CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **30 JAN 2024**

CDL HOSPITALITY TRUSTS REGISTERS 1.2% YOY INCREASE IN DPS TO 5.70 CENTS FOR FY 2023

- **Broad improvement in operational results for FY 2023, with RevPAR growth recorded across virtually all portfolio markets**
- **2H 2023 NPI increased by 3.7% year-on-year to S$75.5 million**
- **Highest FY RevPAR achieved by 5 hotels: W Hotel, Hotel MyStays Asakusabashi, Hilton Cambridge City Centre, The Lowry Hotel and Hotel Cerretani Firenze**
- **The Castings (UK BTR under development) is expected to open in a strong leasing market in mid-2024**

***Singapore, 30 January 2024* –** CDL Hospitality Trusts ("**CDLHT**" or the "**Group**"), a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), a real estate investment trust, and CDL Hospitality Business Trust ("**HBT**"), a business trust, today announced its results for the six months ("**2H 2023**") and full year ("**FY 2023**") ended 31 December 2023.

Financial Highlights:

	1 Jul 2023 to 31 Dec 2023 S$'000 ("2H 2023")	1 Jul 2022 to 31 Dec 2022 S$'000 ("2H 2022")	Increase/ (Decrease) (%)	1 Jan 2023 to 31 Dec 2023 S$'000 ("FY 2023")	1 Jan 2022 to 31 Dec 2022 S$'000 ("FY 2022")	Increase/ (Decrease) (%)
Revenue	138,334	130,711	5.8	257,556	229,356	12.3
Net property income ("NPI")	75,450	72,753	3.7	138,304	123,719	11.8
Income to be distributed to Stapled Securityholders (after retention)	30,284	39,358	(23.1)	58,261	63,341	(8.0)
Capital Distribution[1]	9,484	5,154	84.0	12,709	6,372	99.5
Total distribution to Stapled Securityholders (after retention)	39,768	44,512	(10.7)	70,970	69,713	1.8
Total distribution per Stapled Security (after retention)[2] ("DPS")(cents)	3.19	3.59	(11.1)	5.70	5.63	1.2

Six months period ended 31 December 2023

Recovery in global travel continued in 2H 2023, which led to positive momentum in RevPAR growth across virtually all the portfolio markets.

For 2H 2023, NPI increased by 3.7% (or S$2.7 million) year-on-year ("**yoy**") to S$75.5 million in tandem with the 5.8% yoy increase in gross revenue. Improvement was recorded throughout the portfolio except for lower NPI from Singapore and Perth.

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

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Total distribution to Stapled Securityholders (after retention for working capital) for 2H 2023 was S$39.8 million and DPS was 3.19 cents, a decrease of 10.7% and 11.1% yoy respectively, due to higher interest costs.

Twelve months period ended 31 December 2023

According to the UNWTO World Tourism Barometer, international tourism ended 2023 at 88% of pre-pandemic levels[3]. In line with the global travel recovery, CDLHT recorded an improvement across most of its portfolio markets in FY 2023. Bolstered by a higher revenue, NPI increased by 11.8% or S$14.6 million yoy to S$138.3 million for FY 2023. There was higher NPI contribution in FY 2023 from all portfolio markets, except for New Zealand and the Maldives.

Interest costs for 2H 2023 and FY 2023 increased mainly due to higher funding costs on the Group's floating rate loans and on refinancing of fixed rate loans, as well as interest expenses incurred on additional amounts drawn to finance asset enhancement works. Interest expense incurred on the UK BTR development project was capitalised and did not affect distribution.

Total distribution to Stapled Securityholders (after retention for working capital) for FY 2023 was S$71.0 million and DPS was 5.70 cents, representing an increase of 1.8% and 1.2% yoy respectively.

As at 31 December 2023, CDLHT's total portfolio value increased by 7.8% or S$231.4 million yoy to S$3.2 billion. On a same store basis, excluding UK BTR, the total portfolio value increased by 5.5% or S$159.6 million yoy, mainly driven by higher valuation of the Singapore portfolio. These revaluation gains do not have any impact on the distribution to Stapled Securityholders.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "While international travellers from China have yet to fully return, global travel continued to recover in 2023. In Singapore, our core market, the hospitality sector witnessed remarkable growth in the first three quarters of 2023, building on the momentum of the strong rebound in 2022. In the final quarter, the pent-up demand that fuelled the industry's resurgence began to normalise, in contrast to the fervour experienced in 2022."

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

Mr Yeo added, "In a year where acquisitions were difficult because of high borrowing costs, we executed strategic asset enhancement opportunities to fortify the competitive edge of our hotels, positioning them for continued success."

As at 31 December 2023, CDLHT has a gearing of 36.7% and debt headroom of S$835.0 million (at 50% gearing limit), with S$308.3 million of cash and undrawn committed revolving credit and term loan facilities and S$400.0 million in uncommitted bridge loan facilities.

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

Portfolio Update

Singapore

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

	2H 2023	2H 2022	Better/ (Worse)	FY 2023	FY 2022	Better/ (Worse)
Average Occupancy Rate	83.1%	86.8%	*(3.7)pp*	76.2%	76.1%	*0.1pp*
Average Daily Rate ("ADR")	S$261	S$241	*8.1%*	S$260	S$219	*18.8%*
Revenue per Available Room ("RevPAR")	S$217	S$209	*3.5%*	S$198	S$166	*19.0%*

For CDLHT's Singapore Hotels, moderation in the demand in the fourth quarter pared down RevPAR growth in 2H 2023 to 3.5% yoy. 4Q 2022 was a period of strong pent-up demand, driven by citywide events and conventions. While this extraordinary demand has normalised in the last quarter, it is noteworthy that for 4Q 2023, RevPAR for the Singapore Hotels grew by 12.0% on a same store sales basis[4] driven by an ADR growth of 21.4% against 4Q 2019.

Higher property tax across the Singapore Hotels and increased operating costs from payroll and utilities across some hotels resulted in lower NPI for the Singapore Hotels by 5.6% (or S$2.6 million) yoy to S$44.4 million for 2H 2023. For context, the NPI for the 5 M&C Singapore hotels (W Hotel was excluded as the hotel was not part of the portfolio in 2H 2019) was 12.3% higher in 2H 2023 against pre-pandemic 2H 2019.

In YTD Nov 2023, Singapore recorded a total of 12.4 million visitor arrivals, a significant increase from the 5.4 million recorded in YTD Nov 2022. This represents 71.1% of YTD Nov 2019 arrivals, with visitor days recovering to 80.3% of pre-pandemic levels due to an increase in average length of stay from 3.4 days in YTD Nov 2019 to 3.8 days in YTD Nov 2023[5]. Despite the recovery in inbound travel, visitors from China, Singapore's biggest pre-pandemic inbound market, have only reached 36.8% of YTD Nov 2019's arrivals. A mutual 30-day visa-waiver arrangement between Singapore and China, which will commence on 9 February 2024[6], just ahead of the Chinese New Year holidays, could support the return of Chinese travellers.

Marking an important milestone for Singapore's airport infrastructure, the expansion of Terminal 2 at Changi Airport was completed in November 2023, increasing its passenger capacity by five million. This brings the airport's operating capacity to 90 million passengers annually across its four terminals, well-positioned to capture the anticipated growth in air travel in the coming years.

In 2024, major events on the calendar include the Singapore Airshow in February, followed by FHA-Food & Beverage, Asia Tech x Singapore and 2024 Rotary International Convention in 2Q 2024. This is coupled with the country's robust line up of concerts that is expected to drive demand from key source markets. These events will further enhance Singapore's appeal as a tourism destination, attracting travellers from neighbouring countries.

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[4] On a proforma basis for comparability, assuming CDLHT owns W Hotel from 1 October 2019.
[5] Singapore Tourism Analytics Network
[6] The Straits Times, "Singapore-China mutual visa exemption to start on Feb 9 in time for CNY holidays", 25 January 2024

Overseas Markets

Grand Millennium Auckland continued to navigate the recovery trajectory with most of the growth materialising towards the end of the year, resulting in a RevPAR growth of 37.6% yoy in 2H 2023. The hotel faced a gestation period in 2H 2022 after its exit from the government contract in early June 2022, which was prolonged partly due to the slow recovery of international and Trans-Tasman flight capacities. 2H 2023 operating expenses increased by S$2.0 million (or NZ$2.9 million) yoy following the hotel's exit from the government isolation program and the return to normalised operational processes. Accordingly, the New Zealand Hotel recorded a yoy NPI growth of 3.5% (or S$0.1 million) yoy in 2H 2023. Tourism New Zealand continues to focus on attracting high quality visitors who spend more, stay longer, visit multiple regions and travel throughout the year.

The Perth Hotels achieved a RevPAR growth of 5.8% yoy in 2H 2023 driven by an increase in average rates. This improvement came on the back of strong yoy RevPAR growth of 17.8% in the fourth quarter, following a recovery in citywide events with an enhanced concert and sporting events schedule. However, inflationary cost pressures and higher non-operating administrative expenses, compounded with the weaker AUD, led to a 11.0% (or S$0.3 million) yoy decline in NPI for 2H 2023. It is noteworthy that against 2H 2019, RevPAR and NPI improved by 15.2% and 7.2% respectively for the Perth Hotels. Overall, compared to FY 2022, the higher average rates contributed to a remarkable 39.4% (or S$1.2 million) yoy growth in NPI for FY 2023. For the year ahead, Western Australia's tourism recovery continues to be supported by improving flight connectivity and various tourism initiatives.

In Japan, the surge in demand became apparent after the full lifting of restrictions on foreign arrivals in October 2022[7]. Leveraging the strong recovery in inbound travel, the Japan Hotels achieved exceptional growth in RevPAR and NPI for 2H 2023, at 74.9% and 114.7% yoy respectively. Despite the slower return of Chinese tourists, a key market for Japan, the hotels reported RevPAR improvement of 12.6% over FY 2019. The Japan Hotels achieved record full year average rate and RevPAR since acquisition of ¥10,138 and ¥8,838 respectively. Japan's tourism sector's strong recovery is anticipated to persist, bolstered by the country's growing popularity as a travel destination.

The Maldives Resorts reported a 1.8% yoy increase in RevPAR for 2H 2023. The Maldives achieved a 10.1% yoy growth in visitor arrivals in 2H 2023, affirming its popularity as a travel destination amidst competition from alternative island destinations such as Seychelles, Mauritius, and Thailand. However, resorts in the Maldives faced challenges amid an uptick in supply. Angsana Velavaru recognised a minimum rent of S$4.0 million (US$3.0 million) in 2H 2023 amid a seasonally weaker period. Raffles Maldives Meradhoo registered an occupancy-driven RevPAR improvement of 3.0% yoy. This was against the backdrop of geopolitical issues affecting its luxury source markets such as Russia and the Middle East. Overall, the Maldives Resorts posted higher NPI of 46.3% (or S$0.8 million) yoy in 2H 2023. Despite competitive pressures and geopolitical tensions, the resurgence of the Chinese market, the largest inbound source pre-pandemic in 2019, could support future demand.

In the UK, Hilton Cambridge City Centre and The Lowry Hotel achieved a 4.1% yoy RevPAR growth in 2H 2023. Hilton Cambridge City Centre achieved its highest-ever average rate and RevPAR of £185 and £132, respectively, for FY 2023 since acquisition. The Lowry Hotel also reached its highest-ever RevPAR of £135 for any reporting year. The fixed rent for Hotel Brooklyn saw a 5.0% increase (annual inflation-linked adjustment) to £2.5 million (S$4.3 million) for the rental period of 7 May 2023 to 6 May 2024. Collectively, NPI from the UK portfolio increased by 15.4% (or S$1.2 million) yoy for 2H 2023. According to the VisitBritain forecast, inbound visits for 2024 are forecasted at 39.5 million, representing 97% of the 2019 level and 5% higher than in 2023[8].

In Germany, Pullman Hotel Munich experienced a 7.9% yoy decline in RevPAR for 2H 2023, compared to 2H 2022 which was boosted by major events such as the European Championships, a multi-sport event

[7] Kyodo News, "Japan scraps COVID border controls in hopes of reviving tourism boom", 11 October 2022
[8] VisitBritain, "2024 inbound tourism forecast", 20 December 2023

held in August 2022, and the triennial bauma construction and mining trade fair in October 2022. The hotel recorded a 39.1% (or S$1.7 million) yoy increase in NPI for 2H 2023, attributed to the recognition of S$2.8 million (€1.9 million) in variable rent above the accounting straight-line base rent. In 2H 2022, the variable rent recognised was lower at S$1.9 million (€1.3 million) due to the clawback by the lessee on its cumulative losses suffered during the pandemic as part of a temporary rent rebate agreement.

Benefiting from robust inbound and domestic demand, Hotel Cerretani Firenze showcased impressive performance in RevPAR for 2H 2023, which improved by 32.7% yoy and 49.3% against 2H 2019. The hotel also achieved record-breaking full-year average rate and RevPAR in 2023 since its acquisition, reaching €297 and €223, respectively. Consequently, NPI grew by 18.3% (or S$0.4 million) yoy for 2H 2023.

Hotel demand in Munich and Florence will continue to be supported by a general recovery in travel and events. In Munich, major events on the calendar for 2024 include the European Football Championship, Oktoberfest and concerts. In Florence, the events calendar for 2024 kicked off with the world-famous fashion fair, Pitti Immagine in January, which is followed by a healthy line up of events and festivals scheduled over the following months.

Mr Yeo concluded, "The year 2023 was a challenging one where we were pleased to achieve growth amidst a difficult economy and an elevated interest rate environment. The prospects for our portfolio hotels continue to be healthy while interest rates have shown signs of peaking. In 2024, we also look forward to the completion of The Castings, our Manchester residential Build-to-Rent project, which is anticipated to open around mid-year. We will continue to pursue suitable acquisitions to diversify and augment income streams while being vigilant to divestment opportunities that unlock asset values."

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CDL HOSPITALITY TRUSTS

About CDL Hospitality Trusts

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$3.3 billion as at 31 December 2023. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), a real estate investment trust, and CDL Hospitality Business Trust ("**HBT**"), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT's principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. As at 31 December 2023, CDLHT's portfolio comprises 19 operational properties (including a total of 4,820 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the portfolio include:

(i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore – Sentosa Cove (the "**W Hotel**" and collectively, the "**Singapore Hotels**") as well as a retail mall adjoining Orchard Hotel (Claymore Connect);

(ii) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland (the "**New Zealand Hotel**");

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

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

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

(vi) three hotels in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and Hotel Brooklyn in Manchester (collectively, the "**UK Hotels**") and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (the "**UK BTR**");

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

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