A trustee of an approved real estate investment trust exchange-traded fund.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains which are considered as trading gains are assessable to tax in the hands of the H-REIT Trustee. H-REIT will not be assessed to tax on capital gains and may distribute the capital gains without tax being deducted at source.

3.12 Earnings per Stapled Security

The Stapled Group presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Security Holders by the weighted average number of Stapled Securities outstanding during the year. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Security Holders and the weighted average number of Stapled Securities outstanding, adjusted for the effects of all dilutive potential Stapled Securities.

3.13 Segment reporting

An operating segment is a component of the HBT Group, the H-REIT Group and the Stapled Group that engages in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components of the HBT Group, the H-REIT Group and the Stapled Group. All operating segments' operating results are reviewed regularly by the HBT Board or the H-REIT Board (the "**Boards**") to make decisions about resources to be allocated to the segment and assess its performance, and is a component for which discrete financial information is available.

Segment results that are reported to the Boards include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, finance income, finance costs and other expenses.

Segment capital expenditure is the total cost incurred on investment properties, investment property under development and property, plant and equipment during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 New accounting standards and amendments to standards not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Stapled Group has not early adopted the new or amended accounting standards in preparing these consolidated financial statements.

<u>Effective for annual periods beginning on 1 January 2025</u>

- Amendments to FRS 21/SFRS(I) 1-21: Lack of Exchangeability

<u>Effective for annual periods beginning on 1 January 2026</u>

- Amendments to FRS 109/SFRS(I) 9 and FRS 107/SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to FRSs/SFRS(I)s-Volume 11
- Amendments to FRS 109/SFRS(I) 9 and FRS 107/SFRS(I) 7: Contracts Referencing Nature-dependent Electricity

<u>Effective for annual period beginning on 1 January 2027</u>

- FRS 118/SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- FRS 119/SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

The Stapled Group is in the process of assessing the potential impact of the amendments to accounting standards on its consolidated financial statements.

4 INVESTMENT PROPERTIES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January	–	–	2,750,215	2,631,976	2,232,899	2,104,672
Acquisition of property, including acquisition costs (Note 29)	7,224	–	69,607	–	76,831	–
Capital expenditure	987	–	37,778	32,363	24,299	23,226
Reclassification from investment property under development [(1)]	155,942	–	–	–	155,054	–
Fair value changes (unrealised)	(574)	–	(9,738)	80,787	5,771	98,343
Straight-line rental adjustments	–	–	1	3,427	860	3,361
Adjustment to right-of-use assets	–	–	1,723	1,770	1,723	1,770
Translation differences	(149)	–	(20,735)	(108)	(18,641)	1,527
At 31 December	163,430	–	2,828,851	2,750,215	2,478,796	2,232,899

(1) The practical completion of the residential development work has been achieved on 4 June 2024 and is known as the "The Castings". It was thereafter reclassified from investment property under development (Note 5).

The straight-line rental adjustments represent the effect of recognising rental income on a straight-line basis over the lease term of the investment properties.

Security

At 31 December 2024, an investment property of the H-REIT Group and the Stapled Group with a carrying amount of $147.7 million (2023: $152.9 million) is pledged as security to secure a bank loan (Note 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

The carrying amounts of the investment properties were based on independent valuations undertaken by the following independent valuers:

Country	2024	2023
Singapore	Knight Frank Pte Ltd	Knight Frank Pte Ltd
Australia	CBRE Valuations Pty Limited	CBRE Valuations Pty Limited
New Zealand	CBRE Limited	CBRE Limited
Maldives	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
United Kingdom	Colliers International Consultancy & Valuation (Singapore) Pte Ltd CBRE Limited Knight Frank LLP	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
Germany	Colliers International Property Consultants Limited	Colliers International Property Consultants Limited
Italy	C&W (U.K.) LLP (Italian Branch)	C&W (U.K.) LLP (Italian Branch)

The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flows, capitalisation, residual land value, comparative and investment methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield and capitalisation rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager and HBT Trustee-Manager have exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the reporting date.

Fair value hierarchy

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.5).

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Fair value of investment properties (based on valuation reports)	163,430	–	2,710,455	2,634,477	2,424,369	2,181,036
Add: Carrying amount of lease liabilities	–	–	118,396	115,738	54,427	51,863
Carrying amount of investment properties	163,430	–	2,828,851	2,750,215	2,478,796	2,232,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Country	Valuation techniques	Significant unobservable inputs	2024	2023
Singapore	Discounted cash flow and capitalisation methods	Hotel		
		Discount rate	6.00% - 7.50%	6.00% - 7.50%
		Terminal yield	3.50% - 5.00%	3.75% - 5.00%
		Capitalisation rate	3.25% - 4.75%	3.50% - 4.75%
		Retail		
		Discount rate	7.00%	7.00%
		Terminal yield	5.00%	5.00%
		Capitalisation rate	4.75%	4.75%
Australia	Discounted cash flow and capitalisation methods	Discount rate	8.50% - 8.75%	8.25%
		Terminal yield	6.75% - 7.00%	6.50%
		Capitalisation rate	6.25% - 6.50%	6.25%
New Zealand	Discounted cash flow and capitalisation methods	Discount rate	9.25%	9.50%
		Terminal yield	7.00%	7.50%
		Capitalisation rate	6.75%	7.25%
Maldives	Discounted cash flow method	Discount rate	11.00% - 11.75%	11.00% - 11.75%
		Terminal yield	8.90% - 9.65%	9.00% - 9.75%
United Kingdom	Discounted cash flow, capitalisation, residual land value, comparative and investment methods	Hotel		
		Discount rate	9.10%	9.00%
		Terminal yield	7.10%	7.00%
		Residential and Car Park		
		Capitalisation rate	4.70% - 5.75%	N.A.
		Retail		
		Capitalisation rate	8.50% - 9.00%	N.A.
Germany	Discounted cash flow and capitalisation methods	Hotel		
		Discount rate	8.00%	7.75%
		Terminal yield	6.00%	5.75%
		Retail		
		Capitalisation rate	6.73%	6.55%
Italy	Discounted cash flow method	Discount rate	7.55%	7.50%
		Terminal yield	5.65%	5.50%

N.A. – Not applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Inter-relationship between key unobservable inputs and fair value measurement

The significant unobservable inputs used in the fair value measurement of investment properties are discount rate, terminal yield and capitalisation rate. An increase in discount rate, terminal yield and capitalisation rate in isolation would result in a lower fair value.

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	HBT Group		H-REIT Group		Stapled Group	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January	131,423	59,660	–	–	131,423	59,660
Development costs and interest capitalised	22,760 [1,4]	62,491 [1]	–	–	21,872 [2,4]	60,597 [2]
Fair value changes (unrealised)	–	6,735	–	–	–	8,629
Reclassification to investment properties [3]	(155,942)	–	–		(155,054)	–
Translation differences	1,759	2,537	–	–	1,759	2,537
At 31 December	–	131,423	–	–	–	131,423

(1) Included capitalised interest cost of $1,919,000 (2023: $3,741,000)
(2) Included capitalised interest cost of $1,031,000 (2023: $1,847,000)
(3) The practical completion of the residential development work has been achieved on 4 June 2024 and is known as the "The Castings". It was subsequently reclassified to investment properties (Note 4).
(4) Included acquisition fee paid to the HBT Trustee-Manager of $1,289,000 in cash.

Measurement of fair value

The carrying amount of the investment property under development as at 31 December 2023 was based on an independent valuation undertaken by Knight Frank LLP, as at that date. The independent valuer has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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. The specific risks inherent in the property are taken into consideration in arriving at the property valuation. In relying on the valuation report, the HBT Trustee-Manager has exercised its judgement and is satisfied that the valuation method and estimates used are reflective of market conditions prevailing at the end of the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 INVESTMENT PROPERTY UNDER DEVELOPMENT (CONT'D)

Measurement of fair value (cont'd)

Fair value hierarchy

The fair value measurement for investment property under development has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2.5).

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property under development, as well as the significant unobservable inputs used.

Country	Valuation technique	Significant unobservable inputs	2024	2023
United Kingdom	Comparative and investment methods	Residential and Car Park		
		Capitalisation rate	N.A.	4.70%
		Retail		
		Capitalisation rate	N.A.	9.00%

N.A. – Not applicable

Inter-relationship between key unobservable inputs and fair value measurement

The significant unobservable inputs used in the fair value measurement of investment property under development is capitalisation rate. An increase in capitalisation rate in isolation would result in a lower fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

	At valuation			At cost					
	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Capital work-in-progress $'000	Total $'000
HBT Group									
At valuation/cost									
At 1 January 2023	–	97,438	166,542	4,247	–	38,068	997	569	307,861
Additions	–	–	–	1,076	–	2,095	5	62	3,238
Transfers	–	–	–	–	–	142	–	(142)	–
Write-off	–	–	–	–	–	–	–	(410)	(410)
Addition of right-of-use assets	–	–	–	–	126	–	–	–	126
Adjustment to right-of-use assets	–	–	3	–	–	–	–	–	3
Translation differences	–	1,764	2,697	151	–	1,290	32	15	5,949
Reversal of revaluation deficit recognised in profit or loss	–	1,907	1,251	–	–	–	–	–	3,158
Revaluation surplus recognised in OCI	–	3,089	6,162	–	–	–	–	–	9,251
Elimination of accumulated depreciation on revaluation	–	(3,502)	(9,041)	–	–	–	–	–	(12,543)
At 31 December 2023	–	100,696	167,614	5,474	126	41,595	1,034	94	316,633
At 1 January 2024	–	100,696	167,614	5,474	126	41,595	1,034	94	316,633
Acquisition (Note 29)	2,582	–	24,095	–	–	3,966	–	–	30,643
Additions	–	–	–	611	–	1,112	15	187	1,925
Write-off	–	–	–	–	(84)	–	–	–	(84)
Adjustment to right-of-use assets	–	–	1,445	–	(42)	–	–	–	1,403
Translation differences	(28)	1,626	(653)	69	–	495	14	1	1,524
Reversal of revaluation deficit/(Revaluation deficit) recognised in profit or loss	–	2,250	(431)	–	–	–	–	–	1,819
Revaluation surplus recognised in OCI	–	2,918	2,000	–	–	–	–	–	4,918
Elimination of accumulated depreciation on revaluation	–	(3,557)	(8,799)	–	–	–	–	–	(12,356)
At 31 December 2024	2,554	103,933	185,271	6,154	–	47,168	1,063	282	346,425

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation			At cost					
	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Capital work-in-progress $'000	Total $'000
HBT Group (cont'd)									
Accumulated depreciation									
At 1 January 2023	–	–	–	2,306	–	20,308	831	–	23,445
Depreciation	–	3,502	9,041	504	42	3,297	85	–	16,471
Translation differences	–	–	–	81	–	707	28	–	816
Elimination of accumulated depreciation on revaluation	–	(3,502)	(9,041)	–	–	–	–	–	(12,543)
At 31 December 2023	–	–	–	2,891	42	24,312	944	–	28,189
At 1 January 2024	–	–	–	2,891	42	24,312	944	–	28,189
Depreciation	–	3,557	8,799	552	42	3,428	50	–	16,428
Write-off	–	–	–	–	(84)	–	–	–	(84)
Translation differences	–	–	–	36	–	306	12	–	354
Elimination of accumulated depreciation on revaluation	–	(3,557)	(8,799)	–	–	–	–	–	(12,356)
At 31 December 2024	–	–	–	3,479	–	28,046	1,006	–	32,531
Carrying amounts									
At 31 December 2023	–	100,696	167,614	2,583	84	17,283	90	94	288,444
At 31 December 2024	2,554	103,933	185,271	2,675	–	19,122	57	282	313,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation		At cost			
	Freehold land $'000	Buildings $'000	Plant and machinery $'000	Motor vehicles and boats $'000	Furniture and fixtures $'000	Total $'000
H-REIT Group						
At valuation/cost						
At 1 January 2023	45,180	20,222	5,536	1,661	754	73,353
Additions	–	–	13	1,350	258	1,621
Translation differences	(3,883)	(1,717)	(449)	(46)	(69)	(6,164)
Revaluation surplus recognised in unitholders' funds	7,132	3,275	–	–	–	10,407
Elimination of accumulated depreciation on revaluation	–	(745)	–	–	–	(745)
At 31 December 2023	48,429	21,035	5,100	2,965	943	78,472
At 1 January 2024	48,429	21,035	5,100	2,965	943	78,472
Additions	–	–	12	604	–	616
Translation differences	(3,743)	(1,577)	(367)	89	(68)	(5,666)
Revaluation surplus recognised in unitholders' funds	13,134	3,995	–	–	–	17,129
Elimination of accumulated depreciation on revaluation	–	(797)	–	–	–	(797)
At 31 December 2024	57,820	22,656	4,745	3,658	875	89,754
Accumulated depreciation						
At 1 January 2023	–	–	4,276	1,261	417	5,954
Depreciation	–	745	515	504	113	1,877
Translation differences	–	–	(363)	(27)	(38)	(428)
Elimination of accumulated depreciation on revaluation	–	(745)	–	–	–	(745)
At 31 December 2023	–	–	4,428	1,738	492	6,658
At 1 January 2024	–	–	4,428	1,738	492	6,658
Depreciation	–	797	473	414	120	1,804
Translation differences	–	–	(329)	53	(37)	(313)
Elimination of accumulated depreciation on revaluation	–	(797)	–	–	–	(797)
At 31 December 2024	–	–	4,572	2,205	575	7,352
Carrying amounts						
At 31 December 2023	48,429	21,035	672	1,227	451	71,814
At 31 December 2024	57,820	22,656	173	1,453	300	82,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation			At cost					
	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant and machinery $'000	Furniture and fixtures $'000	Motor vehicles and boats $'000	Office equipment $'000	Capital work-in-progress $'000	Total $'000
Stapled Group									
At valuation/cost									
At 1 January 2023	67,303	324,326	344,581	33,741	51,049	1,996	6,185	1,228	830,409
Additions	–	–	953	1,581	2,942	1,015	1,002	6,555	14,048
Disposal	–	–	–	–	–	–	(50)	–	(50)
Write-off	–	–	–	–	–	–	–	(410)	(410)
Transfers	–	–	–	17	303	–	14	(334)	–
Addition of right-of-use assets	–	–	–	–	–	126	–	–	126
Adjustment to right-of-use assets	–	–	3	–	–	–	–	–	3
Revaluation surplus recognised in unitholders' funds	9,537	5,141	25,474	–	–	–	–	–	40,152
Reversal of revaluation deficit/(Revaluation deficit) recognised in statement of total return	–	5,259	(4,316)	–	–	–	–	–	943
Translation differences	(4,080)	1,883	140	(414)	1,172	(47)	(23)	14	(1,355)
Elimination of accumulated depreciation on revaluation	–	(3,869)	(8,928)	–	–	–	–	–	(12,797)
At 31 December 2023	72,760	332,740	357,907	34,925	55,466	3,090	7,128	7,053	871,069
At 1 January 2024	72,760	332,740	357,907	34,925	55,466	3,090	7,128	7,053	871,069
Acquisition (Note 29)	2,582	–	24,095	–	3,966	–	–	–	30,643
Additions	–	–	5,480	2,129	2,644	604	847	5,305	17,009
Write-off	–	–	–	–	–	(84)	–	–	(84)
Transfers	–	–	–	4,566	2,722	–	95	(7,383)	–
Adjustment to right-of-use assets	–	–	1,445	–	–	(42)	–	–	1,403
Revaluation surplus recognised in unitholders' funds	13,013	3,261	3,813	–	–	–	–	–	20,087
Reversal of revaluation deficit/(Revaluation deficit) recognised in statement of total return	88	(10,964)	2,187	–	–	–	–	–	(8,689)
Translation differences	(5,197)	1,510	(2,410)	(281)	406	89	77	–	(5,806)
Elimination of accumulated depreciation on revaluation	–	(4,001)	(8,801)	–	–	–	–	–	(12,802)
At 31 December 2024	83,246	322,546	383,716	41,339	65,204	3,657	8,147	4,975	912,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation			At cost					
	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles and boats	Office equipment	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Stapled Group (cont'd)									
Accumulated depreciation									
At 1 January 2023	–	–	–	15,131	26,339	1,500	4,189	–	47,159
Depreciation	–	3,869	8,928	3,444	4,627	308	755	–	21,931
Disposal	–	–	–	–	–	–	(50)	–	(50)
Write-off									
Translation differences	–	–	–	(357)	610	(28)	(10)	–	215
Elimination of accumulated depreciation on revaluation	–	(3,869)	(8,928)	–	–	–	–	–	(12,797)
At 31 December 2023	–	–	–	18,218	31,576	1,780	4,884	–	56,458
At 1 January 2024	–	–	–	18,218	31,576	1,780	4,884	–	56,458
Depreciation	–	4,001	8,801	3,235	5,084	455	1,000	–	22,576
Write-off	–	–	–	–	–	(84)	–	–	(84)
Translation differences	–	–	–	(216)	320	53	71	–	228
Elimination of accumulated depreciation on revaluation	–	(4,001)	(8,801)	–	–	–	–	–	(12,802)
At 31 December 2024	–	–	–	21,237	36,980	2,204	5,955	–	66,376
Carrying amounts									
At 31 December 2023	72,760	332,740	357,907	16,707	23,890	1,310	2,244	7,053	814,611
At 31 December 2024	83,246	322,546	383,716	20,102	28,224	1,453	2,192	4,975	846,454

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

For each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Freehold land						
Cost	2,554	–	26,535	28,595	48,657	49,401
Accumulated impairment losses	–	–	–	–	–	(90)
Carrying value	2,554	–	26,535	28,595	48,657	49,311
Leasehold land						
Cost	127,035	124,845	–	–	367,127	365,430
Accumulated depreciation and impairment losses	(30,337)	(28,446)	–	–	(28,509)	(26,665)
Carrying value	96,698	96,399	–	–	338,618	338,765
Buildings						
Cost	213,366	189,290	20,888	22,506	423,347	393,343
Accumulated depreciation and impairment losses	(36,493)	(29,191)	(6,027)	(5,850)	(86,147)	(81,226)
Carrying value	176,873	160,099	14,861	16,656	337,200	312,117

Measurement of fair value

The carrying amounts of the properties were based on independent valuations undertaken by the following independent valuers:

Country	2024	2023
Singapore	Knight Frank Pte Ltd	Knight Frank Pte Ltd
Australia	CBRE Valuations Pty Limited	CBRE Valuations Pty Limited
Maldives	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
Japan	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.
United Kingdom	Colliers International Consultancy & Valuation (Singapore) Pte Ltd CBRE Limited	Colliers International Consultancy & Valuation (Singapore) Pte Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Measurement of fair value (cont'd)

The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flow and capitalisation methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield and capitalisation rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager and the HBT Trustee-Manager have exercised their judgement and are satisfied that the valuation methods and estimates the used are reflective of market conditions prevailing at the end of the reporting date.

Fair value hierarchy

The fair value measurement for property, plant and equipment has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.5).

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment, as well as the significant unobservable inputs used.

Country	Valuation techniques	Significant unobservable inputs	2024	2023
Singapore	Discounted cash flow and capitalisation methods	Discount rate	6.00%	6.00%
		Terminal yield	3.75%	3.75%
		Capitalisation rate	3.50%	3.50%
Japan	Discounted cash flow and capitalisation methods	Discount rate	4.10% - 4.40%	4.10% - 4.40%
		Terminal yield	4.40% - 4.70%	4.40% - 4.70%
		Capitalisation rate	4.30% - 4.60%	4.30% - 4.60%
United Kingdom	Discounted cash flow method	Discount rate	9.00% - 10.00%	9.00% - 9.25%
		Terminal yield	7.00% - 8.00%	7.00% - 7.25%
Maldives	Discounted cash flow method	Discount rate	10.75%	10.75%
		Terminal yield	8.65%	8.75%
Australia	Discounted cash flow and capitalisation methods	Discount rate	8.50% - 8.75%	8.50%
		Terminal yield	6.75% - 7.00%	6.75%
		Capitalisation rate	6.50% - 6.75%	6.50%

Inter-relationship between key unobservable inputs and fair value measurement

The significant unobservable inputs used in the fair value measurement of properties are discount rate, terminal yield and capitalisation rate. An increase in discount rate, terminal yield and capitalisation rate in isolation would result in a lower fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 FINANCE LEASE RECEIVABLES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Finance lease receivables:						
- related corporation	–	–	4,345	5,145	4,345	5,145
Non-current	–	–	3,435	4,345	3,435	4,345
Current	–	–	910	800	910	800
	–	–	4,345	5,145	4,345	5,145

Finance lease receivables relate to sub-lease of a property to a related corporation. There is no impairment loss arising from the receivables as the ECL is negligible.

8 TRADE AND OTHER RECEIVABLES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables:						
- related corporations	–	–	6,298	6,935	6,298	6,935
- related entities	–	–	33,340	28,645	–	–
- third parties	4,488	4,276	10,694	5,103	15,182	9,379
	4,488	4,276	50,332	40,683	21,480	16,314
Impairment loss	(146)	(106)	(17,761)	(9,887)	(239)	(199)
Net trade receivables	4,342	4,170	32,571	30,796	21,241	16,115
Other receivables:						
- related corporations	–	–	–	10	–	10
- related entities	13,478	16,465	229,488	152,593	–	–
- third parties	1,963	1,093	1,516	2,859	3,479	3,952
	15,441	17,558	231,004	155,462	3,479	3,962
Rental deposits	529	559	148	149	677	708
	20,312	22,287	263,723	186,407	25,397	20,785
Prepayments	4,266	1,947	2,312	5,391	6,578	7,338
	24,578	24,234	266,035	191,798	31,975	28,123
Non-current	529	529	222,745	145,801	677	677
Current	24,049	23,705	43,290	45,997	31,298	27,446
	24,578	24,234	266,035	191,798	31,975	28,123

Related corporations refer to related corporations of the H-REIT Manager and the HBT Trustee-Manager. Related entities refer to H-REIT and its subsidiaries or HBT and its subsidiaries (as the case may be).

The H-REIT Group's properties, except Claymore Connect and Benson Yard, are leased to 14 (2023: 14) master lessees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables from related corporations are unsecured, interest-free and repayable on demand.

Other receivables from related entities comprise mainly loans amounting to $222,596,000 (2023: $145,652,000) which are unsecured, bear interest at rates ranging from 3.74% to 6.12% (2023: 5.00% to 6.80%) per annum and repayable on 20 December 2034 (2023: repayment is neither planned nor likely to occur in foreseeable future). The remaining receivables from related entities are unsecured, interest free and repayable on demand.

The exposure of the HBT Group, the H-REIT Group and the Stapled Group to credit risk and impairment losses for trade and other receivables is disclosed in Note 25.

9 CASH AND CASH EQUIVALENTS

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Cash at bank and in hand	21,713	14,798	45,516	46,392	67,229	61,190
Fixed deposits with financial institutions	–	–	11,059	10,810	11,059	10,810
Cash and cash equivalents in the statements of financial position	21,713	14,798	56,575	57,202	78,288	72,000
Restricted cash	–	–	(2,054)	(2,017)	(2,054)	(2,017)
Cash and cash equivalents in the statements of cash flows	21,713	14,798	54,521	55,185	76,234	69,983

10 LOANS AND BORROWINGS

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
At amortised cost:						
Non-current						
Secured TMK bond	–	–	–	28,582	–	28,582
Secured bank loan	–	–	–	64,170	–	64,170
Unsecured bank loans	91,644	90,326	786,179	622,003	877,823	712,329
Lease liabilities	107,800	116,790	121,665	119,924	139,907	136,602
Loans from related entity	222,596	145,652	–	–	–	–
	422,040	352,768	907,844	834,679	1,017,730	941,683
Current						
Secured TMK bond	–	–	26,654	–	26,654	–
Secured bank loan	–	–	62,142	–	62,142	–
Unsecured bank loans	–	–	371,427	347,213	371,427	347,213
Lease liabilities	9,333	8,896	1,077	960	1,125	1,100
	9,333	8,896	461,300	348,173	461,348	348,313
	431,373	361,664	1,369,144	1,182,852	1,479,078	1,289,996

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Secured TMK bond

The TMK bond included in the H-REIT Group relates to a 5-year Japanese Yen denominated bond of $26.8 million (JPY3.1 billion) (2023: $28.8 million (JPY3.1 billion)) issued by H-REIT's indirectly-owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. H-REIT's interest in its Japan hotels is held via a Tokutei Mokuteki Kaisha ("**TMK**") structure, and such TMK structure is required to issue a bond to fund the acquisition of 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.

Secured bank loan

The secured bank loan relates to a 7-year fixed term loan of $62.2 million (€44.0 million) (2023: $64.2 million (€44.0 million)) drawn down by H-REIT's indirectly-owned subsidiary, NKS Hospitality I B.V. ("**NKS**").

As at the reporting date, an investment property, Pullman Hotel Munich, with a carrying value of $147.7 million (€104.5 million) (2023: $152.9 million (€104.8 million)), and certain bank accounts in NKS, together with the Stapled Group's shares in NKS, representing a 94.9% equity interest in NKS, are pledged as security for bank facilities granted to NKS.

Unsecured bank loans

As at the end of the financial year, the Stapled Group has the following facilities and term loans:

Facilities partially drawn down or available for utilisation

(i) $350.0 million (2023: $450.0 million) committed bilateral multi-currency unsecured revolving credit facilities for a 3-year term. As at the reporting date, $228.8 million (2023: $236.4 million) has been drawn down under these facilities and $121.2 million (2023: $213.6 million) of the facilities remained unutilised.

(ii) $100.0 million (2023: Nil) uncommitted multi-currency unsecured revolving credit facility. As at the reporting date, $68.3 million (2023: Nil) has been drawn down under this facility and $31.7 million (2023: Nil) of the facility remained unutilised.

(iii) $400.0 million (2023: $400.0 million) uncommitted multi-currency unsecured bridge loan facilities, with a maximum repayment period of one year. As at the reporting date, $105.2 million (2023: Nil) has been drawn down under these floating rate facilities (of which $20.0 million has been swapped to fixed rate with interest rate swaps (Note11)) and $294.8 million (2023: $400.0 million) of the facilities remained unutilised.

(iv) In 2023, $101.2 million (£60.2 million) committed unsecured term loan, with a maximum repayment period of three years. A total of $78.5 million (£46.7 million), swapped to fixed rate with interest rate swaps (Note 11), was drawn down under this facility and $22.7 million (£13.5 million) of the facility was not utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Unsecured bank loans (cont'd)

Term loans fully drawn down

(i) $273.6 million floating rate (2023: $203.6 million floating rate and $70.0 million fixed rate) term loans (swap $60.0 million (2023: $60.0 million) to fixed rate with interest rate swaps (Note 11));

(ii) $90.2 million (2023: $90.2 million) floating rate term loan (swap to fixed rate with a cross-currency interest rate swap (Note 11));

(iii) $88.0 million floating rate term loan (2023: $86.0 million (US$65.0 million) floating rate term loan (swap to fixed rate with an interest rate swap (Note 11)));

(iv) $50.3 million (€35.6 million) floating rate term loan (2023: $52.9 million (US$40.0 million) floating rate term loan (swap to fixed rate with a cross-currency interest rate swap (Note 11)));

(v) $28.2 million (JPY3.3 billion) (2023: $30.4 million (JPY3.3 billion)) fixed rate term loan;

(vi) $177.0 million (£104.0 million) (2023: $174.8 million (£104.0 million)) floating rate term loans;

(vii) $41.0 million (£24.1 million) (2023: $40.5 million (£24.1 million)) floating rate term loan (swap to fixed rate with an interest rate swap (Note 11); and

(viii) $102.6 million (£60.2 million) floating rate term loan (swap to fixed rate with interest rate swaps (Note 11)) (2023: Nil).

Lease liabilities

The lease liabilities recognised mainly relate to operating leases in respect of ground leases for investment properties and property, plant and equipment.

Loans from related entity

As of 31 December 2024, the loans from related entity under the HBT Group is unsecured, bears interest at rates ranging from 3.74% to 6.12% per annum and is repayable on 20 December 2034. The loans from related entity includes interest payable of $13.3 million, and the related entity confirmed that it would not demand for interest repayment within 12 months of the next financial year.

As of 31 December 2023, the loans from related entity under the HBT Group is unsecured, bears interest at rates ranging from 5.00% to 6.80% per annum and is repayable on demand. The loans from related entity included interest payable of $5.7 million. The related entity confirmed that it would not demand for repayment within 12 months of the next financial year.

Unsecured medium term notes

H-REIT's wholly-owned subsidiary, CDLHT MTN Pte. Ltd., has in place a $1.0 billion (2023: $1.0 billion) Multi-currency Medium Term Note Programme. As at 31 December 2024 and 31 December 2023, there were no outstanding notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
As at 31 December 2024				
HBT Group				
Unsecured bank loan				
GBP	6.56	2026	91,930	91,644
Loans from related entity				
SGD	3.74 to 4.21	2034	39,746	39,746
GBP	3.74 to 6.12	2034	161,161	161,161
USD	5.54	2034	21,689	21,689
Lease liabilities				
SGD	1.79 to 4.83	2025 to 2040	46,667	37,159
USD	5.05	2033	36,685	29,559
GBP	3.99 to 4.04	2115 to 2147	78,864	18,253
AUD	2.45 to 2.74	2031	34,872	32,162
			511,614	431,373
H-REIT Group				
Secured TMK bond				
JPY	0.71	2025	26,753	26,654
Secured bank loan				
EUR	1.72	2025	62,150	62,142
Unsecured bank loans				
SGD	2.47 to 4.44	2025 to 2029	687,245	685,164
USD	5.54	2025	59,531	59,531
JPY	1.39	2025	28,220	28,188
GBP	2.42 to 5.94	2025 to 2029	264,638	263,286
EUR	3.46 to 4.22	2025 to 2029	121,698	121,437
Lease liabilities				
SGD	3.41 to 5.44	2028 to 2105	166,426	59,447
USD	4.84 to 4.88	2096 to 2105	87,910	23,557
GBP	3.00	2218	230,610	39,738
			1,735,181	1,369,144
Stapled Group				
Secured TMK bond				
JPY	0.71	2025	26,753	26,654
Secured bank loan				
EUR	1.72	2025	62,150	62,142
Unsecured bank loans				
SGD	2.47 to 4.44	2025 to 2029	687,245	685,164
USD	5.54	2025	59,531	59,531
JPY	1.39	2025	28,220	28,188
GBP	2.42 to 5.94	2025 to 2029	356,568	354,930
EUR	3.46 to 4.22	2025 to 2029	121,698	121,437
Lease liabilities				
SGD	1.79 to 5.44	2025 to 2105	166,464	59,485
USD	4.84 to 4.88	2096 to 2105	87,910	23,557
GBP	3.00 to 4.04	2115 to 2218	309,475	57,990
			1,906,014	1,479,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
As at 31 December 2023				
HBT Group				
Unsecured bank loan				
GBP	7.52	2026	90,752	90,326
Loans from related entity				
SGD	5.00	*	2,297	2,297
GBP	5.00 to 6.70	*	123,430	123,430
USD	6.80	*	19,925	19,925
Lease liabilities				
SGD	1.79 to 4.83	2025 to 2040	49,846	39,166
USD	5.05	2033	39,705	31,260
GBP	3.99 to 4.04	2115 to 2147	71,557	16,609
AUD	2.45 to 2.74	2031	42,483	38,651
			439,995	361,664
H-REIT Group				
Secured TMK bond				
JPY	0.71	2025	28,830	28,582
Secured bank loan				
EUR	1.72	2025	64,209	64,170
Unsecured bank loans				
SGD	2.33 to 5.01	2024 to 2028	510,000	507,999
USD	0.58 to 6.80	2024	196,493	196,154
JPY	1.39	2025	30,411	30,331
GBP	2.61 to 6.47	2024 to 2028	232,746	231,726
EUR	5.33	2024	3,006	3,006
Lease liabilities				
SGD	3.41 to 5.44	2028 to 2105	169,481	60,373
USD	4.84 to 4.88	2096 to 2105	86,775	22,977
GBP	3.00	2218	218,924	37,534
			1,540,875	1,182,852
Stapled Group				
Secured TMK bond				
JPY	0.71	2025	28,830	28,582
Secured bank loan				
EUR	1.72	2025	64,209	64,170
Unsecured bank loans				
SGD	2.33 to 5.01	2024 to 2028	510,000	507,999
USD	0.58 to 6.80	2024	196,493	196,154
JPY	1.39	2025	30,411	30,331
GBP	2.61 to 7.52	2024 to 2028	323,499	322,052
EUR	5.33	2024	3,006	3,006
Lease liabilities				
SGD	1.79 to 5.44	2025 to 2105	169,699	60,583
USD	5.42 to 5.75	2096 to 2105	86,775	22,977
GBP	3.00 to 4.04	2115 to 2218	290,480	54,142
			1,703,402	1,289,996

* The loans from related entity is repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	HBT Group			H-REIT Group			Stapled Group		
	Loans and borrowings	Lease liabilities	Interest payables	Loans and borrowings	Lease liabilities	Interest payables	Loans and borrowings	Lease liabilities	Interest payables
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2024	235,978	125,686	1,028	1,061,968	120,884	3,907	1,152,294	137,702	4,935
Changes from financing cash flows									
Loans from related entity	67,317	–	–	–	–	–	–	–	–
Proceeds from bank loans	–	–	–	736,307	–	–	736,307	–	–
Repayment of bank loans	–	–	–	(550,445)	–	–	(550,445)	–	–
Payment of transaction costs related to borrowings	(6)	–	–	(2,273)	–	–	(2,279)	–	–
Payment of lease liabilities	–	(8,832)	–	–	(957)	–	–	(1,099)	–
Finance costs paid	–	(4,339)	(7,334)	–	(4,429)	(44,331)	–	(5,152)	(51,666)
Total changes from financing cash flows	67,311	(13,171)	(7,334)	183,589	(5,386)	(44,331)	183,583	(6,251)	(51,666)
Effect of changes in foreign exchange rates	3,347	(1,124)	(1)	(1,313)	1,092	(17)	(136)	1,303	(17)
Other changes									
Liability-related									
Remeasurement of lease liabilities	–	1,445	–	–	1,723	–	–	3,168	–
Derecognition of lease liabilities	–	(42)	–	–	–	–	–	(42)	–
Amortisation of transaction costs	147	–	–	2,158	–	–	2,305	–	–
Interest expense capitalised	1,919	–	–	–	–	–	–	–	1,031
Interest expense	5,538	4,339	6,736	–	4,429	43,334	–	5,152	49,039
Total liability-related other changes	7,604	5,742	6,736	2,158	6,152	43,334	2,305	8,278	50,070
Balance at 31 December 2024	314,240	117,133	429	1,246,402	122,742	2,893	1,338,046	141,032	3,322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	HBT Group			H-REIT Group			Stapled Group		
	Loans and borrowings $'000	Lease liabilities $'000	Interest payables $'000	Loans and borrowings $'000	Lease liabilities $'000	Interest payables $'000	Loans and borrowings $'000	Lease liabilities $'000	Interest payables $'000
Balance at 1 January 2023	174,203	133,977	355	993,502	114,857	3,186	1,080,776	131,147	3,541
Changes from financing cash flows									
Loans from related entity	50,205	–	–	–	–	–	–	–	–
Proceeds from bank loans	–	–	–	417,638	–	–	417,638	–	–
Repayment of bank loans	–	–	–	(352,349)	–	–	(352,349)	–	–
Payment of transaction costs related to borrowings	(15)	–	–	(1,796)	–	–	(1,811)	–	–
Payment of lease liabilities	–	(7,978)	–	–	(718)	–	–	(853)	–
Finance costs paid	–	(4,589)	(5,513)	–	(4,255)	(37,479)	–	(4,926)	(42,991)
Total changes from financing cash flows	50,190	(12,567)	(5,513)	63,493	(4,973)	(37,479)	63,478	(5,779)	(42,991)
Effect of changes in foreign exchange rates	5,802	(442)	18	2,949	1,072	60	5,870	1,606	77
Other changes									
Liability-related									
Addition of lease liabilities	–	126	–	–	5,407	–	–	5,533	–
Remeasurement of lease liabilities	–	3	–	–	1,770	–	–	1,773	–
Derecognition of lease liabilities	–	–	–	–	(1,504)	–	–	(1,504)	–
Amortisation of transaction costs	146	–	–	2,024	–	–	2,170	–	–
Interest expense capitalised	3,741	–	–	–	–	–	–	–	1,847
Interest expense	1,896	4,589	6,168	–	4,255	38,140	–	4,926	42,461
Total liability-related other changes	5,783	4,718	6,168	2,024	9,928	38,140	2,170	10,728	44,308
Balance at 31 December 2023	235,978	125,686	1,028	1,061,968	120,884	3,907	1,152,294	137,702	4,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 LOANS AND BORROWINGS (CONT'D)

Re-measurement of lease liabilities

During the financial year:

(i) the lease payments for a leasehold land of the HBT Group have been revised; and

(ii) the lease payments for a leasehold land of the H-REIT Group have been revised.

There were no other changes to the original terms and conditions of leases. The HBT Group, the H-REIT Group and the Stapled Group accounted these leases as lease modification that is not accounted for as a separate lease. The difference between the carrying amount of lease liabilities before the modification and the carrying amount of the modified lease liabilities of:

(i) a $1,445,000 (2023: $3,000) increase for the HBT Group and the Stapled Group has been recognised as an adjustment to the ROU assets in property, plant and equipment; and

(ii) a $1,723,000 (2023: $1,770,000) increase for the H-REIT Group and the Stapled Group has been recognised as an adjustment to the ROU assets in investment properties.

11 FINANCIAL DERIVATIVES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets						
Interest rate swaps	–	–	8,065	8,300	8,065	8,300
Current assets						
Cross-currency interest rate swap	–	–	560	2,773	560	2,773
Interest rate swap	–	–	–	3,432	–	3,432
Forward exchange contracts	–	–	95	5	95	5
	–	–	655	6,210	655	6,210
Non-current liabilities						
Cross-currency interest rate swap	–	–	–	817	–	817
Interest rate swaps	–	–	548	659	548	659
	–	–	548	1,476	548	1,476
Current liabilities						
Interest rate swaps	–	–	179	–	179	–
Forward exchange contracts	–	–	–	30	–	30
	–	–	179	30	179	30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 FINANCIAL DERIVATIVES (CONT'D)

Forward exchange contracts

The H-REIT Group uses forward foreign exchange contracts to manage its exposure to foreign currencies.

As at 31 December 2024, the H-REIT Group and the Stapled Group have forward exchange contracts with a total notional amounts of $3.3 million (2023: $5.8 million) respectively.

Cross-currency interest rate swaps

The H-REIT Group uses cross-currency interest rate swaps to manage its exposure to foreign currency risk and interest rate risk associated with movements in foreign exchange rates and interest rates.

As at 31 December 2024, the H-REIT Group and the Stapled Group have a cross-currency interest rate swap with notional amounts of:

(i) $90.2 million to swap $90.2 million at floating rate to €64.0 million at fixed rate.

As at 31 December 2023, the H-REIT Group and the Stapled Group have cross-currency interest rate swaps with notional amounts of:

(i) $90.2 million to swap $90.2 million at floating rate to €64.0 million at fixed rate; and

(ii) $52.9 million (US$40.0 million) to swap US$40.0 million at floating rate to €35.5 million at fixed rate.

Interest rate swaps

The H-REIT Group uses interest rate swaps to manage its exposure to interest rate risk.

As at 31 December 2024, the H-REIT Group and the Stapled Group have interest rate swaps with notional amounts of:

(i) $143.5 million (£84.3 million) to swap floating rate to fixed rate;

(ii) $80.0 million to swap floating rate to fixed rate; and

(iii) $55.0 million (JPY6.4 billion) to swap floating rate to fixed rate.

As at 31 December 2023, the H-REIT Group and the Stapled Group have interest rate swaps with notional amounts of:

(i) $86.0 million (US$65.0 million) to swap floating rate to fixed rate;

(ii) $122.1 million (£72.6 million) to swap floating rate to fixed rate; and

(iii) $60.0 million to swap floating rate to fixed rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 TRADE AND OTHER PAYABLES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Trade payables:						
- related corporations	–	–	58	503	58	503
- the H-REIT Manager	–	–	–	176	–	176
- related entities	33,340	28,645	–	–	–	–
- third parties	6,764	5,044	2,143	5,363	8,907	10,407
	40,104	33,689	2,201	6,042	8,965	11,086
Other payables:						
- related corporations	–	–	48	81	48	81
- the H-REIT Manager	30	20	193	201	223	221
- the HBT Trustee-Manager	890	373	–	–	890	373
- related entities	6,892	6,941	13,478	16,465	–	–
- third parties	9,132	8,318	2,159	1,278	11,291	9,596
	16,944	15,652	15,878	18,025	12,452	10,271
Interest payable	429	1,028	2,893	3,907	3,322	4,935
Accruals	12,320	13,198	16,921	16,483	29,241	29,683
	12,749	14,226	19,814	20,390	32,563	34,618
Rental deposits						
- related corporations	–	–	9,461	9,237	9,461	9,237
- third parties	34	5	2,529	2,547	2,563	2,552
	34	5	11,990	11,784	12,024	11,789
Deferred income	5,354	3,723	3,483	512	8,837	4,235
	75,185	67,295	53,366	56,753	74,841	71,999
Non-current	57	74	12,099	11,665	12,156	11,739
Current	75,128	67,221	41,267	45,088	62,685	60,260
	75,185	67,295	53,366	56,753	74,841	71,999

Related corporations refer to related corporations of the H-REIT Manager and the HBT Trustee-Manager. Related entities refer to H-REIT and its subsidiaries or HBT and its subsidiaries (as the case may be).

Outstanding payables to the related corporations, related entities, the H-REIT Manager and the HBT Trustee-Manager are unsecured, interest-free and repayable on demand.

Included in accruals of the H-REIT Group and the Stapled Group is the amounts payable to the H-REIT Trustee and the H-REIT Manager of $77,000 (2023: $72,000) and $1,183,000 (2023: $1,254,000) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 TRADE AND OTHER PAYABLES (CONT'D)

For the HBT Group, deferred income includes advance consideration received from customers of hotel business amounts to $5,295,000 (2023: $3,723,000). Deferred income from customers of hotel business is a contract liability under SFRS(I) 15. Deferred income is recognised as revenue when the HBT Group fulfils its performance obligation under the contract with the customer. Changes in the deferred income during the year are as follows:

	HBT Group 2024 $'000	HBT Group 2023 $'000
Revenue recognised that was included in deferred income at the beginning of the year	(3,723)	(758)
Increase due to cash received, excluding amounts recognised as revenue during the year	5,295	3,723

13 DEFERRED TAX

Recognised deferred tax assets and liabilities

Movement in deferred tax balances (prior to offsetting of balances) during the year are as follows:

	Balance as at 1/1/2023 $'000	Recognised in profit or loss (Note 21) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 31/12/2023 $'000	Acquisition (Note 29) $'000	Recognised in profit or loss (Note 21) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 31/12/2024 $'000
HBT Group										
Deferred tax assets										
Tax losses carried forward	(629)	(1,316)	–	(17)	(1,962)	–	(404)	–	(20)	(2,386)
Lease liabilities	–	(6,658)	–	–	(6,658)	–	341	–	–	(6,317)
	(629)	(7,974)	–	(17)	(8,620)	–	(63)	–	(20)	(8,703)
Deferred tax liabilities										
Investment property under development/Investment property	–	4,672	–	37	4,709	–	37	–	61	4,807
Property, plant and equipment (includes right-of-use assets)	17,358	5,974	3,144	600	27,076	1,019	(593)	1,401	256	29,159
	17,358	10,646	3,144	637	31,785	1,019	(556)	1,401	317	33,966
	16,729	2,672	3,144	620	23,165	1,019	(619)	1,401	297	25,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 DEFERRED TAX (CONT'D)

Recognised deferred tax assets and liabilities (cont'd)

	Balance as at 1/1/2023 $'000	Recognised in statement of total return (Note 21) $'000	Recognised in statement of unitholders' funds $'000	Exchange differences $'000	Balance as at 31/12/2023 $'000	Recognised in statement of total return (Note 21) $'000	Recognised in statement of unitholders' funds $'000	Exchange differences $'000	Balance as at 31/12/2024 $'000
H-REIT Group									
Deferred tax assets									
Tax losses carried forward	(737)	–	–	(14)	(751)	–	–	24	(727)
Deferred tax liabilities									
Investment properties	5,148	6,917	–	(40)	12,025	2,322	–	(252)	14,095
Property, plant and equipment	2,811	–	1,820	(227)	4,404	–	3,021	(317)	7,108
	7,959	6,917	1,820	(267)	16,429	2,322	3,021	(569)	21,203
	7,222	6,917	1,820	(281)	15,678	2,322	3,021	(545)	20,476

	Balance as at 1/1/2023 $'000	Recognised in statement of total return (Note 21) $'000	Recognised in statement of unitholders' funds $'000	Exchange differences $'000	Balance as at 31/12/2023 $'000	Acquisition (Note 29) $'000	Recognised in statement of total return (Note 21) $'000	Recognised in statement of unitholders' funds $'000	Exchange differences $'000	Balance as at 31/12/2024 $'000
Stapled Group										
Deferred tax assets										
Tax losses carried forward	(1,365)	(1,316)	–	(32)	(2,713)	–	(404)	–	4	(3,113)
Lease liabilities	–	(36)	–	–	(36)	–	30	–	–	(6)
	(1,365)	(1,352)	–	(32)	(2,749)	–	(374)	–	4	(3,119)
Deferred tax liabilities										
Investment property under development/Investment properties	405	12,872	–	56	13,333	–	823	–	73	14,229
Property, plant and equipment (includes right-of-use assets)	25,676	132	4,964	323	31,095	1,019	857	4,422	(477)	36,916
	26,081	13,004	4,964	379	44,428	1,019	1,680	4,422	(404)	51,145
	24,716	11,652	4,964	347	41,679	1,019	1,306	4,422	(400)	48,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 DEFERRED TAX (CONT'D)

Recognised deferred tax assets and liabilities (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets	795	721	727	751	1,522	1,472
Deferred tax liabilities	(26,058)	(23,886)	(21,203)	(16,429)	(49,548)	(43,151)
	(25,263)	(23,165)	(20,476)	(15,678)	(48,026)	(41,679)

Under FRS 12/SFRS(I) 1-12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. As at 31 December 2024, the H-REIT Group and the Stapled Group have not recognised deferred tax liabilities of $26.2 million (2023: $26.1 million) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the HBT Group, the H-REIT Group and the Stapled Group can utilise the benefits therefrom.

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Tax losses	22,198	35,779	22,161	22,884	44,359	58,663

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The tax losses under the Stapled Group of $44,005,000 (2023: $58,244,000) will expire between 2025 to 2029 (2023: 2024 to 2028). The remaining tax losses do not expire under current tax legislation.

14 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests:

Name	Principal places of business/Country of incorporation	Operating Segment	Ownership interests held by NCI	
			2024	2023
			%	%
CDLHT CFM III B.V.	Netherlands	Italy	5.0	5.0
NKS Hospitality I B.V.	Netherlands	Germany	5.1	5.1
Munich Furniture B.V.	Netherlands	Germany	5.1	5.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 NON-CONTROLLING INTERESTS (CONT'D)

The following summarised financial information for the above subsidiaries is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

	H-REIT Group and Stapled Group			
	CDLHT CFM III B.V. $'000	NKS Hospitality I B.V. $'000	Munich Furniture B.V. $'000	Total $'000
2024				
Revenue	5,412	9,789	1,003	16,204
Profit and total comprehensive income	6,622	3,989	860	11,471
Attributable to NCI:				
- Profit and total comprehensive income	331	203	44	578
Non-current assets	66,817	142,343	4,504	213,664
Current assets	10,876	19,292	3,221	33,389
Non-current liabilities	(16,862)	–	–	(16,862)
Current liabilities	(1,938)	(70,121)	(1,920)	(73,979)
Net assets	58,893	91,514	5,805	156,212
Net assets attributable to NCI	2,945	4,667	296	7,908
Cash flows from operating activities	223	464	87	
Cash flows from investing activities	(10)	(2)	(93)	
Cash flows from financing activities	–	(276)	–	
Net increase/(decrease) in cash and cash equivalents	213	186	(6)	
2023				
Revenue	5,576	9,671	1,007	16,254
Profit and total comprehensive income	9,408	5,099	434	14,941
Attributable to NCI:				
- Profit and total comprehensive income	471	260	22	753
Non-current assets	65,674	148,356	3,736	217,766
Current assets	6,977	14,307	3,322	24,606
Non-current liabilities	(16,631)	(64,171)	–	(80,802)
Current liabilities	(1,857)	(4,448)	(957)	(7,262)
Net assets	54,163	94,044	6,101	154,308
Net assets attributable to NCI	2,708	4,797	311	7,816
Cash flows from operating activities	172	311	(6)	
Cash flows from investing activities	(40)	(10)	(4)	
Cash flows from financing activities	–	(56)	–	
Net increase/(decrease) in cash and cash equivalents	132	245	(10)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 UNITS/STAPLED SECURITIES IN ISSUE AND TO BE ISSUED

Units/Stapled Securities in issue and to be issued for the HBT Group, the H-REIT Group and the Stapled Group are as follows:

	2024 '000	2023 '000
Units/Stapled Securities in issue:		
At 1 January	1,245,832	1,237,020
Creation of Units/Stapled Securities:		
- H-REIT Manager's management fees paid in Stapled Securities	9,991	8,091
- HBT Trustee-Manager's management fees paid in Stapled Securities	1,034	721
At 31 December	1,256,857	1,245,832
Units/Stapled Securities to be issued:		
H-REIT Manager's management fees payable in Stapled Securities	6,740	5,429
HBT Trustee-Manager's management fees payable in Stapled Securities	609	463
At 31 December	7,349	5,892
Units/Stapled Securities, in issue and to be issued	1,264,206	1,251,724

Financial year ended 31 December 2024

(i) During the financial year, the following Stapled Securities were issued:

- 9,991,504 Stapled Securities at unit prices ranging from $0.9556 to $1.0981 per Stapled Security, amounting to $10,411,000, were issued as satisfaction of the H-REIT Manager's management fees payable in Stapled Securities; and

- 1,033,978 Stapled Securities at unit prices ranging from $0.9556 to $1.0981 per Stapled Security, amounting to $1,065,000, were issued as satisfaction of the HBT Trustee-Manager's management fees payable in Stapled Securities.

(ii) 6,739,779 Stapled Securities at a unit price of $0.8505 per Stapled Security, amounting to $5,732,000, will be issued subsequent to year end as satisfaction of the H-REIT Manager's base fee for the period from 1 October 2024 to 31 December 2024 and performance fee for the financial year ended 31 December 2024.

(iii) 608,638 Stapled Securities at a unit price of $0.8505 per Stapled Security, amounting to $518,000, will be issued subsequent to year end as satisfaction of the HBT Trustee-Manager's base fee for the period from 1 October 2024 to 31 December 2024 and performance fee for the financial year ended 31 December 2024.

Financial year ended 31 December 2023

(i) During the financial year, the following Stapled Securities were issued:

- 8,091,477 Stapled Securities at unit prices ranging from $1.0507 to $1.2283 per Stapled Security, amounting to $9,619,000, were issued as satisfaction of the H-REIT Manager's management fees payable in Stapled Securities; and

- 720,643 Stapled Securities at unit prices ranging from $1.0507 to $1.2283 per Stapled Security, amounting to $850,000, were issued as satisfaction of the HBT Trustee-Manager's management fees payable in Stapled Securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 UNITS/STAPLED SECURITIES IN ISSUE AND TO BE ISSUED (CONT'D)

Financial year ended 31 December 2023 (cont'd)

(ii) 5,429,281 Stapled Securities at a unit price of $1.0981 per Stapled Security, amounting to $5,962,000, were issued subsequent to year end as satisfaction of the H-REIT Manager's base fee for the period from 1 October 2023 to 31 December 2023 and performance fee for the financial year ended 31 December 2023.

(iii) 462,861 Stapled Securities at a unit price of $1.0981 per Stapled Security, amounting to $508,000, were issued subsequent to year end as satisfaction of the HBT Trustee-Manager's base fee for the period from 1 October 2023 to 31 December 2023 and performance fee for the financial year ended 31 December 2023.

Capital management

The Boards of the H-REIT Manager and the HBT Trustee-Manager have a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of unitholders' funds. The Boards monitor the yield of the property portfolio, which is defined as net property income from the property divided by the latest valuation for the property. The Boards also monitor the level of distributions made to holders of Stapled Securities.

The Boards seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

H-REIT is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code issued by the MAS. The CIS Code stipulates that the total borrowings and deferred payments (together the "**Aggregate Leverage**") of a property fund should not exceed 50.0% of its Deposited Property (2023: should not exceed 45.5% or up to a maximum of 50% of its Deposited Property if the property fund has a minimum adjusted interest coverage ratio of 2.5 times).

The Aggregate Leverage of H-REIT as at 31 December 2024 was 40.1% (2023: 36.7%) of the H-REIT Group's Deposited Property which were within the limit described in the CIS code.

The HBT Group, the H-REIT Group and the Stapled Group are in compliance with the borrowing limit requirements imposed by the relevant Trust Deeds for the financial year ended 31 December 2024 and 31 December 2023. There were no substantial changes in the HBT Group's, the H-REIT Group's and the Stapled Group's approach to capital management during the year.

16 NET ASSET VALUE PER UNIT/STAPLED SECURITY

		HBT Group		H-REIT Group		Stapled Group	
	Note	2024	2023	2024	2023	2024	2023
		$'000	$'000	$'000	$'000	$'000	$'000
Net asset value per Unit/Stapled Security is based on:							
Net (liabilities)/assets attributable to holders of Stapled Securities		(7,995)	6,356	1,789,476	1,819,229	1,832,378	1,878,446
		'000	'000	'000	'000	'000	'000
Total issued and to be issued Units/Stapled Securities at 31 December	15	1,264,206	1,251,724	1,264,206	1,251,724	1,264,206	1,251,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 REVENUE

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from contract with customers:						
- Hotel revenue	142,689	141,985	–	–	142,689	141,985
Rental income						
- Fixed rent	1,918	–	73,301	71,761	63,405	59,872
- Variable rent	–	–	69,748	72,951	54,165	55,699
	144,607	141,985	143,049	144,712	260,259	257,556

Hotel revenue

Hotel revenue comprises mainly room and food and beverage and other hotel related services income.

Rental revenue

Under the terms of the lease agreements for the properties, the H-REIT Group and the HBT Group are generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue and/or gross operating profit.

Rental revenue for the H-REIT Group includes rental income from the HBT Group and related corporations of the H-REIT Manager of $27,397,000 (2023: $29,141,000) and $78,630,000 (2023: $79,052,000), respectively. Such revenue is attributable to the Maldives segment, New Zealand segment, Singapore segment, Japan segment and Australia segment.

18 MANAGEMENT FEES

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
H-REIT Manager's management fee						
- Base fee	–	–	7,471	6,993	7,471	6,993
- Performance fee	–	–	5,255	5,646	5,255	5,646
	–	–	12,726	12,639	12,726	12,639
HBT Trustee-Manager's management fee						
- Base fee	952	762	–	–	952	762
- Performance fee	391	426	–	–	391	426
	1,343	1,188	–	–	1,343	1,188

H-REIT Manager's management fee

Included in the H-REIT Manager's fees is an aggregate of 11,302,002 (2023: 9,067,545) Stapled Securities, amounting to approximately $10,181,000 (2023: $10,111,000), that have been or will be issued to the H-REIT Manager as satisfaction of the H-REIT Manager's management fees payable in Stapled Securities, at unit prices ranging from $0.8505 to $0.9916 (2023: $1.0507 to $1.2132) per Stapled Security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 MANAGEMENT FEES (CONT'D)

HBT Trustee-Manager's management fee

Included in the HBT Trustee-Manager's fees is an aggregate of 1,179,755 (2023: 851,476) Stapled Securities, amounting to approximately $1,074,000 (2023: $950,000), that have been or will be issued to the HBT Trustee-Manager as satisfaction of the HBT Trustee-Manager's management fees payable in Stapled Securities, at unit prices ranging from $0.8505 to $0.9916 (2023: $1.0507 to $1.2132) per Stapled Security.

19 FINANCE INCOME AND FINANCE COSTS

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Finance income						
Interest income under the effective interest method on:						
- cash and cash equivalents	98	86	224	613	322	698
- finance lease receivables	–	–	256	151	256	151
- loan to related entity	–	–	7,457	5,637	–	–
	98	86	7,937	6,401	578	849
Net foreign exchange gain	–	–	–	787	–	–
	98	86	7,937	7,188	578	849
Finance costs						
Financial liabilities measured at amortised cost:						
- interest expense on:						
- loans and borrowings	(6,736)	(6,168)	(43,334)	(38,140)	(49,039)	(42,461)
- lease liabilities	(4,339)	(4,589)	(4,429)	(4,255)	(5,152)	(4,926)
- loan from related entity	(5,538)	(1,896)	–	–	–	–
- amortisation of transaction costs on loans and borrowings	(147)	(146)	(2,158)	(2,024)	(2,305)	(2,170)
- financial expense arising from accretion of non-current rental deposits	–	–	(282)	(271)	(282)	(271)
	(16,760)	(12,799)	(50,203)	(44,690)	(56,778)	(49,828)
Fair value losses on financial derivatives designated at FVTPL	–	–	(5,023)	(13,333)	(5,023)	(13,333)
Net foreign exchange losses	(3,844)	(3,732)	(3,697)	–	(7,022)	(149)
	(20,604)	(16,531)	(58,923)	(58,023)	(68,823)	(63,310)
Net finance costs	(20,506)	(16,445)	(50,986)	(50,835)	(68,245)	(62,461)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 (LOSS)/TOTAL RETURN BEFORE TAX

(Loss)/Total return before tax is arrived at after charging/(crediting) the following items:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Audit fees paid to:						
- auditors of HBT/H-REIT and other firms affiliated with KPMG International Limited	461	379	638	595	1,099	974
- other auditors	287	206	129	128	416	334
Non-audit fees paid to:						
- auditors of HBT/H-REIT and other firms affiliated with KPMG International Limited	389	200	331	257	720	457
- other auditors	139	107	28	5	167	112
Employee benefit expenses						
- salaries, bonuses and other costs	44,769	42,481	–	–	44,769	42,481
- contributions to defined contribution plans	2,475	3,013	–	–	2,475	3,013
	47,244	45,494	–	–	47,244	45,494
Less: Government grants received	(418)	(280)	–	–	(418)	(280)
	46,826	45,214	–	–	46,826	45,214
Impairment loss on trade and other receivables	43	93	7,494	2,333	43	255
Write-off of property, plant and equipment	–	410	–	–	–	410
Cost of inventories	13,985	14,327	–	–	13,985	14,327
Operating expenses arising from rental of investment properties	1,564	–	21,994	15,770	10,851	8,287

In 2024, in addition to the amounts disclosed above, audit and non-audit fees paid to auditors of HBT/H-REIT and other firms affiliated with KPMG International Limited of $190,000 in relation to the acquisition of investment properties was included in "Investment Properties".

Employee benefit expenses above include staff-related costs reimbursed to hotel managers of the respective hotels.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 TAX EXPENSE

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Current tax expense						
Current year	1,580	2,095	4,630	3,511	6,210	5,606
Under/(Over) provision in prior years	126	(383)	(2,979)	(812)	(2,853)	(1,195)
	1,706	1,712	1,651	2,699	3,357	4,411
Withholding tax	393	395	1,107	1,333	1,500	1,728
Deferred tax expense						
Origination and reversal of temporary differences (Note 13)	(619)	2,672	2,322	6,917	1,306	11,652
Tax expense	1,480	4,779	5,080	10,949	6,163	17,791
Reconciliation of effective tax rate						
(Loss)/Total return for the year before tax	(21,169)	(7,232)	42,113	140,180	21,106	141,756
Tax calculated using Singapore tax rate of 17%	(3,599)	(1,230)	7,159	23,831	3,588	24,099
Effect of tax in a foreign jurisdiction	(46)	1,303	190	4,308	144	5,611
Non-tax deductible items	5,932	4,837	10,709	10,430	16,641	17,796
Non-taxable items	(2,987)	(1,638)	(904)	(16,217)	(4,316)	(19,819)
Tax exempt income	(18)	(17)	(935)	(800)	(953)	(817)
Tax transparency	–	–	(9,599)	(9,645)	(9,599)	(9,645)
Current year tax losses for which no deferred tax asset was recognised	1,176	1,885	1,725	443	2,901	2,328
Change in unrecognised temporary differences	503	(373)	(1,393)	(1,922)	(890)	(2,295)
Withholding tax expense	393	395	1,107	1,333	1,500	1,728
Under/(Over) provision in prior years	126	(383)	(2,979)	(812)	(2,853)	(1,195)
	1,480	4,779	5,080	10,949	6,163	17,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 (LOSS)/TOTAL RETURN FOR THE YEAR

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Comprises (loss)/total return of:						
- H-REIT	–	–	20,929	141,424	20,929	141,424
- Other H-REIT Group entities*	–	–	16,104	(12,193)	16,104	(12,193)
- HBT	(12,671)	(3,658)	–	–	(12,671)	(3,658)
- Other HBT Group entities*	(9,978)	(8,353)	–	–	(9,978)	(8,353)
- Stapled Group's consolidation adjustments	–	–	–	–	559	6,745
	(22,649)	(12,011)	37,033	129,231	14,943	123,965

* including consolidation adjustments

23 EARNINGS PER STAPLED SECURITY

Earnings per Stapled Security is based on:

	Stapled Group	
	2024	2023
	$'000	$'000
Total return for the year attributable to holders of Stapled Securities	14,365	123,212

	Number of Stapled Securities	
	2024	2023
	'000	'000
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security:		
- outstanding during the year	1,254,307	1,243,802
- to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities	10	7
	1,254,317	1,243,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 EARNINGS PER STAPLED SECURITY (CONT'D)

	Number of Stapled Securities	
	2024	2023
	'000	'000
Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security:		
- weighted average number of Stapled Securities (basic)	1,254,317	1,243,809
- effect of H-REIT Manager's and/or HBT Trustee-Manager's management fees paid/payable in Stapled Securities	9,889	7,915
	1,264,206	1,251,724

	Stapled Group	
	2024	2023
Earnings per Stapled Security (cents)		
Basic	1.15	9.91
Diluted	1.14	9.84

24 OPERATING SEGMENTS

In 2024, the HBT Group, the H-REIT Group and the Stapled Group have 5, 8 and 8 (2023: 5, 8 and 8) reportable segments, respectively, as described below. All the segments relate to properties operated as hotels, resorts and/or residential apartments. Each segment is managed separately because of the differences in operating and regulatory environment. The Board of Directors ("**BOD**") of the HBT Trustee-Manager and the H-REIT Manager review the internal management reports for the segments at least quarterly.

The number of properties included in each reportable segment is set out below:

	Number of properties					
	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
Reportable segment						
Singapore	1	1	6	6	6	6
New Zealand	–	–	1	1	1	1
Australia	2	2	2	2	2	2
Germany	–	–	1	1	1	1
Italy	–	–	1	1	1	1
Maldives	1	1	2	2	2	2
Japan	2	2	2	2	2	2
United Kingdom (UK)	4	3	2	1	6	4

Other operations of the H-REIT Group and the Stapled Group include Claymore Connect which is leased to individual tenants and is operated as a retail space.

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24 OPERATING SEGMENTS (CONT'D)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the BOD of the HBT Trustee-Manager or the H-REIT Manager. Segment net property income is used to measure performance as the HBT Trustee-Manager or the H-REIT Manager believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within the same industry.

Information about reportable segments

	Singapore $'000	Australia $'000	Maldives $'000	Japan $'000	UK $'000	Total $'000
HBT Group						
2024						
Hotel revenue	54,729	21,756	11,660	8,982	45,562	142,689
Rental revenue	–	–	–	–	1,918	1,918
Revenue – external	54,729	21,756	11,660	8,982	47,480	144,607
Reportable segment net property income/(loss)	3,322	5,591	(897)	11	10,737	18,764
Depreciation of property, plant and equipment	(2,368)	(4,143)	(2,819)	–	(7,098)	(16,428)
Fair value loss on investment property	–	–	–	–	(574)	(574)
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	1,819	1,819
HBT Trustee-Manager's acquisition fee	–	–	–	–	(334)	(334)
Gain from a bargain purchase	–	–	–	–	3,035	3,035
Unallocated items:						
- HBT Trustee-Manager's management fee						(1,343)
- HBT Trustee-Manager's trustee fee						(381)
- Valuation fees						(46)
- Other expenses						(5,175)
- Finance income						98
- Finance costs						(20,604)
- Tax expense						(1,480)
Loss for the year						(22,649)
Reportable segment assets						
Capital expenditure on investment properties and property, plant and equipment	–	–	–	–	25,672	25,672
Non-current assets^	34,869	25,182	25,808	–	391,465	477,324

^ Excluding deferred tax assets and other receivables.

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24 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Singapore $'000	Australia $'000	Maldives $'000	Japan $'000	UK $'000	Total $'000
HBT Group						
2023						
Hotel revenue – external	58,719	20,241	13,823	8,117	41,085	141,985
Reportable segment net property income/loss	3,516	4,750	(159)	266	10,988	19,361
Depreciation of property, plant and equipment	(2,368)	(4,192)	(2,832)	–	(7,079)	(16,471)
Fair value gain on investment property under development	–	–	–	–	6,735	6,735
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	3,158	3,158
Unallocated items:						
- HBT Trustee-Manager's management fee						(1,188)
- HBT Trustee-Manager's trustee fee						(305)
- Valuation fee						(53)
- Other expenses						(2,024)
- Finance income						86
- Finance costs						(16,531)
- Tax expense						(4,779)
Loss for the year						(12,011)
Reportable segment assets						
Capital expenditure:						
- Property, plant and equipment	–	–	–	–	3,238	3,238
- Investment property under development	–	–	–	–	62,491	62,491
Non-current assets^	37,279	31,003	27,931	–	323,654	419,867

^ Excluding deferred tax assets and other receivables.

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24 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Singapore $'000	New Zealand $'000	Australia $'000	Germany $'000	Maldives $'000	Japan $'000	Italy $'000	UK $'000	Total reportable segments $'000	Others $'000	Total $'000
H-REIT Group											
2024											
Rental revenue	87,241	5,220	4,805	10,792	12,029	4,750	5,412	4,673	134,922	8,127	143,049
Reportable segment net property income	78,667	5,220	3,534	9,706	3,305	4,475	5,147	4,605	114,659	6,122	120,781
Depreciation of property, plant and equipment	–	–	–	–	(414)	(1,390)	–	–	(1,804)	–	(1,804)
Net fair value (loss)/gain on investment properties	(16,771)	(5,078)	4,887	(3,333)	(2,002)	–	2,868	(300)	(19,729)	9,991	(9,738)
Unallocated items:											
- H-REIT Manager's management fee											(12,726)
- H-REIT Trustee's fee											(448)
- Valuation fees											(188)
- Other expenses											(2,778)
- Finance income											7,937
- Finance costs											(58,923)
- Tax expense											(5,080)
Total return for the year											37,033
Other material non-cash items											
Impairment loss on trade receivables	–	–	–	–	(7,494)	–	–	–	(7,494)	–	(7,494)
Reportable segment assets											
Capital expenditure on investment properties and property, plant and equipment	14,655	11,524	7,519	1,902	2,574	13	207	–	38,394	–	38,394
Non-current assets^	1,952,100	167,907	69,886	147,663	154,086	80,949	67,518	151,144	2,791,253	120,000	2,911,253

^ Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

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24 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Singapore $'000	New Zealand $'000	Australia $'000	Germany $'000	Maldives $'000	Japan $'000	Italy $'000	UK $'000	Total reportable segments $'000	Others $'000	Total $'000
H-REIT Group											
2023											
Rental revenue	87,559	7,251	5,481	10,678	12,551	3,874	5,576	4,165	137,135	7,577	144,712
Reportable segment net property income	79,778	7,251	4,281	9,459	9,157	3,595	5,344	4,165	123,030	5,633	128,663
Depreciation of property, plant and equipment	–	–	–	–	(510)	(1,367)	–	–	(1,877)	–	(1,877)
Net fair value gain/(loss) on investment properties	111,341	(25,441)	(5,203)	(1,479)	(16,681)	–	6,367	2,001	70,905	9,882	80,787
Unallocated items:											
- H-REIT Manager's management fee											(12,639)
- H-REIT Trustee's fee											(409)
- Valuation fee											(208)
- Other expenses											(3,302)
- Finance income											7,188
- Finance costs											(58,023)
- Tax expense											(10,949)
Total return for the year											129,231
Other material non-cash items											
Impairment loss on trade receivables	(162)	–	–	–	(2,171)	–	–	–	(2,333)	–	(2,333)
Reportable segment assets											
Capital expenditure on investment properties and property, plant and equipment	22,155	5,091	876	274	4,530	271	787	–	33,984	–	33,984
Non-current assets^	1,954,228	176,248	62,148	152,935	149,936	70,587	66,398	79,549	2,712,029	110,000	2,822,029

^ Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

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24 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

Stapled Group	Singapore $'000	New Zealand $'000	Australia $'000	Germany $'000	Maldives $'000	Japan $'000	Italy $'000	UK $'000	Total reportable segments $'000	Others $'000	Total $'000
2024											
Rental revenue	73,409	5,220	–	10,792	8,020	–	5,412	6,590	109,443	8,127	117,570
Hotel revenue	54,729	–	21,756	–	11,660	8,982	–	45,562	142,689	–	142,689
Revenue – external	128,138	5,220	21,756	10,792	19,680	8,982	5,412	52,152	252,132	8,127	260,259
Reportable segment net property income	78,990	5,220	4,319	9,706	5,892	4,486	5,147	15,341	129,101	6,122	135,223
Depreciation of property, plant and equipment	(8,362)	–	(2,252)	–	(3,475)	(1,390)	–	(7,097)	(22,576)	–	(22,576)
Net fair value gain/(loss) on investment properties	2,588	(5,078)	–	(3,332)	(1,280)	–	2,869	13	(4,220)	9,991	5,771
(Revaluation deficit) /Reversal of revaluation deficit on property, plant and equipment	(13,215)	–	709	–	1,998	–	–	1,819	(8,689)	–	(8,689)
HBT Trustee-Manager's acquisition fee	–	–	–	–	–	–	–	(334)	(334)	–	(334)
Gain from a bargain purchase	–	–	–	–	–	–	–	3,035	3,035	–	3,035
Unallocated items:											
- H-REIT Manager's management fee											(12,726)
- H-REIT Trustee's fee											(448)
- HBT Trustee-Manager's management fee											(1,343)
- HBT Trustee-Manager's trustee fee											(381)
- Valuation fees											(234)
- Other expenses											(7,947)
- Finance income											578
- Finance costs											(68,823)
- Tax expense											(6,163)
Total return for the year											14,943
Reportable segment assets											
Capital expenditure on investment properties and property, plant and equipment	14,656	11,524	7,519	1,902	2,575	13	207	24,784	63,180	–	63,180
Non-current assets^	1,956,137	167,907	77,510	147,663	164,956	80,949	67,518	542,610	3,205,250	120,000	3,325,250

^ Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

Stapled Group	Singapore $'000	New Zealand $'000	Australia $'000	Germany $'000	Maldives $'000	Japan $'000	Italy $'000	UK $'000	Total reportable segments $'000	Others $'000	Total $'000
2023											
Rental revenue	71,801	7,251	–	10,678	8,523	–	5,576	4,165	107,994	7,577	115,571
Hotel revenue	58,719	–	20,241	–	13,823	8,117	–	41,085	141,985	–	141,985
Revenue – external	130,520	7,251	20,241	10,678	22,346	8,117	5,576	45,250	249,979	7,577	257,556
Reportable segment net property income	80,294	7,251	4,168	9,459	7,140	3,862	5,344	15,153	132,671	5,633	138,304
Depreciation of property, plant and equipment	(7,818)	–	(1,993)	–	(3,674)	(1,367)	–	(7,079)	(21,931)	–	(21,931)
Net fair value gain/(loss) on investment properties and investment property under development	112,212	(25,441)	–	(1,479)	(5,199)	–	6,367	10,630	97,090	9,882	106,972
Reversal of revaluation deficit/ (Revaluation deficit) on property, plant and equipment	780	–	1,383	–	(4,378)	–	–	3,158	943	–	943
Unallocated items:											
- H-REIT Manager's management fee											(12,639)
- H-REIT Trustee's fee											(409)
- HBT Trustee-Manager's management fee											(1,188)
- HBT Trustee-Manager's trustee fee											(305)
- Valuation fee											(261)
- Other expenses											(5,269)
- Finance income											849
- Finance costs											(63,310)
- Tax expense											(17,791)
Total return for the year											123,965
Reportable segment assets											
Capital expenditure:											
- Investment properties and property, plant and equipment	22,155	5,091	876	274	4,582	271	787	3,238	37,274	–	37,274
- Investment property under development	–	–	–	–	–	–	–	60,597	60,597	–	60,597
Non-current assets^	1,967,433	176,248	71,605	152,935	160,524	70,587	66,398	403,203	3,068,933	110,000	3,178,933

^ Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

Major customers

The H-REIT Group's properties, except Claymore Connect and Benson Yard, are leased to 14 (2023: 14) master lessees. Such master lessees include subsidiaries of Millennium & Copthorne Hotels Limited, a related corporation, which accounted for $78,630,000 (2023: $79,052,000) or 55.0% (2023: 54.6%) of the revenue of the H-REIT Group, and subsidiaries of a third party which accounted for approximately $15,081,000 (2023: $15,122,000) or 10.5% (2023: 10.4%) of the revenue of the H-REIT Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Stapled Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the exposure of the HBT Group, the H-REIT Group and the Stapled Group to each of the above risks, their objectives, policies and procedures for measuring and managing risk, and their management of capital.

Risk management framework

Risk management is integral to the whole business of the Stapled Group. The Stapled Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The HBT Trustee-Manager and the H-REIT Manager continually monitor the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Stapled Group's activities.

The Audit and Risk Committees of the H-REIT Manager and the HBT Trustee-Manager assist the H-REIT Manager's and the HBT Trustee-Manager's Boards in reviewing the effectiveness of the Stapled Group's material internal controls, including those relating to financial, operational and compliance.

In addition, the Audit and Risk Committees of the H-REIT Manager and the HBT Trustee-Manager assist the H-REIT Manager's and the HBT Trustee-Manager's Boards in discharging its duties with respect to maintaining an effective control environment that reflects both the established risk appetite and the business objectives of the Stapled Group. The Audit and Risk Committees oversee how management monitors compliance with the Stapled Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group.

(i) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a customer or counterparty to a financial instrument to settle its financial and contractual obligations to the Stapled Group, as and when they fall due.

The carrying value of financial assets in the statements of financial position represents maximum exposure of the Stapled Group of credit risk, before taking into account any collateral held. The Stapled Group limits its exposure to credit risk from trade receivables by collecting security deposits as collateral, where possible.

Trade and other receivables

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits are received, where appropriate, to reduce credit risk. In addition, the balances due from lessees and tenants are being monitored on an on-going basis.

The hotel/resort operators which manage the hotels under the HBT Group perform credit evaluations on customers before accepting customers and monitor their balances on an on-going basis.

At 31 December 2024 and 31 December 2023, the trade receivables from related corporations and/or related entities arising from the master lease arrangements for certain hotel properties represent a significant portion of the H-REIT Group's and the Stapled Group's receivables (Note 8). Except as disclosed, there was no significant concentration of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Trade and other receivables (cont'd)

Exposure to credit risk

Expected credit loss assessment for individual lessees and customers

The Stapled Group uses an allowance matrix to measure the ECLs of trade receivables.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments (geographic region) based on actual credit loss experience over the past four years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Stapled Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024 and 31 December 2023:

	2024		2023	
	Gross carrying amount $'000	Impairment loss allowance $'000	Gross carrying amount $'000	Impairment loss allowance $'000
HBT Group				
Not past due	3,243	–	2,861	–
Past due 31 – 60 days	675	–	273	–
Past due 61 – 90 days	236	–	138	–
Past due over 90 days	334	(146)	1,004	(106)
	4,488	(146)	4,276	(106)
Not credit-impaired	4,488	(146)	4,276	(106)
	4,488	(146)	4,276	(106)
H-REIT Group				
Not past due	32,446	–	30,225	–
Past due 31 – 60 days	67	–	32	–
Past due 61 – 90 days	–	–	164	–
Past due over 90 days	17,819	(17,761)	10,262	(9,887)
	50,332	(17,761)	40,683	(9,887)
Credit-impaired	17,668	(17,668)	9,793	(9,793)
Not credit-impaired	32,664	(93)	30,890	(94)
	50,332	(17,761)	40,683	(9,887)
Stapled Group				
Not past due	20,017	–	14,236	–
Past due 31 – 60 days	742	–	305	–
Past due 61 – 90 days	236	–	302	–
Past due over 90 days	485	(239)	1,471	(199)
	21,480	(239)	16,314	(199)
Not credit-impaired	21,480	(239)	16,314	(199)
	21,480	(239)	16,314	(199)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Trade and other receivables (cont'd)

Exposure to credit risk (cont'd)

Movement in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment losses in respect of trade and other receivables during the year is as follows:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January	106	131	9,887	7,953	199	302
Impairment loss recognised	43	93	7,494	2,333	43	255
Amounts utilised	(5)	(122)	–	(240)	(5)	(362)
Translation differences	2	4	380	(159)	2	4
At 31 December	146	106	17,761	9,887	239	199

The Stapled Group establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Stapled Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. Investments and transactions are allowed only with counterparties who have sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Stapled Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Derivatives

Derivatives are only entered into with banks and financial institution counterparties with sound credit ratings. Details of the derivatives held by the H-REIT Group and the Stapled Group are set out in Note 11.

(ii) Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The HBT Trustee-Manager and the H-REIT Manager monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate to finance the HBT Group's and the H-REIT Group's operations and to mitigate the effects of fluctuations in cash flows. The H-REIT Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings. As at the reporting date, the H-REIT Group maintains several lines of credit (Note 10).

The Stapled Group has contractual commitments to incur capital expenditure (Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

The following are the material contractual undiscounted cash inflows/(outflows) of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Cash flows: Within 1 year	Cash flows: Between 1 to 5 years	Cash flows: More than 5 years
	$'000	$'000	$'000	$'000	$'000
HBT Group					
2024					
Non-derivative financial liabilities					
Unsecured bank loan	91,644	(103,557)	(6,029)	(97,528)	–
Loans from related entity	222,596	(306,018)	(24,439)	(38,126)	(243,453)
Lease liabilities	117,133	(197,089)	(13,361)	(53,303)	(130,425)
Trade and other payables^	69,831	(69,831)	(69,831)	–	–
	501,204	(676,495)	(113,660)	(188,957)	(373,878)
2023					
Non-derivative financial liabilities					
Unsecured bank loan	90,326	(111,159)	(6,961)	(104,198)	–
Loans from related entity	145,652	(145,652)	(145,652)	–	–
Lease liabilities	125,686	(203,591)	(13,186)	(54,089)	(136,316)
Trade and other payables^	63,572	(63,572)	(63,572)	–	–
	425,236	(523,974)	(229,371)	(158,287)	(136,316)
H-REIT Group					
2024					
Non-derivative financial liabilities					
Secured TMK bond	26,654	(26,889)	(26,889)	–	–
Secured bank loan	62,142	(62,425)	(62,425)	–	–
Unsecured bank loans	1,157,606	(1,270,657)	(409,564)	(861,093)	–
Lease liabilities	122,742	(484,946)	(5,485)	(21,183)	(458,278)
Trade and other payables^	49,883	(50,389)	(38,716)	(10,073)	(1,600)
	1,419,027	(1,895,306)	(543,079)	(892,349)	(459,878)
2023					
Non-derivative financial liabilities					
Secured TMK bond	28,582	(29,380)	(320)	(29,060)	–
Secured bank loan	64,170	(65,601)	(1,104)	(64,497)	–
Unsecured bank loans	969,216	(1,071,393)	(386,528)	(684,865)	–
Lease liabilities	120,884	(475,181)	(5,325)	(21,916)	(447,940)
Trade and other payables^	56,241	(56,392)	(45,650)	(9,780)	(962)
	1,239,093	(1,697,947)	(438,927)	(810,118)	(448,902)

^ Excluding deferred income

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25 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

			Cash flows		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 to 5 years $'000	More than 5 years $'000
Stapled Group					
2024					
Non-derivative financial liabilities					
Secured TMK bond	26,654	(26,889)	(26,889)	–	–
Secured bank loan	62,142	(62,425)	(62,425)	–	–
Unsecured bank loans	1,249,250	(1,374,214)	(415,593)	(958,621)	–
Lease liabilities	141,032	(563,849)	(6,264)	(24,157)	(533,428)
Trade and other payables^	66,004	(66,510)	(54,837)	(10,073)	(1,600)
	1,545,082	(2,093,887)	(566,008)	(992,851)	(535,028)
2023					
Non-derivative financial liabilities					
Secured TMK bond	28,582	(29,380)	(320)	(29,060)	–
Secured bank loan	64,170	(65,601)	(1,104)	(64,497)	–
Unsecured bank loans	1,059,542	(1,182,553)	(393,490)	(789,063)	–
Lease liabilities	137,702	(546,955)	(6,136)	(24,704)	(516,115)
Trade and other payables^	67,764	(67,916)	(57,174)	(9,780)	(962)
	1,357,760	(1,892,405)	(458,224)	(917,104)	(517,077)

^ Excluding deferred income

The maturity analyses show the material contractual undiscounted cash flows of the Stapled Group's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to these instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

The interest payments on floating rate loans and borrowings in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the HBT Group's profit or loss and the H-REIT Group's and the Stapled Group's total return. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The H-REIT Manager's and the HBT Trustee-Manager's strategy to manage the risk of potential interest rate volatility is through the use of interest rate hedging instruments and/or fixed rate borrowings. The H-REIT Manager and the HBT Trustee-Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges, after taking into account the prevailing market conditions.

Derivative financial instruments are used to manage exposures to interest rate risks arising from financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Exposure to interest rate risk

The Stapled Group's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest-bearing financial liabilities. At the end of the financial year, the interest rate profile of the interest-bearing financial instruments based on their nominal amounts was as follows:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Fixed rate instruments						
Financial assets	3,605	2,778	39,431	40,516	43,036	43,294
Financial liabilities	(197,088)	(203,590)	(547,096)	(668,631)	(625,999)	(740,405)
Effect of interest rate swaps	–	–	(278,485)	(268,082)	(278,485)	(268,082)
Effect of cross-currency interest rate swaps	–	–	(90,240)	(143,180)	(90,240)	(143,180)
	(193,483)	(200,812)	(876,390)	(1,039,377)	(951,688)	(1,108,373)
Variable rate instruments						
Financial liabilities	(314,526)	(236,405)	(1,188,085)	(872,246)	(1,280,015)	(962,997)
Effect of interest rate swaps	–	–	278,485	268,082	278,485	268,082
Effect of cross-currency interest rate swaps	–	–	90,240	143,180	90,240	143,180
	(314,526)	(236,405)	(819,360)	(460,984)	(911,290)	(551,735)

Fair value sensitivity analysis for fixed rate instruments

The Stapled Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect total return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Interest rate risk (cont'd)

A change of 100 basis points (bp) in interest rate at the end of the financial year would increase/(decrease) profit or loss (before any tax effects) of the HBT Group and total return (before any tax effects) of the H-REIT Group and the Stapled Group, by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	2024	2024	2023	2023
	$'000	$'000	$'000	$'000
HBT Group				
Variable rate instruments				
Loans and borrowings	(3,145)	3,145	(2,364)	2,364

	Total return		Total return	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	2024	2024	2023	2023
	$'000	$'000	$'000	$'000
H-REIT Group				
Variable rate instruments				
Loans and borrowings	(11,881)	11,881	(8,722)	8,722
Interest rate swaps	2,785	(2,785)	2,681	(2,681)
Cross-currency interest rate swaps	902	(902)	1,432	(1,432)
Cash flow sensitivity (net)	(8,194)	8,194	(4,609)	4,609
Stapled Group				
Variable rate instruments				
Loans and borrowings	(12,800)	12,800	(9,630)	9,630
Interest rate swaps	2,785	(2,785)	2,681	(2,681)
Cross-currency interest rate swaps	902	(902)	1,432	(1,432)
Cash flow sensitivity (net)	(9,113)	9,113	(5,517)	5,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk

The Stapled Group has exposure to foreign currency risk as a result of its operations in several countries. The currencies giving rise to this risk are the Australian Dollar, New Zealand Dollar, Euro, United States Dollar, Japanese Yen and Sterling Pound.

In order to manage the foreign currency risk, the H-REIT Manager and the HBT Trustee-Manager adopt foreign currency risk management strategies that may include:

- entering into forward foreign exchange contracts to hedge the foreign currency income from the overseas assets as a natural hedge;
- the use of certain foreign currency denominated borrowings to match the capital values of the overseas assets as a natural hedge, whenever possible; and
- the use of certain foreign currency denominated borrowings to hedge against the currency risk arising from the Stapled Group's net investments in certain subsidiaries in Australia, Germany, Japan, Maldives and United Kingdom. These borrowings are designated as net investment hedges.

<u>Hedge accounting – Net investment hedges</u>

At the end of the financial year, the HBT Group, the H-REIT Group and the Stapled Group have designated certain of their loans, with carrying amounts of $185.3 million (2023: $50.4 million), $69.2 million (2023: $140.7 million) and $333.7 million (2023: $282.7 million) respectively as net investment hedges, which mitigate the currency risk arising from certain subsidiaries' net assets. The cumulative net foreign exchange differences in respect of the Australia, Germany, Japan, Maldives and United Kingdom net investment hedges which remained in the unitholders' funds are as follows:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Net foreign exchange gain	5,647	5,113	7,587	7,272	17,537	17,209

To assess hedge effectiveness, the HBT Group, the H-REIT Group and the Stapled Group determine the economic relationship between the hedge instrument and the hedge item by comparing changes in the carrying amount of debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movement in the spot rate (the offset method). The HBT Group, the H-REIT Group and the Stapled Group's policy is to hedge the net investment only to the extent of debt principal.

During the financial year, the HBT Group, the H-REIT Group and the Stapled Group have recognised net foreign exchange differences in OCI or unitholders' funds (as the case may be) in respect of bank loans which were used as hedges for net investments in Japan, Maldives and United Kingdom:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Net foreign exchange gain/(loss)	534	(1,623)	315	2,378	328	(2,039)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

The exposure of the HBT Group, the H-REIT Group and the Stapled Group to foreign currencies is as follows based on notional amounts:

	United States Dollar		Japanese Yen		Sterling Pound	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
HBT Group						
Trade and other receivables	8	8	22	24	39,141	4,872
Cash and cash equivalents	–	–	–	–	1,865	465
Trade and other payables	–	–	–	–	(440)	(5,843)
Bank loans	–	–	–	–	(91,930)	(90,752)
Loans from related entity	(21,689)	(19,925)	–	–	(160,898)	(123,430)
Net exposure	(21,681)	(19,917)	22	24	(212,262)	(214,688)

	Australian Dollar		New Zealand Dollar		Euro		United States Dollar		Japanese Yen		Sterling Pound	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
H-REIT Group												
Trade and other receivables	11,365	8,040	16,954	6,516	17,016	13,479	87,742	76,460	–	–	162,156	124,669
Cash and cash equivalents	987	2,965	127	1,459	18	18	1,319	72	1,972	2,689	2,664	2,614
Trade and other payables	(604)	(642)	(264)	(287)	(426)	(112)	(1,732)	(1,410)	(27)	(30)	(2,698)	(940)
Bank loans	–	–	–	–	(121,698)	(3,006)	(59,531)	(196,493)	(28,220)	(30,411)	(264,638)	(232,746)
Net statements of financial position exposure	11,748	10,363	16,817	7,688	(105,090)	10,379	27,798	(121,371)	(26,275)	(27,752)	(102,516)	(106,403)
Foreign currency forward contracts	(1,481)	(1,084)	(1,804)	(1,306)	–	–	–	–	–	–	–	(334)
Cross-currency interest rate swap	–	–	–	–	(90,400)	(52,940)	–	52,940	–	–	–	–
Net exposure	10,267	9,279	15,013	6,382	(195,490)	(42,561)	27,798	(68,431)	(26,275)	(27,752)	(102,516)	(106,737)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

	Australian Dollar		New Zealand Dollar		Euro		United States Dollar		Japanese Yen		Sterling Pound	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Stapled Group												
Trade and other receivables	11,365	8,040	16,954	6,516	17,016	13,479	66,061	56,543	22	24	40,399	6,111
Cash and cash equivalents	987	2,965	127	1,459	18	18	1,319	72	1,972	2,689	4,529	3,079
Trade and other payables	(604)	(642)	(264)	(287)	(426)	(112)	(1,732)	(1,410)	(27)	(30)	(3,138)	(6,783)
Bank loans	–	–	–	–	(121,698)	(3,006)	(59,531)	(196,493)	(28,220)	(30,411)	(356,568)	(323,498)
Net statements of financial position exposure	11,748	10,363	16,817	7,688	(105,090)	10,379	6,117	(141,288)	(26,253)	(27,728)	(314,778)	(321,091)
Foreign currency forward contracts	(1,481)	(1,084)	(1,804)	(1,306)	–	–	–	–	–	–	–	(334)
Cross-currency interest rate swap	–	–	–	–	(90,400)	(52,940)	–	52,940	–	–	–	–
Net exposure	10,267	9,279	15,013	6,382	(195,490)	(42,561)	6,117	(88,348)	(26,253)	(27,728)	(314,778)	(321,425)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the end of the financial year would increase/(decrease) profit or loss and other comprehensive income (before any tax effects) of the HBT Group and total return and unitholders' funds (before any tax effects) of the H-REIT Group and the Stapled Group, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	HBT Group		H-REIT Group		Stapled Group	
	Profit or loss	Other comprehensive income	Total return	Unitholders' funds	Total return	Unitholders' funds
	$'000	$'000	$'000	$'000	$'000	$'000
2024						
Australian Dollar	–	–	(1,027)	–	(1,027)	–
New Zealand Dollar	–	–	(1,501)	–	(1,501)	–
Euro	–	–	19,549	–	19,549	–
United States Dollar	2,168	–	(2,780)	–	(612)	–
Japanese Yen	(2)	–	(194)	2,822	(196)	2,822
Sterling Pound	2,699	18,527	6,149	4,103	932	30,546
2023						
Australian Dollar	–	–	(928)	–	(928)	–
New Zealand Dollar	–	–	(638)	–	(638)	–
Euro	–	–	4,256	–	4,256	–
United States Dollar	1,992	–	(1,760)	8,603	232	8,603
Japanese Yen	(2)	–	(266)	3,041	(268)	3,041
Sterling Pound	16,427	5,042	10,674	3,879	14,063	18,080

A 10% weakening of the Singapore dollar against the above currencies at the end of the financial year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are detailed below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
HBT Group								
2024								
Financial assets not measured at fair value								
Trade and other receivables [(1)]	8	20,312	–	20,312				
Cash and cash equivalents	9	21,713	–	21,713				
		42,025	–	42,025				
Financial liabilities not measured at fair value								
Unsecured bank loan	10	–	(91,644)	(91,644)	–	(91,644)	–	(91,644)
Loans from related entity	10	–	(222,596)	(222,596)				
Trade and other payables [(2)]	12	–	(69,797)	(69,797)				
Rental deposits	12	–	(34)	(34)	–	–	(34)	(34)
		–	(384,071)	(384,071)				
HBT Group								
2023								
Financial assets not measured at fair value								
Trade and other receivables [(1)]	8	22,287	–	22,287				
Cash and cash equivalents	9	14,798	–	14,798				
		37,085	–	37,085				
Financial liabilities not measured at fair value								
Unsecured bank loan	10	–	(90,326)	(90,326)	–	(90,326)	–	(90,326)
Loans from related entity	10	–	(145,652)	(145,652)				
Trade and other payables [(2)]	12	–	(63,567)	(63,567)				
Rental deposits	12	–	(5)	(5)	–	–	(5)	(5)
		–	(299,550)	(299,550)				

(1) Excluding prepayments

(2) Excluding deferred income and rental deposits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost	Fair value – hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
H-REIT Group									
2024									
Financial assets not measured at fair value									
Finance lease receivables	7	4,345	–	–	4,345				
Trade and other receivables [(1)]	8	263,723	–	–	263,723				
Cash and cash equivalents	9	56,575	–	–	56,575				
		324,643	–	–	324,643				
Financial assets measured at fair value									
Financial derivative assets	11	–	8,720	–	8,720	–	8,720	–	8,720
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	(727)	–	(727)	–	(727)	–	(727)
Financial liabilities not measured at fair value									
Secured TMK bond	10	–	–	(26,654)	(26,654)	–	(26,495)	–	(26,495)
Secured bank loan	10	–	–	(62,142)	(62,142)	–	(61,824)	–	(61,824)
Unsecured bank loans	10	–	–	(1,157,606)	(1,157,606)	–	(1,152,038)	–	(1,152,038)
Trade and other payables [(2)]	12	–	–	(37,893)	(37,893)				
Rental deposits	12	–	–	(11,990)	(11,990)	–	–	(11,632)	(11,632)
		–	–	(1,296,285)	(1,296,285)				

(1) Excluding prepayments

(2) Excluding deferred income and rental deposits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost	Fair value – hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
H-REIT Group									
2023									
Financial assets not measured at fair value									
Finance lease receivables	7	5,145	–	–	5,145				
Trade and other receivables [1]	8	186,407	–	–	186,407				
Cash and cash equivalents	9	57,202	–	–	57,202				
		248,754	–	–	248,754				
Financial assets measured at fair value									
Financial derivative assets	11	–	14,510	–	14,510	–	14,510	–	14,510
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	(1,506)	–	(1,506)	–	(1,506)	–	(1,506)
Financial liabilities not measured at fair value									
Secured TMK bond	10	–	–	(28,582)	(28,582)	–	(28,335)	–	(28,335)
Secured bank loan	10	–	–	(64,170)	(64,170)	–	(62,457)	–	(62,457)
Unsecured bank loans	10	–	–	(969,216)	(969,216)	–	(966,959)	–	(966,959)
Trade and other payables [2]	12	–	–	(44,457)	(44,457)				
Rental deposits	12	–	–	(11,784)	(11,784)	–	–	(11,243)	(11,243)
		–	–	(1,118,209)	(1,118,209)				

[1] Excluding prepayments

[2] Excluding deferred income and rental deposits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost	Fair value – hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Stapled Group									
2024									
Financial assets not measured at fair value									
Finance lease receivables	7	4,345	–	–	4,345				
Trade and other receivables [(1)]	8	25,397	–	–	25,397				
Cash and cash equivalents	9	78,288	–	–	78,288				
		108,030	–	–	108,030				
Financial assets measured at fair value									
Financial derivative assets	11	–	8,720	–	8,720	–	8,720	–	8,720
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	(727)	–	(727)	–	(727)	–	(727)
Financial liabilities not measured at fair value									
Secured TMK bond	10	–	–	(26,654)	(26,654)	–	(26,495)	–	(26,495)
Secured bank loan	10	–	–	(62,142)	(62,142)	–	(61,824)	–	(61,824)
Unsecured bank loans	10	–	–	(1,249,250)	(1,249,250)	–	(1,243,681)	–	(1,243,681)
Trade and other payables [(2)]	12	–	–	(53,980)	(53,980)				
Rental deposits	12	–	–	(12,024)	(12,024)	–	–	(11,666)	(11,666)
		–	–	(1,404,050)	(1,404,050)				

[(1)] Excluding prepayments

[(2)] Excluding deferred income and rental deposits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Accounting classifications and fair values (cont'd)

		Carrying amount				Fair value			
	Note	Amortised cost $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Stapled Group									
2023									
Financial assets not measured at fair value									
Finance lease receivables	7	5,145	–	–	5,145				
Trade and other receivables [(1)]	8	20,785	–	–	20,785				
Cash and cash equivalents	9	72,000	–	–	72,000				
		97,930	–	–	97,930				
Financial assets measured at fair value									
Financial derivative assets	11	–	14,510	–	14,510	–	14,510	–	14,510
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	(1,506)	–	(1,506)	–	(1,506)	–	(1,506)
Financial liabilities not measured at fair value									
Secured TMK bond	10	–	–	(28,582)	(28,582)	–	(28,335)	–	(28,335)
Secured bank loan	10	–	–	(64,170)	(64,170)	–	(62,457)	–	(62,457)
Unsecured bank loans	10	–	–	(1,059,542)	(1,059,542)	–	(1,057,285)	–	(1,057,285)
Trade and other payables [(2)]	12	–	–	(55,975)	(55,975)				
Rental deposits	12	–	–	(11,789)	(11,789)	–	–	(11,248)	(11,248)
		–	–	(1,220,058)	(1,220,058)				

(1) Excluding prepayments

(2) Excluding deferred income and rental deposits

Measurement of fair values

The following show the valuation techniques used in measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Financial derivatives

The fair values of forward foreign exchange contracts, cross-currency interest rate swaps and interest rate swap are based on banks' quotes (Level 2 fair values). Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Other non-derivative financial assets and liabilities

The fair values of TMK bond, bank loans and rental deposits are calculated using the discounted cash flow technique based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

26 COMMITMENTS

		HBT Group		H-REIT Group		Stapled Group	
		2024	2023	2024	2023	2024	2023
		$'000	$'000	$'000	$'000	$'000	$'000
(a)	Capital expenditure contracted but not provided for	763	13,432	9,451	9,842	10,214	23,274

In 2021, HBT's subsidiary, CDL HBT Investments (I) Property Limited, entered into a Development Funding Agreement with an external party to redevelop a plot of land in Manchester, United Kingdom into a residential BTR. The development project achieved its practical completion on 4 June 2024 (Note 5).

(b) Under the terms of the lease agreements for certain properties, the H-REIT Group and the Stapled Group are required to incur expenditure equivalent to 2.5% to 4.0% (2023: 2.5% to 4.0%) of the gross revenue to maintain and improve the hotel's or resort's furniture and fixtures, equipment and its environment. As at the end of the financial year, the H-REIT Group and the Stapled Group are committed to incur capital expenditure of $5,120,000 (2023: $7,177,000) under the terms of the lease agreements.

(c) HBT's subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd, holds a leasehold land, with a 125-year lease granted by the Cambridge City Council commencing on 25 December 1990 (the "**Head Lease**"). The lease term may be extended for a further term of 50 years pursuant to the lessee's option to renew under the Head Lease. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value that is itself a function of the aggregate rent paid over the previous 3 years.

Lease liabilities and a corresponding ROU asset were recognised in the financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statements of total return (as the case may be). No variable lease payments were recorded for the years ended 31 December 2024 and 2023.

(d) H-REIT holds a leasehold building, with a remaining 99-year lease granted by Sentosa Development Corporation commencing on 31 October 2006. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value.

Lease liabilities and a corresponding ROU asset were recognised in the financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statements of total return (as the case may be). For the year ended 31 December 2024, the Stapled Group recorded variable lease payments of $1,284,000 (2023: $1,523,000).

(e) The Stapled Group has entered into several agreements in 2020, including:

- a development and sale agreement to acquire a brand new lifestyle hotel from a related corporation for a purchase price equal to the lower of the fixed price of $475.0 million or 110% of the vendor's actual development cost. The transaction is expected to be completed in 2027.
- a sale and purchase agreement to acquire 100% of shares in a hotel operating company from a related corporation for a consideration equal to the acquiree's net asset value at acquisition date plus partial reimbursement of pre-opening costs incurred, subject to a maximum of $3.1 million. The transaction is expected to be completed in 2027.

(f) In 2024, HBT's subsidiary, CDL HBT Oceanic Maldives Private Limited, has entered into an agreement with a third party carrier to purchase a minimum number of seaplane charter flights, subject to an annual charge of $1.7 million (US$1.3 million). The agreement is for a period of 5 years to 31 October 2029, and it is cancellable by either party after 31 October 2026 without any cause.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 RELATED PARTY TRANSACTIONS

In the normal course of the operations of HBT, the HBT Trustee-Manager's trustee, management and acquisition fees have been paid or are payable to the HBT Trustee-Manager.

In the normal course of the operations of H-REIT, the H-REIT Manager's management and acquisition fees and the H-REIT Trustee's fee have been paid or are payable to the H-REIT Manager and the H-REIT Trustee respectively.

As at the reporting date, the HBT Trustee-Manager, the H-REIT Manager and the master lessees of Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and Grand Millennium Auckland are indirect wholly-owned subsidiaries of a substantial holder of the Stapled Securities in the Stapled Group.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Related corporations of the H-REIT Manager and the HBT Trustee-Manager						
Acquisition fee paid/payable	1,616	–	640	–	2,256	–
Rental income received/receivable	–	–	79,659	79,214	79,659	79,214
Rental expense paid/payable	64	81	1,056	864	1,120	945
Shared service expenses paid/payable	193	163	583	560	776	723
Corporate secretarial services fee paid/payable	64	57	118	103	182	160
Asset management fees	154	113	–	–	154	113
Advisory fee paid/payable	35	62	–	–	35	62

28 FINANCIAL RATIOS

	H-REIT Group		Stapled Group	
	2024	2023	2024	2023
	%	%	%	%
Expenses to weighted average net assets [(1)]				
- including performance component of H-REIT Manager's management fees [(2)]	0.89	0.94	1.28	1.13
- excluding performance component of H-REIT Manager's management fees [(2)]	0.60	0.62	0.98	0.79
Portfolio turnover rate [(3)]	3.54	–	5.26	–

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the H-REIT Group and the Stapled Group, excluding property expenses, interest expense and income tax expense of each entity, where applicable.

(2) Excluding acquisition fee and costs associated with the acquisition of a property.

(3) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the H-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 ACQUISITIONS

On 6 November 2024, the HBT Group completed the acquisition of Hotel Indigo Exeter (the "**Hotel**") and two retail units (the "**Retail Units**") through its wholly-owned subsidiaries, CDL HBT Investments (III) Property Limited and CDL HBT Investments (III) Retail Limited respectively.

On 19 December 2024, the H-REIT Group also completed acquisition of Benson Yard, a Purpose-Built Student Accommodation in Liverpool (the "**Residential**"), through its wholly-owned subsidiary, CDL HREIT Investments (IV) Property Limited. The Residential comes with a vacant land adjacent to Benson Yard which has a notional amount of £1.

Hotel

The Hotel comprises land and building. The acquisition of the Hotel was together with chattels and equipment, business intellectual property rights, business information and contracts, inventories, and organised workforce (collectively the "**Acquired Hotel**"). The acquired inputs and processes significantly contributed to the ability to generate revenue. Therefore, the Acquired Hotel is a business. Accordingly, the Acquired Hotel has been accounted for as a business combination by the HBT Group and the Stapled Group.

From 6 November 2024 to 31 December 2024, the Acquired Hotel contributed hotel revenue of $1,413,000 and loss before tax or total return before tax (as the case may be) of $155,000 to the HBT Group's and the Stapled Group's financial results.

For the reporting year, the Acquired Hotel was undergoing gestation and if the acquisition had occurred on 1 January 2024,

- the consolidated revenue of the HBT Group would have been $151,724,000 and the consolidated loss for the year before tax of the HBT Group would have been $22,574,000.
- the consolidated revenue of the Stapled Group would have been $267,377,000 and the consolidated total return for the year before tax of the Stapled Group would have been $19,701,000.

In determining these amounts, the HBT Trustee-Manager and the H-REIT Manager have assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

Consideration transferred

	$'000
Total consideration transferred	26,200

Acquisition-related costs

A total acquisition-related costs of $2,403,000 (£1,396,000) have been recognised in the statement of profit or loss or the statement of total return (as the case may be), out of which:

- acquisition fee of $334,000 has been included in 'HBT Trustee-Manager's acquisition fee'; and
- professional due diligence costs of $2,069,000 have been included in 'other expenses'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 ACQUISITIONS (CONT'D)

Hotel (cont'd)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair value amounts of assets acquired and liabilities assumed at the date of acquisition.

	$'000
Property, plant and equipment	30,643
Inventory	69
Other receivables	8
Trade and other payables	(466)
Deferred tax liabilities	(1,019)
Total identifiable net assets	29,235

Identifiable net assets have been determined on a provisional basis. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired (mainly land and building) were as follows:

Assets acquired	Valuation techniques
Land and building	*Discounted cash flows (DCF) and Income capitalisation method:* The DCF method involves the present value of (i) projected earnings (net of capital expenditure where appropriate) for the Hotel over 10 years and (ii) the value of the Hotel derived from the capitalised earnings in the 10th year, using an appropriate discount rate. Income capitalisation method involves capitalising the projected earnings for the Hotel in a stabilised trading year and making allowances for the income shortfall up to stabilisation/capital expenditure required.

Bargain Purchase

Bargain purchase arising from the Acquired Hotel has been recognised as follows:

	$'000
Total consideration transferred	26,200
Fair value of identifiable net assets	(29,235)
Gain from a bargain purchase	(3,035)

The gain from a bargain purchase of the Acquired Hotel relates to the lower consideration transferred as compared to the fair value of the identifiable net assets determined by the independent valuer. The gain from a bargain purchase was recognised in the statement of profit or loss or the statement of total return (as the case may be) and is also disclosed under the UK segment (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 ACQUISITIONS (CONT'D)

Retail Units

The HBT Group purchased the Retail Units at cash consideration of $6.9 million (£4.0 million) and has incurred acquisition-related costs of $0.3 million (£0.2 million). These costs have been capitalised and included in 'investment properties'.

Residential

The acquisition of the Residential was together with chattels and equipment, service contracts and workforce under property management contract. The acquired processes do not significantly contribute to the ability to generate revenue. Therefore, the Residential does not constitute a business and it has been accounted for as acquisition of property by the H-REIT Group.

The H-REIT Group purchased the Residential at cash consideration of $64.0 million (£37.3 million) and has incurred acquisition-related costs of $5.6 million (£3.3 million). These costs have been capitalised and included in 'investment properties'.

Effect of the acquisitions on cash flows

The following table shows the amounts recognised in statements of cash flows for the acquisitions mentioned above:

	HBT Group		H-REIT Group
	Acquired Hotel	Retail Units	Residential
	$'000	$'000	$'000
Total consideration transferred	26,200	6,833	63,273
Add: Acquisition-related costs	2,403	340	5,646
Less: Acquisition-related costs not yet paid	(731)	–	(1,800)
Net cash outflow on acquisitions	27,872	7,173	67,119

30 LEASES

(i) Leases as lessee

The HBT Group, the H-REIT Group and the Stapled Group mainly lease land and buildings. The leases typically run for periods ranging from 2 to 197 years (2023: 2 to 197 years), some with options to renew after the lease expiry dates. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the HBT Group, the H-REIT Group and the Stapled Group are restricted from entering into any sub-lease arrangements.

Some of the leases of land and building were entered into many years ago.

One of the leased properties has been sub-let by the H-REIT Group and the Stapled Group. The sub-lease is classified as a finance lease.

Information about leases for which the HBT Group, the H-REIT Group and the Stapled Group are lessees is presented below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASES (CONT'D)

(i) Leases as lessee (cont'd)

Right-of-use assets

ROU assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

	Leasehold land $'000	Building $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
HBT Group					
2024					
At 1 January	36,676	75,342	19	84	112,121
Adjustment to ROU assets	–	1,445	–	(42)	1,403
Depreciation charge	(2,916)	(6,528)	(8)	(42)	(9,494)
Translation differences	810	(1,590)	–	–	(780)
At 31 December	34,570	68,669	11	–	103,250
2023					
At 1 January	39,791	82,057	28	–	121,876
Addition of ROU assets	–	–	–	126	126
Adjustment to ROU assets	–	3	–	–	3
Depreciation charge	(2,926)	(6,567)	(9)	(42)	(9,544)
Translation differences	(189)	(151)	–	–	(340)
At 31 December	36,676	75,342	19	84	112,121

	Building $'000
H-REIT Group	
2024	
At 1 January	–
Depreciation charge	–
At 31 December	–
2023	
At 1 January	6
Depreciation charge	(6)
At 31 December	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASES (CONT'D)

(i) Leases as lessee (cont'd)

Right-of-use assets (cont'd)

	Leasehold land $'000	Building $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Stapled Group					
2024					
At 1 January	83,792	7,265	19	84	91,160
Adjustment to ROU assets	–	1,445	–	(42)	1,403
Depreciation charge	(1,100)	(144)	(8)	(42)	(1,294)
Revaluation surplus recognised in unitholders' funds	343	–	–	–	343
Translation differences	692	89	–	–	781
At 31 December	83,727	8,655	11	–	92,393
2023					
At 1 January	80,280	7,170	28	–	87,478
Addition of ROU assets	–	–	–	126	126
Adjustment to ROU assets	–	3	–	–	3
Depreciation charge	(1,042)	(140)	(9)	(42)	(1,233)
Revaluation surplus recognised in unitholders' funds	2,051	–	–	–	2,051
Reversal of revaluation deficit recognised in statement of total return	2,572	–	–	–	2,572
Translation differences	(69)	232	–	–	163
At 31 December	83,792	7,265	19	84	91,160

Amounts recognised in profit or loss or the statements of total return (as the case may be)

	HBT Group		H-REIT Group		Stapled Group	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Interest on lease liabilities	4,339	4,589	4,429	4,255	5,152	4,926
Expenses relating to short term leases	–	–	326	466	326	466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASES (CONT'D)

(i) Leases as lessee (cont'd)

Amounts recognised in statements of cash flows

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Payment of lease liabilities	(8,832)	(7,978)	(957)	(718)	(1,099)	(853)
Finance costs paid	(4,339)	(4,589)	(4,429)	(4,255)	(5,152)	(4,926)
Total cash outflow for leases	(13,171)	(12,567)	(5,386)	(4,973)	(6,251)	(5,779)

Extension options

Some property leases contain extension options exercisable by the HBT Group and the H-REIT Group before the end of the non-cancellable contract period. Where practicable, the HBT Group and the H-REIT Group seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the HBT Group and the H-REIT Group and not by the lessors. The HBT Group and the H-REIT Group assess at lease commencement date whether it is reasonably certain to exercise the extension options. The HBT Group and the H-REIT Group reassess whether it is reasonably certain to exercise the options if there is a significant event of significant changes in circumstances within their control.

The H-REIT Group has estimated the potential future lease payments that are not reflected in the measurement of lease liabilities, should they exercise the extension options, would result in an increase in future cash outflows of $64.3 million (2023: $64.4 million).

Variable lease payments

HBT's subsidiary, AKO GK, leases the Japan hotel properties from CDLHT Hanei Tokutei Mokuteki Kaisha, subsidiary of H-REIT for 1-year periods, renewable on an annual basis. Monthly lease payments under these leases are variable, equal to the gross operating profit of the hotel properties in the preceding month, subject to certain adjustments. Lease liabilities are not recognised in respect of these leases as the variable monthly lease payments are not subject to a minimum value.

(ii) Leases as lessor

The H-REIT Group and the Stapled Group lease out their investment properties consisting of hotels, resorts, residentials and retail properties. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease which has been classified as a finance sub-lease.

Finance lease

The H-REIT Group and the Stapled Group have sub-leased a building in which the ROU asset arising from the head lease has been presented as part of investment property. The sub-lease was assessed to be a finance lease under FRS 116/SFRS(I) 16. Consequently, the H-REIT Group and the Stapled Group derecognised the ROU asset relating to the head lease and recognised finance lease receivables. During the term of the sub-lease, the H-REIT Group and the Stapled Group recognise both interest income on the sub-lease and interest expense on the head lease.

During the financial year, the H-REIT Group and the Stapled Group recognised interest income on the finance lease receivables of $256,000 (2023: $151,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASES (CONT'D)

(ii) Leases as lessor (cont'd)

Finance lease (cont'd)

The following table sets out a maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2024 $'000	2023 $'000
H-REIT Group and Stapled Group		
Within 1 year	1,120	1,056
1 to 2 years	1,184	1,120
2 to 3 years	1,248	1,184
3 to 4 years	1,287	1,248
4 to 5 years	–	1,287
Total undiscounted finance lease receivables	4,839	5,895
Unearned finance income	(494)	(750)
Net investment in the lease	4,345	5,145

Operating lease

The H-REIT Group and the Stapled Group lease out their investment properties. The H-REIT Group and the Stapled Group have classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The portfolio statements set out information about the operating leases of investment properties.

Rental revenue from investment property recognised by the HBT Group, the H-REIT Group and the Stapled Group is disclosed in Note 17.

In addition, the H-REIT Group also leases out its Japan properties which are classified as property, plant and equipment to the HBT Group for 1-year periods, renewable on an annual basis. Monthly lease payments receivable under these leases are variable, equal to the gross operating profit of the hotel properties in the preceding month, subject to certain adjustments. The variable monthly lease payments are not subject to a minimum value.

The rental revenue from property, plant and equipment recognised by the H-REIT Group in respect of these leases during the year was $4,750,000 (2023: $3,874,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 LEASES (CONT'D)

(ii) Leases as lessor (cont'd)

Operating lease (cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating leases under FRS 116/SFRS(I) 16

	HBT Group		H-REIT Group		Stapled Group	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Within 1 year	4,219	70	75,720	68,311	67,357	56,006
1 to 2 years	15	–	57,285	69,788	44,718	56,962
2 to 3 years	–	–	40,859	54,634	28,277	41,808
3 to 4 years	–	–	39,267	38,705	26,685	25,879
4 to 5 years	–	–	39,094	38,300	26,512	25,474
More than 5 years	–	–	219,462	264,113	164,201	192,025
	4,234	70	471,687	533,851	357,750	398,154

The above operating lease receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

31 GROUP ENTITIES

The HBT Group and the H-REIT Group have equity investments in subsidiaries.

Details of the significant subsidiaries are as follows:

Name of subsidiaries	Place of incorporation	Effective equity interest held by the H-REIT Group and the Stapled Group	
		2024	2023
		%	%
Subsidiaries of H-REIT			
(1) CDLHT (BVI) One Ltd	British Virgin Islands	100	100
(1) CDLHT (BVI) Trust One	–	100	100
(3) Sunshine Hotels Australia Pty Ltd	Australia	100	100
(1) CDLHT Sunshine Limited	British Virgin Islands	100	100
(1) CDLHT Sunrise Limited	British Virgin Islands	100	100
(1) CDLHT Sanctuary Limited	British Virgin Islands	100	100
(2) CDLHT MTN Pte. Ltd.	Singapore	100	100
(2) CDLHT Oceanic Holdings Pte. Ltd.	Singapore	100	100
(2) CDLHT Hanei One Pte. Ltd.	Singapore	100	100
(2) CDLHT Hanei Two Pte. Ltd.	Singapore	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 GROUP ENTITIES (CONT'D)

Name of subsidiaries	Place of incorporation	Effective equity interest held by the H-REIT Group and the Stapled Group	
		2024	2023
		%	%
Subsidiaries of H-REIT (cont'd)			
(2) CDLHT Two Pte. Ltd.	Singapore	100	100
(2) CDLHT Munich One Pte. Ltd.	Singapore	100	100
(2) CDLHT Munich Two Pte. Ltd.	Singapore	100	100
(2) CDLHT CFM One Pte. Ltd.	Singapore	100	100
(2) CDLHT CFM Two Pte. Ltd.	Singapore	100	100
(3) CDL HREIT Investments (II) Limited	England and Wales	100	100
Subsidiaries of CDLHT Sunshine Limited			
(1) Sun Two Investments Limited	British Virgin Islands	100	100
(1) Sun Three Investments Limited	British Virgin Islands	100	100
(1) Sun Four Investments Limited	British Virgin Islands	100	100
Subsidiary of Sun Three Investments Limited			
(1) Sun Trust Three	–	100	100
Subsidiary of Sun Four Investments Limited			
(1) Sun Trust Four	–	100	100
Subsidiary of CDLHT Sanctuary Limited			
(3) Sanctuary Sands Maldives Private Limited	Maldives	100	100
Subsidiary of CDLHT Oceanic Holdings Pte. Ltd.			
(1) CDLHT Oceanic Ltd	British Virgin Islands	100	100
Subsidiary of CDLHT Oceanic Ltd			
(1) CDLHT Oceanic Two Ltd	British Virgin Islands	100	100
Subsidiary of CDLHT Oceanic Two Ltd			
(3) CDLHT Oceanic Maldives Private Limited	Maldives	100	100
Subsidiary of CDLHT Hanei Two Pte. Ltd.			
(3) CDLHT Hanei Tokutei Mokuteki Kaisha	Japan	100	100
Subsidiaries of CDLHT Munich One Pte. Ltd.			
(1) NKS Hospitality I B.V.	Netherlands	94.9	94.9
(1) Munich Furniture B.V.	Netherlands	94.9	94.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 GROUP ENTITIES (CONT'D)

Name of subsidiaries	Place of incorporation	Effective equity interest held by the H-REIT Group and the Stapled Group	
		2024	2023
		%	%
Subsidiary of CDLHT CFM One Pte. Ltd.			
(1) CDLHT CFM III B.V.	Netherlands	95.0	95.0
Subsidiary of CDLHT CFM III B.V.			
(1) CDLHT CFM III SRL	Italy	95.0	95.0
Subsidiary of CDLHT CFM III SRL			
(1) NKS Hospitality III SRL	Italy	95.0	95.0
Subsidiaries of CDL HREIT Investments (II) Limited			
(3) CDL HREIT Investments (II) Property Limited	England and Wales	100	100
CDL HREIT Investments (IV) Property Limited	England and Wales	100	–

Name of subsidiaries	Place of incorporation	Effective equity interest held by the HBT Group and the Stapled Group	
		2024	2023
		%	%
Subsidiaries of HBT			
(2) CDL HBT Oceanic Holdings Pte. Ltd.	Singapore	100	100
(2) CDL HBT Hanei Pte. Ltd.	Singapore	100	100
(2) CDL HBT Cambridge City Pte. Ltd.	Singapore	100	100
(2) Gemini Two Pte. Ltd.	Singapore	100	100
(2) CDL HBT Sun Pte. Ltd.	Singapore	100	100
(2) CDL HBT Investments (I) Pte. Ltd.	Singapore	100	100
(2) CDL HBT Investments (III) Pte. Ltd.	Singapore	100	–
(2) CDL HBT Investments (IV) Pte. Ltd.	Singapore	100	–
Subsidiary of CDL HBT Oceanic Holdings Pte. Ltd.			
(1) CDL HBT Oceanic Ltd	British Virgin Islands	100	100
Subsidiary of CDL HBT Oceanic Ltd			
(1) CDL HBT Oceanic Two Ltd	British Virgin Islands	100	100
Subsidiary of CDL HBT Oceanic Two Ltd			
(3) CDL HBT Oceanic Maldives Private Limited	Maldives	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 GROUP ENTITIES (CONT'D)

Name of subsidiaries	Place of incorporation	Effective equity interest held by the HBT Group and the Stapled Group 2024 %	2023 %
Subsidiary of CDL HBT Hanei Pte. Ltd.			
[3] AKO GK	Japan	100	100
Subsidiaries of CDL HBT Cambridge City Pte. Ltd.			
[3] CDL HBT Cambridge City (UK) Ltd	England and Wales	100	100
[4] CDL HBT North Ltd	England and Wales	100	100
Subsidiary of CDL HBT Cambridge City (UK) Ltd			
[3] CDL HBT Cambridge City Hotel (UK) Ltd	England and Wales	100	100
Subsidiary of CDL HBT North Ltd			
[4] The Lowry Hotel Ltd	England and Wales	100	100
Subsidiaries of CDL HBT Sun Pte. Ltd.			
[3] CDL HBT Sun Three Pty Ltd	Australia	100	100
[3] CDL HBT Sun Four Pty Ltd	Australia	100	100
Subsidiary of CDL HBT Investments (I) Pte. Ltd.			
[4] CDL HBT Investments (I) Limited	England and Wales	100	100
Subsidiaries of CDL HBT Investments (I) Limited			
[4] CDL HBT Investments (I) Property Limited	England and Wales	100	100
[4] CDL HBT Investments (I) Operations Limited	England and Wales	100	100
Subsidiaries of CDL HBT Investments (III) Pte. Ltd.			
CDL HBT Investments (III) Property Limited	England and Wales	100	–
CDL HBT Investments (III) Retail Limited	England and Wales	100	–
Subsidiary of CDL HBT Investments (IV) Pte. Ltd.			
CDL HBT Investments (IV) Property Limited	England and Wales	100	–

(1) Not required to be audited under the laws of the country of incorporation/constitution.
(2) Audited by KPMG LLP, Singapore.
(3) Audited by other member firms of KPMG International.
(4) Audited by BDO LLP, United Kingdom.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 SUBSEQUENT EVENTS

Subsequent to the reporting date, there were the following events:

(i) the HBT Trustee-Manager and the H-REIT Manager declared a distribution of 2.81 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 July 2024 to 31 December 2024.

(ii) 1,796,197 Stapled Securities, amounting to $1,528,000, were issued as satisfaction of the H-REIT Manager's base fee for the period from 1 October 2024 to 31 December 2024.

(iii) 241,129 Stapled Securities, amounting to $205,000, were issued as satisfaction of the HBT Trustee-Manager's base fee for the period from 1 October 2024 to 31 December 2024.

STATISTICS OF STAPLED SECURITY HOLDINGS

As at 6 March 2025

SUMMARY INFORMATION OF STAPLED SECURITIES

A Stapled Security means a security comprising one unit of H-REIT and one unit of HBT stapled together under the terms of the Stapling Deed dated 12 June 2006 (as amended). Each holder of the Stapled Securities has one vote per Stapled Security.

RANGE OF STAPLED SECURITY HOLDINGS

Issued and Fully Paid Stapled Securities: 1,258,894,644 Stapled Securities

Size of Stapled Security Holdings	No. of Stapled Security Holders	%	No. of Stapled Securities	%
1 - 99	2,391	9.03	116,236	0.01
100 - 1,000	11,591	43.76	4,317,960	0.34
1,001 - 10,000	8,063	30.44	37,515,966	2.98
10,001 - 1,000,000	4,402	16.62	197,087,043	15.66
1,000,001 and above	40	0.15	1,019,857,439	81.01
	26,487	**100.00**	**1,258,894,644**	**100.00**

TWENTY LARGEST STAPLED SECURITY HOLDERS

No.	Name	No. of Stapled Securities	%*
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	177,263,566	14.08
2.	HOSPITALITY HOLDINGS PTE LTD	169,650,000	13.48
3.	DBS NOMINEES (PRIVATE) LIMITED	148,195,759	11.77
4.	M&C REIT MANAGEMENT LIMITED	123,423,117	9.80
5.	REPUBLIC HOTELS & RESORTS LIMITED	62,790,000	4.99
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	62,381,158	4.96
7.	RAFFLES NOMINEES (PTE.) LIMITED	47,438,921	3.77
8.	DBSN SERVICES PTE. LTD.	41,567,698	3.30
9.	HONG LEONG INVESTMENT HOLDINGS PTE LTD	26,825,566	2.13
10.	HONG LEONG HOLDINGS LTD	23,657,208	1.88
11.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,003,159	1.03
12.	PHILLIP SECURITIES PTE LTD	10,434,888	0.83
13.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	10,178,846	0.81
14.	GUAN HONG PLANTATION PTE LTD	6,908,745	0.55
15.	IFAST FINANCIAL PTE. LTD.	6,845,079	0.54
16.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,805,277	0.54
17.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	5,859,229	0.47
18.	OCBC SECURITIES PRIVATE LIMITED	5,840,726	0.46
19.	MAYBANK SECURITIES PTE. LTD.	5,586,065	0.44
20.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	5,489,922	0.44
	TOTAL	**960,144,929**	**76.27**

* The percentage of Stapled Securities is based on the total number of issued Stapled Securities as at 6 March 2025.

SUBSCRIPTION OF STAPLED SECURITIES IN CDL HOSPITALITY TRUSTS

As at 31 December 2024, 1,256,857,318 Stapled Securities were issued. On 27 January 2025, 1,796,197 Stapled Securities and 241,129 Stapled Securities were issued to the H-REIT Manager and HBT Trustee-Manager as payment of 80.0 per cent of base management fees for the period from 1 October 2024 to 31 December 2024 respectively.

STATISTICS OF STAPLED SECURITY HOLDINGS

As at 6 March 2025

H-REIT MANAGER'S DIRECTORS' AND HBT TRUSTEE-MANAGER'S DIRECTORS' STAPLED SECURITY HOLDINGS

As shown in the Register of Directors' Stapled Security Holdings as at 6 March 2025, the interests of each Director in the Stapled Securities in CDLHT are as follows:

Name of Director	Holdings
Chan Soon Hee, Eric	NIL
Vincent Yeo Wee Eng	138,000
Foo Say Mui (Bill)	NIL
Kim Kenny	NIL
Cheah Sui Ling	NIL
Kwek Eik Sheng	695,638
Eng Chin Chin	NIL

SUBSTANTIAL STAPLED SECURITY HOLDERS

As at 6 March 2025

Name	Direct Interest	Deemed Interest	Total Holdings	%*
Hospitality Holdings Pte. Ltd.	169,650,000	–	169,650,000	13.48
M&C REIT Management Limited	123,423,117	4,196,721 (1)	127,619,838	10.14
ATOS Holding GmbH	–	169,650,000 (2)	169,650,000	13.48
M&C Hotel Investments Pte. Ltd.	–	190,409,838 (3)	190,409,838	15.12
M&C Hospitality International Limited	–	190,409,838 (3)	190,409,838	15.12
M&C Singapore Holdings (UK) Limited	–	190,409,838 (3)	190,409,838	15.12
Millennium & Copthorne Hotels Limited	–	360,059,838 (4)	360,059,838	28.60
Agapier Investments Limited	–	360,059,838 (4)	360,059,838	28.60
Singapura Developments (Private) Limited	–	360,059,838 (4)	360,059,838	28.60
City Developments Limited	108,177	360,059,838 (4)	360,168,015	28.61
Hong Leong Investment Holdings Pte. Ltd.	26,825,566	408,152,707 (5)	434,978,273	34.55
Davos Investment Holdings Private Limited	–	434,978,273 (6)	434,978,273	34.55
Kwek Holdings Pte Ltd	–	434,978,273 (6)	434,978,273	34.55

* The percentage of Stapled Securities is based on the total number of issued Stapled Securities as at 6 March 2025

Notes:

(1) M&C REIT Management Limited is deemed under Section 4 of the Securities and Futures Act 2001 ("**SFA**"), to have an interest in the 4,196,721 Stapled Securities held by a company in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

(2) ATOS Holding GmbH is deemed under Section 4 of the SFA, to have an interest in the 169,650,000 Stapled Securities held by a company in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

(3) M&C Hotel Investments Pte. Ltd., M&C Hospitality International Limited and M&C Singapore Holdings (UK) Limited are deemed under Section 4 of the SFA, to have an interest in the 190,409,838 Stapled Securities held by companies in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

(4) Millennium & Copthorne Hotels Limited, Agapier Investments Limited, Singapura Developments (Private) Limited and City Developments Limited are deemed under Section 4 of the SFA, to have an interest in the 360,059,838 Stapled Securities held by companies in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

(5) Hong Leong Investment Holdings Pte. Ltd. is deemed under Section 4 of the SFA, to have an interest in the 408,152,707 Stapled Securities held by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

(6) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA, to have an interest in the 434,978,273 Stapled Securities held by companies in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the Stapled Securities thereof.

FREE FLOAT

Based on information made available to the H-REIT Manager and the HBT Trustee-Manager as at 6 March 2025, no less than 65.23% of the Stapled Securities in CDL Hospitality Trusts is held by the public and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

INTERESTED PERSON TRANSACTIONS

The aggregate value of all Interested Person Transactions, as defined in the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Property Funds Appendix of the Code on Collective Investment Schemes, which were entered into during the financial year ended 31 December 2024 ("**FY 2024**") (excluding transactions less than $100,000) are listed below.

Name of Interested Persons	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Stapled Security Holders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST)	Aggregate value of all Interested Person Transactions conducted under Stapled Security Holders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST (excluding transactions less than $100,000)
CDL Hospitality Real Estate Investment Trust ("H-REIT")			
Subsidiaries of City Developments Limited			
- Shared services agreement in relation to the co-sharing of Mechanical and Electrical equipment as well as the centralisation of certain maintenance and services contracts between Orchard Hotel Singapore and Claymore Connect	City Developments Limited is a controlling unitholder of H-REIT. Its subsidiaries are interested persons being associates of the controlling unitholder.	$355,299	Not Applicable [(1)]
- Provision of Corporate Secretarial Services		$143,477	Not Applicable [(1)]
CDL Hospitality Business Trust ("HBT")			
Subsidiaries/associates of City Developments Limited			
- Shared services agreement for revenue management between W Singapore - Sentosa Cove, The St. Regis Singapore, JW Marriott Singapore South Beach and The Singapore EDITION	City Developments Limited is a controlling unitholder of HBT. Its subsidiaries/associates are interested persons being associates of the controlling unitholder.	$183,889	Not Applicable [(1)]
- Provision of Corporate Secretarial Services		$58,246 [(2)]	Not Applicable [(1)]
- Distribution Systems provider for The Lowry Hotel		$40,000 [(2)]	Not Applicable [(1)]
Total:		**$780,911**	**–**

Notes:

(1) The H-REIT Manager and the HBT Trustee-Manager have not sought any unitholders' mandate for interested person/party transactions pursuant to Rule 920 of the Listing Manual of SGX-ST.

(2) Notwithstanding the transaction values are below $100,000, the H-REIT Manager and the HBT Trustee-Manager have taken a view to aggregate and disclose the transaction as one transaction with the same interested person, being subsidiaries/associates of the controlling unitholder.

Please also refer to Note 27 "Related Party Transactions" in CDLHT's financial statements.

Except as disclosed above, there were no other interested person/party transactions (excluding transactions of less than $100,000 each and/or transactions collectively described as "**Exempted Agreements**") entered into in FY 2024.

GLOSSARY PAGE

2024 AGMs	2024 Annual General Meetings
2025 AGMs	2025 Annual General Meetings
Singapore Hotels	Portfolio hotels located in Singapore consisting of Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore – Sentosa Cove
ACMV	Air-Conditioning and Mechanical Ventilation
ACRA	Accounting and Corporate Regulatory Authority
ACRA Code	Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities
Act or BTA	Business Trusts Act 2004
ADR	Average Daily Rate
Aggregate Leverage	Total Borrowings and Deferred Payments of a Property Fund over its Deposited Property
AGMs	Annual General Meetings
AHU	Air Handling Unit
AOR	Average Occupancy Rate
ARCs	Audit and Risk Committees
ARC Self-Assessment Checklist	A Self-Assessment Checklist which the ARC used to conduct an assessment of its effectiveness for the financial year under review, adapted from the Self-Assessment Checklist for audit committees set out in the ACGC Guidebook
AY	Academic Year
BCA	Building & Construction Authority
BMS	Building Management Systems
Boards	HBT Board and the H-REIT Board
BOD or Board	Board of Directors
BREEAM	Building Research Establishment Environmental Assessment Method
BSCs	Board Sustainability Committees
BTR or UK BTR	Build-to-Rent
CAGR	Compound Annual Growth Rate
CDL	City Developments Limited
CDLHT	CDL Hospitality Trusts
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
Code or CG Code	Code of Corporate Governance 2018
CIS Code	Code on Collective Investment Schemes
CMS	Capital Markets Services
Committees	Committees established by the H-REIT Manager Board and the HBT Trustee-Manager Board, namely the Audit and Risk Committee(s) and Nominating and Remuneration Committee(s)
Companies Act	Companies Act 1967
COVID-19	Coronavirus Disease

GLOSSARY PAGE

CPF	Central Provident Fund
DEFRA	Department of Environment, Food & Rural Affairs
DPS	Distribution per Stapled Security
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECL	Expected Credit Loss
EIA	Energy Information Administration
EMS	Energy Management Systems
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
EV	Electric Vehicle
Exempted Agreements	Interested Person/Party Transactions of less than $100,000 each
F&B	Food and Beverage
FIDRec	Financial Industry Disputes Resolution Centre Ltd
Fresh	Fresh Property Group Limited
FRS	Singapore Financial Reporting Standards
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
FY 2024	Financial Year ended 31 December 2024
Germany Hotel	Pullman Hotel Munich
GFA	Gross Floor Area
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSTC	Global Sustainable Tourism Council
HBT	CDL Hospitality Business Trust
HBT Group	CDL Hospitality Business Trust and its subsidiaries
HBT Trust Deed	The trust deed constituting HBT dated 12 June 2006
HBT Trust Property	The trust property of HBT
HBT Trustee-Manager	M&C Business Trust Management Limited as Trustee-Manager of CDL Hospitality Business Trust
HBT Trustee-Manager Board	Board of Directors of the HBT Trustee-Manager
HBT Trustee-Manager Directors	Directors of the HBT Trustee-Manager
HBT Unitholders	Unitholders of HBT
HBT Unit(s)	Unit(s) of HBT
Head Lease	125-year leasehold interest commencing 25 December 1990 for Hilton Cambridge City Centre
HODs	Heads Departments
Hotel Cerretani Firenze or Italy Hotel	Hotel Cerretani Firenze – MGallery
H-REIT	CDL Hospitality Real Estate Investment Trust
H-REIT Group	CDL Hospitality Real Estate Investment Trust and its subsidiaries

GLOSSARY PAGE

H-REIT Manager	M&C REIT Management Limited as the Manager of CDL Hospitality Real Estate Investment Trust
H-REIT Trust Deed	The trust deed constituting H-REIT dated 8 June 2006
H-REIT Trustee	DBS Trustee Limited as the Trustee of CDL Hospitality Real Estate Investment Trust
H-REIT Unit(s)	Unit(s) of H-REIT
IA	Internal Audit
ICR	Interest Coverage Ratio
IDs	Independent Directors
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
IPO Hotels	Portfolio hotels at IPO consisting of Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King's Hotel
IPTs	Interested Person Transactions
IR	Investor Relations
IRAS	Inland Revenue Authority of Singapore
ISCA	Institute of Singapore Chartered Accountants
ISSB	International Sustainability Standards Board
IT	Information Technology
Japan Hotels	Portfolio hotels located in Japan consisting of Hotel MyStays Asakusabashi and Hotel MyStays Kamata
KMPs	Key Management Personnels
KPIs	Key Performance Indicators
KPMG	KPMG LLP
LED	Listed Entity Director
Lead ID	Lead Independent Director
Listing Manual of SGX-ST	Listing rules issued by Singapore Exchange Securities Trading Limited M&C Millennium and Copthorne Hotels Limited
M&C	Millenium & Copthorne Hotels Limited
Maldives Resorts	Portfolio resorts located in the Maldives consisting of Angsana Velavaru and Raffles Maldives Meradhoo
Managers	The H-REIT Manager and the HBT Trustee-Manager
MAS	Monetary Authority of Singapore
Meetings	Annual General Meetings
MICE	Meetings, Incentives, Conventions and Exhibitions
NABERS	National Australian Built Environment Rating System
NLA	Net Lettable Area
NCI	Non-Controlling Interest
NEDs	Non-Executive Directors
NKS	NKS Hospitality I B.V.
N.M	Not Meaningful

GLOSSARY PAGE

NPI	Net Property Income
NRC(s)	Nominating and Remuneration Committee(s)
NRC Self-Assessment Checklist	Checklist to facilitate Self-Assessment of NRC's effectiveness in the discharge of its role and responsibilities
NZ Hotel	Grand Millennium Auckland
NZICC	New Zealand International Convention Centre
OCI	Other Comprehensive Income
OH&S	Occupational Health and Safety
OPHL	Orchard Parade Holdings Limited
PBSA	Purpose-Built Student Accommodation
Perth Hotels	Portfolio hotels located in Perth consisting of Mercure Perth and Ibis Perth
Property Funds Appendix	Appendix 6 of the Code on Collective Investment Schemes
Provent	Provent Immobilien Beteiligungs GmbH
PUB	Public Utilities Board
PV	Photovoltaic
RAP	Recommended Accounting Practice
REITAS	REIT Association of Singapore
Report	CDL Hospitality Trusts' Sustainability Report
RevPAR	Revenue per Available Room
RHRL	Republic Hotels & Resorts Limited
ROU	Right-Of-Use
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDGs	United Nations Sustainable Development Goals
SFA	Securities and Futures Act 2001
SFR	Securities and Futures (Licencing and Conduct of Business) Regulations
SFRS(I) or SFRS(I)s	Singapore Financial Reporting Standards (International)
SGTI	Singapore Governance and Transparency Index
SGX	Singapore Exchange Limited
SGX-ST	Singapore Exchange Securities Trading Limited
SGX Listing Manual	Listing Manual of Singapore Exchange Securities Trading Limited
SID	Singapore Institute of Directors
Sponsor	Millennium & Copthorne Hotels Limited
sq m	square meters
SSAs	Singapore Standards on Auditing
Stapled Group	Stapled Group comprising the H-REIT Group and the HBT Group
Stapled Security(ies)	Stapled Unit(s) of H-REIT and HBT
Stapled Security Holders	Holders of Stapled Securities of CDLHT
Stapling Deed	The stapling deed dated 12 June 2006
STB	Singapore Tourism Board

GLOSSARY PAGE

SOPs	Standard Operating Procedures
SWC	Sustainability Working Committee
TAFEP	Tripartite Alliance for Fair and Progressive Employment Practices
TCFD	Task Force on Climate-related Financial Disclosures
Temporary Arrangement	Temporary rent abatement agreements for Pullman Hotel Munich and Hotel Cerretani Firenze
TMK	Tokutei Mokuteki Kaisha
UK Hotels	Portfolio hotels located in the United Kingdom namely Hilton Cambridge City Centre, The Lowry Hotel (Manchester), voco Manchester – City Centre, and Hotel Indigo Exeter
W Hotel	W Singapore – Sentosa Cove
WALE	Weighted Average Lease Expiry
YOY or yoy	Year-on-Year

NOTICE OF ANNUAL GENERAL MEETINGS

CDL HOSPITALITY TRUSTS

A stapled group comprising:
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

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

NOTICE OF ANNUAL GENERAL MEETINGS

NOTICE IS HEREBY GIVEN that the Annual General Meetings ("**Meetings**") of the unitholders of CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and CDL Hospitality Business Trust ("**HBT**") will be convened and held at Waterfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 24 April 2025 at 2.30 p.m. for the following business:

(A) AS ORDINARY BUSINESS

1. To receive the Report of M&C Business Trust Management Limited, as trustee-manager of HBT (the "**HBT Trustee-Manager**"), the Statement by the Chief Executive Officer of the HBT Trustee-Manager, the Report of DBS Trustee Limited, as trustee of H-REIT (the "**H-REIT Trustee**"), the Report of M&C REIT Management Limited, as manager of H-REIT (the "**H-REIT Manager**", and together with the HBT Trustee-Manager, the "**Managers**") and the Audited Financial Statements of HBT, H-REIT and CDL Hospitality Trusts ("**CDLHT**") for the year ended 31 December 2024 and the Auditors' Report thereon.

(Ordinary Resolution 1)

2. To re-appoint Messrs KPMG LLP as the Independent Auditors of H-REIT and HBT and to hold office until the conclusion of the next Annual General Meetings of H-REIT and HBT, and to authorise the H-REIT Manager and the HBT Trustee-Manager to fix their remuneration.

(Ordinary Resolution 2)

(B) AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following resolution:

3. That authority be and is hereby given to the H-REIT Manager and the HBT Trustee-Manager, to

(a) (i) issue new units in H-REIT ("**H-REIT Units**") and new units in HBT ("**HBT Units**", together with H-REIT Units, the "**Stapled Securities**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities, at any time and upon such terms and conditions and for such purposes and to such persons as the H-REIT Manager and the HBT Trustee-Manager may in their absolute discretion deem fit; and

(b) issue Stapled Securities in pursuance of any Instruments made or granted by the H-REIT Manager and the HBT Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

(1) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Stapled Securities to be issued other than on a *pro rata* basis to Stapled Security Holders shall not exceed twenty per cent (20%) of the total number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETINGS

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (1) above, the total number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) shall be based on the number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Stapled Security arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;

(3) in exercising the authority conferred by this Resolution, the H-REIT Manager and the HBT Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Business Trusts Act 2004 of Singapore for the time being in force, the trust deed constituting H-REIT (as amended) (the "**H-REIT Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the trust deed constituting HBT (as amended) (the "**HBT Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Stapled Security Holders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meetings of H-REIT and HBT or (ii) the date by which the next Annual General Meetings of H-REIT and HBT are required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the H-REIT Manager and the HBT Trustee-Manager are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments are issued; and

(6) the H-REIT Manager, the H-REIT Trustee and the HBT Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the H-REIT Manager, the H-REIT Trustee or, as the case may be, the HBT Trustee-Manager may consider expedient or necessary or in the interest of H-REIT and HBT to give effect to the authority conferred by this Resolution.

(Ordinary Resolution 3)

(Please see Explanatory Note below)

AS OTHER BUSINESS

To transact such other business as may be transacted at the Meetings.

BY ORDER OF THE BOARD
M&C REIT Management Limited
(as manager of CDL Hospitality Real Estate Investment Trust)

Enid Ling Peek Fong
Soo Lai Sun
Company Secretaries

Singapore
25 March 2025

BY ORDER OF THE BOARD
M&C Business Trust Management Limited
(as trustee-manager of CDL Hospitality Business Trust)

Enid Ling Peek Fong
Soo Lai Sun
Company Secretaries

Singapore
25 March 2025

NOTICE OF ANNUAL GENERAL MEETINGS

Important Notice:

1. Format of Meetings

The Meetings will be held in a wholly physical format at Waterfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 24 April 2025 at 2.30 p.m. Stapled Security Holders, including Central Provident Fund ("**CPF**")/ Supplementary Retirement Scheme ("**SRS**") investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Meetings by attending the Meetings in person. There will be no option for Stapled Security Holders to participate virtually.

Printed copies of this Notice and the accompanying Proxy Form; and the Notification & Request Form are sent by post to Stapled Security Holders. These documents will also be published on CDLHT's website at https://investor.cdlht.com/agm-egm.html and the SGX-ST website at https://www.sgx.com/securities/company-announcements.

2. Access to Documents

The Annual Report for the financial year ended 31 December 2024 and Audited Financial Statements of the HBT Trustee-Manager have been published and may be accessed at CDLHT's website at https://investor.cdlht.com/ar.html.

The above documents may also be accessed on the SGX website at https://www.sgx.com/securities/company-announcements. Stapled Security Holders may request for printed copies of these documents in the following manner:

(a) by completing and submitting the Notification & Request Form sent to them by post to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) by completing and submitting the Notification & Request Form via email to Stapled Security Registrar at CDLHT@boardroomlimited.com

in either case, by no later than 5.00 p.m. on Wednesday, 2 April 2025.

3. Submission of Questions

Stapled Security Holders (including CPF and SRS investors) may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Meetings, in advance of the Meetings, in the following manner:

(a) via email to the Managers, at agm2025@cdlht.com; or

(b) by post to CDL Hospitality Trusts, 390 Havelock Road, #02-06 King's Centre, Singapore 169662.

When submitting questions, Stapled Security Holders should provide the following details for authentication: (a) their full name; (b) their NRIC/Passport Number; (c) their address; (d) number of Stapled Securities held; and (e) the manner in which the Stapled Securities are held (e.g., via CDP, CPF or SRS, and/or scrip based).

All questions must reach the Managers by **5.00 p.m. on Thursday, 10 April 2025.**

The Managers will address substantial and relevant questions (which are related to the Annual Report and other agenda items set out in the Notice of Meetings) received from Stapled Security Holders in advance of the Meetings by publishing the Managers' responses to such questions on CDLHT's website at https://investor.cdlht.com/agm-egm.html and on SGX-ST website at https://www.sgx.com/securities/company-announcements before trading hours on Thursday, 17 April 2025.

Stapled Security Holders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives, can also ask substantial and relevant questions related to the resolutions to be tabled for approval at the Meetings, at the Meetings themselves.

NOTICE OF ANNUAL GENERAL MEETINGS

4. *Appointment of Proxy(ies)*

(a) A Stapled Security Holder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies. Where such Stapled Security Holder's proxy form appoints more than one proxy, the proportion of the stapled security holding concerned to be represented by each proxy shall be specified in the proxy form.

(b) A Stapled Security Holder who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different stapled security or stapled securities held by such Stapled Security Holder. Where such Stapled Security Holder's proxy form appoints more than two proxies, the number and class of stapled securities in relation to which each proxy has been appointed shall be specified in the proxy form.

"**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or

(iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

A proxy need not be a Stapled Security Holder. A Stapled Security Holder may choose to appoint the Chairman of the Meetings as his/her/its proxy.

The proxy form must be submitted to the Managers in the following manner:

(a) if submitted by post, be deposited at the office of the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, via email to the Stapled Security Registrar at CDLHT@boardroomlimited.com,

in either case, by 2.30 p.m. on Tuesday, 22 April 2025, being not less than 48 hours before the time for holding the Meetings.

A Stapled Security Holder who wishes to submit a proxy form by post or via email can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from CDLHT's website or the SGX-ST website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Completion and return of the proxy form shall not preclude a Stapled Security Holder from attending and voting at the Meetings. Any appointment of a proxy or proxies shall be deemed to be revoked if a Stapled Security Holder attends the Meetings in person, and in such event, the H-REIT Manager and the HBT Trustee-Manager reserve the right to refuse to admit any person or persons appointed under the proxy form, to the Meetings.

CPF and SRS investors:

(a) may vote at the Meetings if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meetings as proxy to vote on their behalf at the Meetings, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Thursday, 10 April 2025.

NOTICE OF ANNUAL GENERAL MEETINGS

Explanatory Note on Ordinary Resolution 3:

The Ordinary Resolution 3 above, if passed, will empower the H-REIT Manager and the HBT Trustee-Manager from the date of the Meetings until the date of the next Annual General Meetings of H-REIT and HBT, to issue Stapled Securities and to make or grant Instruments (such as securities, warrants or debentures) convertible into Stapled Securities and issue Stapled Securities pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) of which up to 20% of the total number of issued Stapled Securities (excluding treasury H-REIT Units and treasury HBT Units, if any) may be issued other than on a *pro rata* basis to Stapled Security Holders.

The Ordinary Resolution 3 above, if passed, will also empower the H-REIT Manager and the HBT Trustee-Manager from the date of the Meetings until the date of the next Annual General Meetings of H-REIT and HBT, to issue Stapled Securities as either full or partial payment of fees which the H-REIT Manager and the HBT Trustee-Manager are entitled to receive for their own accounts pursuant to the H-REIT Trust Deed and the HBT Trust Deed respectively.

For determining the aggregate number of Stapled Securities that may be issued, the percentage of issued Stapled Securities will be calculated based on the issued Stapled Securities at the time the Ordinary Resolution 3 above is passed, after adjusting for new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Stapled Securities.

Fund raising by issuance of new Stapled Securities may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Stapled Security Holders is required under the Listing Manual of SGX-ST and the H-REIT Trust Deed and the HBT Trust Deed or any applicable laws and regulations in such instances, the H-REIT Manager and the HBT Trustee-Manager will then obtain the approval of Stapled Security Holders accordingly.

PERSONAL DATA PRIVACY:

By (i) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meetings and/or any adjournment thereof, or (ii) submitting any questions prior to the Meetings in accordance with this Notice, a Stapled Security Holder consents to the collection, use and disclosure of the Stapled Security Holder's personal data by the H-REIT Manager and the HBT Trustee-Manager (or their agents or service providers) for the following purposes:

(a) processing and administration by the H-REIT Manager and the HBT Trustee-Manager (or their agents or service providers) of proxies and representatives appointed for the Meetings (including any adjournment thereof);

(b) preparation and compilation of the attendance lists, minutes and other documents relating to the Meetings (including any adjournment thereof);

(c) addressing relevant and substantial questions from Stapled Security Holders received before the Meetings and if necessary, following up with the relevant Stapled Security Holders in relation to such questions; and

(d) enabling the H-REIT Manager and the HBT Trustee-Manager (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities,

and warrants that where the Stapled Security Holder discloses the personal data of the Stapled Security Holder's proxy(ies) and/or representative(s) to the H-REIT Manager or the HBT Trustee-Manager (or their agents), the Stapled Security Holder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the H-REIT Manager and the HBT Trustee-Manager (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the abovementioned purposes.

CDL HOSPITALITY TRUSTS
A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

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

PROXY FORM
ANNUAL GENERAL MEETINGS

IMPORTANT
1. The Annual General Meetings (the "**Meetings**") are being convened, and will be held at Waterfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 24 April 2025 at 2.30 p.m. There will be no option for Stapled Security Holders to participate virtually.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy/proxies.
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors. CPF and SRS investors (a) may vote at the Meetings if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meetings as proxy to vote on their behalf at the Meetings, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 10 April 2025.
4. By submitting a form appointing a proxy/proxies, the Stapled Security Holder accepts and agrees to the personal data privacy terms set out in the Notice of Meetings dated 25 March 2025.

I/We ____________________ (name)

with NRIC/Passport/Company Registration No. ____________________

of ____________________ (Address)
being a holder/s of units in CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and CDL Hospitality Business Trust ("**HBT**") (collectively, "**Stapled Securities**"), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Stapled Security Holdings	
			Number	%

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Stapled Security Holdings	
			Number	%

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Meetings of H-REIT and HBT to be held at Waterfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Thursday, 24 April 2025 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Meetings as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolution	No. of votes For [1]	No. of votes Against [1]	No. of votes Abstain [2]
ORDINARY BUSINESS				
1.	Receipt of the HBT Trustee-Manager's Report, the Statement by the Chief Executive Officer of the HBT Trustee-Manager, the H-REIT Trustee's Report, the H-REIT Manager's Report and the Audited Financial Statements of HBT, H-REIT and CDL Hospitality Trusts for the year ended 31 December 2024 and the Auditors' Report thereon.			
2.	Re-appointment of KPMG LLP as the Independent Auditors and authorisation of the H-REIT Manager and the HBT Trustee-Manager to fix their remuneration.			
SPECIAL BUSINESS				
3.	Authority to issue Stapled Securities and to make or grant convertible instruments.			

Dated this ________ day of ______________ 2025

Total number of Stapled Securities held

____
Signature(s) of Stapled Security Holder(s) or
Common Seal of Corporate Stapled Security Holder(s)

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM OVERLEAF

[1] Voting on all resolutions will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against", please indicate with an 'X' within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution.
[2] If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an 'X' within the "Abstain" box provided in respect of that resolution.

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Notes:

1. Please insert the total number of Stapled Securities held by you. If you have Stapled Securities entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Stapled Securities. If you have Stapled Securities registered in your name in the Register of Stapled Security Holders of CDLHT, you should insert that number of Stapled Securities. If you have Stapled Securities entered against your name in the said Depository Register and registered in your name in the Register of Stapled Security Holders of CDLHT, you should insert the aggregate number of Stapled Securities. If no number is inserted, this form of proxy will be deemed to relate to all the Stapled Securities held by you.
2. (a) A Stapled Security Holder who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such Stapled Security Holder's proxy form appoints more than one proxy, the proportion of the stapled security holding concerned to be represented by each proxy shall be specified in the proxy form.

   (b) A Stapled Security Holder who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different stapled security or stapled securities held by such Stapled Security Holder. Where such Stapled Security Holder's proxy form appoints more than two proxies, the number and class of stapled securities in relation to which each proxy has been appointed shall be specified in the proxy form.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Stapled Security Holder.

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4. The proxy form must be submitted to the H-REIT Manager and HBT Trustee-Manager in the following manner:

   (i) if submitted by post, be deposited at the office of the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) if submitted electronically, via email to the Stapled Security Registrar at CDLHT@boardroomlimited.com,

   in either case, by 2.30 p.m. on 22 April 2025, being not less than 48 hours before the time for holding the Meetings. A Stapled Security Holder who wishes to submit a proxy form by post or via email can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from CDLHT's website or the SGX-ST website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
5. Completion and return of this proxy form shall not preclude a Stapled Security Holder from attending and voting at the Meetings. Any appointment of a proxy or proxies shall be deemed to be revoked if a Stapled Security Holder attends the Meetings in person, and in such event, the H-REIT Manager and HBT Trustee-Manager reserve the right to refuse to admit any person or persons appointed under this proxy form to the Meetings.
6. The proxy form must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the H-REIT Manager and the HBT Trustee-Manager) be lodged with the proxy form; failing which the proxy form may be treated as invalid.
8. The H-REIT Manager and the HBT Trustee-Manager shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form (including any related attachment). In addition, in the case of a Stapled Security Holder whose stapled securities entered into the Depository Register, the H-REIT Manager and the HBT Trustee-Manager may reject any form of proxy lodged if the Stapled Security Holder, being the appointor, is not shown to have Stapled Securities entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Meetings, as certified by The Central Depository (Pte) Limited to the H-REIT Manager and the HBT Trustee-Manager.
9. All Stapled Security Holders will be bound by the outcome of the Meetings regardless of whether they have attended or voted at the Meetings.

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CDL Hospitality Trusts
(a Stapled Group comprising CDL Hospitality Real Estate Investment Trust
and CDL Hospitality Business Trust)

c/o The Stapled Security Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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CORPORATE DIRECTORY

CDL HOSPITALITY TRUSTS

A Stapled Group comprising H-REIT, a real estate investment trust, and HBT, a business trust

MANAGER OF H-REIT

M&C REIT Management Limited
(Co. Reg. No. 200607091Z)

Registered Address:
9 Raffles Place
#12-01 Republic Plaza
Singapore 048619
Telephone: (65) 6877 8228
Facsimile: (65) 6225 4959

Office Address:
390 Havelock Road
#02-06 King's Centre
Singapore 169662
Telephone: (65) 6664 8888
Facsimile: (65) 6732 2868
Email: enquiries@cdlht.com
Website: www.cdlht.com

TRUSTEE-MANAGER OF HBT

M&C Business Trust Management Limited
(Co. Reg. No. 200607118H)

Registered Address:
9 Raffles Place
#12-01 Republic Plaza
Singapore 048619
Telephone: (65) 6877 8228
Facsimile: (65) 6225 4959

Office Address:
390 Havelock Road
#02-06 King's Centre
Singapore 169662
Telephone: (65) 6664 8888
Facsimile: (65) 6732 2868
Email: enquiries@cdlht.com
Website: www.cdlht.com

DIRECTORS OF THE MANAGER OF H-REIT AND THE TRUSTEE-MANAGER OF HBT

Chan Soon Hee, Eric
Chairman and Independent Non-Executive Director

Vincent Yeo Wee Eng
Chief Executive Officer and Executive Director

Foo Say Mui (Bill)
Lead Independent Non-Executive Director

Kenny Kim
Independent Non-Executive Director

Cheah Sui Ling
Independent Non-Executive Director

Kwek Eik Sheng
Non-Independent Non-Executive Director

Eng Chin Chin
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE OF THE MANAGER OF H-REIT AND THE TRUSTEE-MANAGER OF HBT

Foo Say Mui (Bill) (Chairman)
Kenny Kim
Cheah Sui Ling
Eng Chin Chin

NOMINATING AND REMUNERATION COMMITTEE OF THE MANAGER OF H-REIT AND THE TRUSTEE-MANAGER OF HBT

Chan Soon Hee, Eric (Chairman)
Foo Say Mui (Bill)
Cheah Sui Ling

BOARD SUSTAINABILITY COMMITTEE OF THE MANAGER OF H-REIT AND THE TRUSTEE-MANAGER OF HBT

Foo Say Mui (Bill) (Chairman)
Vincent Yeo Wee Eng
Cheah Sui Ling

TRUSTEE OF H-REIT

DBS Trustee Limited
12 Marina Boulevard
Level 44 DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982
Telephone: (65) 6878 8888
Facsimile: (65) 6878 3977

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

(Partner-in-charge: Karen Lee Shu Pei,
appointment commenced from the audit of
the financial statements for the year ended
31 December 2021)

STAPLED SECURITY REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360

LEGAL ADVISER

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989
Telephone: (65) 6890 7188
Facsimile: (65) 6327 3800

COMPANY SECRETARIES OF THE MANAGER OF H-REIT AND THE TRUSTEE-MANAGER OF HBT

Enid Ling Peek Fong
Soo Lai Sun

CDL HOSPITALITY TRUSTS

M&C REIT Management Limited
(As Manager of CDL Hospitality Real Estate Investment Trust)
and
M&C Business Trust Management Limited
(As Trustee-Manager of CDL Hospitality Business Trust)

390 Havelock Road
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Tel (65) 6664 8888
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