A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

and

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS
OPERATIONAL UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 2022

1. Review of Performance for the First Quarter Ended 31 March 2022

1.1 Breakdown of Total Revenue by Geography

	1 Jan 2022 to 31 Mar 2022 ("1Q 2022") S$'000	1 Jan 2021 to 31 Mar 2021 ("1Q 2021") S$'000	Increase/ (Decrease) (%)
Master Leases			
Singapore			
- Hotels	8,743	8,149	7.3
- Claymore Connect	1,137	857	32.7
Maldives	3,471	2,027	71.2
Australia	-	1,200	N.M
New Zealand	4,877	6,450	(24.4)
Germany[1]	1,806	2,191	(17.6)
Italy[2]	407	431	(5.6)
United Kingdom	454	-	N.M
	20,895	21,305	(1.9)
Managed Hotels			
Singapore	8,846	6,584	34.4
Maldives	6,108	4,428	37.9
Australia	1,931	-	N.M
Japan	880	801	9.9
United Kingdom	7,574	850	N.M
	25,339	12,663	N.M
Total	**46,234**	**33,968**	**36.1**

[1] In April 2021, CDLHT entered into a lease amendment agreement with the lessee of the Germany Hotel to restructure the rental arrangement. Under the lease amendment, the base rent ("**Restructured Rent**") was €0.6 million in 2021, stepping up annually to €1.2 million in 2022, €1.8 million in 2023, and to €2.4 million in 2024, before reverting to the original base rent of €3.6 million per annum in 2025. Notwithstanding this Restructured Rent arrangement, under SFRS(I) 16/ FRS 116 *Leases*, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S$4.7 million (€3.1 million) per year or S$1.2 million (€0.8 million) per quarter.

[2] In December 2020, CDLHT entered into a lease amendment agreement with the lessee of the Italy Hotel to restructure the rental arrangement. Under the lease amendment, the base rent ("**Restructured Rent**") was €0.2 million in 2020, stepping up annually to €0.9 million in 2024, before reverting to the original base rent level of €1.3 million per annum in 2025. Notwithstanding this Restructured Rent arrangement, under SFRS(I) 16/ FRS 116 *Leases*, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S$1.6 million (€1.1 million) per year or S$0.4 million (€0.3 million) per quarter.

1.2 Breakdown of NPI by Geography

	1Q 2022 S$'000	1Q 2021 S$'000	Increase/ (Decrease) (%)
Singapore			
- Hotels	10,043	8,100	24.0
- Claymore Connect	673	305	N.M
Maldives	5,503	3,145	75.0
Australia	(581)	1,200	N.M
New Zealand	4,877	6,450	(24.4)
Germany	1,613	675	N.M
Italy	286	332	(13.9)
Japan	22	96	(77.1)
United Kingdom	1,772	(542)	N.M
Total	**24,208**	**19,761**	**22.5**

1.3 Statistics for CDLHT's Hotels

Singapore Hotels Statistics

	1Q 2022*	1Q 2021*	Increase/ (Decrease)
Average Occupancy Rate	54.5%	69.9%	(15.4)pp
Average Daily Rate	S$174	S$96	80.6%
RevPAR	S$95	S$67	40.7%

** There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. This increased from 146 rooms to 215 rooms from 7 February 2022, as the hotel re-commenced refurbishment works following its exit from the government contract business. Excluding the out-of-order rooms, for 1Q 2022 and 1Q 2021, occupancy would be 58.7% and 74.1% respectively, while RevPAR would be S$102 and S$71 respectively.*

Overseas Hotels – RevPAR by Geography

	1Q 2022	1Q 2021	Increase/ (Decrease) (%)
Maldives (US$)	519	313	65.6
Australia (A$)	33	54	(39.3)
New Zealand (NZ$)	175	186	(6.0)
Germany (€)	24	8	N.M
Italy (€)**	57	-	N.M
Japan (¥)	3,084	2,412	27.9
United Kingdom (£)	86	10	N.M

*** Hotel Cerretani Firenze closed from 30 October 2020 to 26 May 2021 amidst border travel restrictions which heavily curtailed demand.*

1.4 Review of Performance

First Quarter Ended 31 March 2022

COVID-19 related travel restrictions have eased in majority of the geographies, with varying pace of recovery observed in different markets. Driven by increased occupancies and rate recovery, CDL Hospitality Trusts ("**CDLHT**" or the "**Group**") recorded RevPAR growth across the majority of the portfolio. Accordingly, the Group's gross revenue and NPI in 1Q 2022 increased by 36.1% and 22.5% year-on-year ("**yoy**") to S$46.2 million and S$24.2 million respectively.

For 1Q 2022, RevPAR for the Singapore Hotels increased by 40.7% yoy, driven by average rate growth. Singapore recorded a total of 246,119 visitor arrivals for the first quarter of 2022, more than tripling the low base of 68,709 for the same period last year[3]. However, this constituted only 5.2% of the arrivals in 1Q 2019. Market demand is recovering gradually with staycations and corporate project groups still comprising the bulk of demand. Restrictions on weddings, meetings and social functions have further eased during the quarter. Two of CDLHT's Singapore Hotels continued to be used for isolation purposes in 1Q 2022 and W Hotel continued to experience strong leisure demand. Overall, NPI from the Singapore Hotels improved by 24.0% or S$1.9 million yoy for 1Q 2022.

In the Maldives, tourist arrivals for YTD March 2022 experienced a growth of 44.5% yoy[4], compared to the same period last year which still saw much of Western Europe under lockdown. Off the back of strong tourism recovery, the Maldives Resorts posted a RevPAR growth of 65.6% yoy and NPI improvement of 75.0% or S$2.4 million yoy for 1Q 2022.

The contribution from the Perth Hotels was based on actual trading performance for 1Q 2022, as compared to the fixed rent structure for 1Q 2021 before the expiry of the leases on 30 April 2021. Trading for the first two months of 2022 was impacted significantly due to the closed borders. Notwithstanding the re-opening of interstate and international borders into Western Australia ("**WA**") from early March 2022, inbound travel predominantly comprised friends and family visits, as state-wide restrictions (e.g. mandatory mask-wearing, capacity limits at sports events and concerts, etc.) remain in place. Correspondingly, the Perth Hotels traded at soft occupancies resulting in a RevPAR decline of 39.3% yoy for 1Q 2022. Collectively, the Australia portfolio recorded an NPI loss of S$0.6 million in 1Q 2022 as compared to the fixed rental income of S$1.2 million recorded in 1Q 2021.

In New Zealand, following the shortening of the quarantine period for returnees and the progressive lifting of border restrictions[5] for non-New Zealanders, there has been a significant reduction in room utilisation rate across all isolation facilities. As a result, Grand Millennium Auckland (operating as a managed isolation facility since July 2020), registered a RevPAR decrease of 6.0% yoy and a reduction in food and beverage revenue in 1Q 2022 due to the lower room utilisation rate. Accordingly, the New Zealand Hotel saw a decline of 24.4% or S$1.6 million yoy in NPI for the first quarter.

In Japan, the continued restrictions on entry of foreign nationals from November 2021 and the quasi state of emergency implemented towards the end of January 2022[6] continued to curtail demand for 1Q 2022. Compared to the same period in 2021 when Tokyo was placed under a full-fledged state of emergency, the Japan Hotels posted a RevPAR growth of 27.9% yoy supported by domestic leisure and corporate demand. As the RevPAR increase was occupancy driven, this has also resulted in an increase in operating costs and consequently a reduction in NPI.

After coming off a low base last year when Hilton Cambridge City Centre and The Lowry Hotel were only open to essential workers and elite sports teams during the lockdown in early January 2021[7], the hotels saw growth in RevPAR for 1Q 2022 to £86 as compared to £10 in 1Q 2021. This was despite the new 'Omicron' variant that affected the first two months of 2022, as consumer confidence quickly improved after all remaining domestic distancing restrictions ended on 24 February 2022[8]. The reporting quarter also included an inorganic contribution of S$0.4 million from the Hotel Brooklyn, which was acquired on 22 February 2022 and is under an inflation-adjusted fixed lease. In accordance with the annual rent review, the fixed rent of £2.3 million under the occupational lease will be increased to £2.4 million for the period from 7 May 2022 to 6 May 2023. Collectively, the UK portfolio registered a yoy growth of S$2.3 million in NPI for 1Q 2022, after recovering from the losses incurred in the same period last year.

[3] Singapore Tourism Analytics Network
[4] Ministry of Tourism, Republic of Maldives, Daily Updates 6 April 2022
[5] New Zealand Immigration, Reopening the New Zealand border
[6] Kyodo News, "Japan widens COVID quasi-emergency to 34 prefs. amid record new cases", 25 January 2022
[7] Gov.uk, "Prime Minister announces national lockdown", 4 January 2021
[8] Gov.uk, "Prime Minister sets out plan for living with COVID", 21 February 2022

In Germany, restrictions such as stadium capacity limits and a curfew on opening hours of restaurants were in place for most of 1Q 2022 due to 'Omicron' variant infection spikes. Combined with the prevalence of work-from-home company policies, demand continued to be muted. Despite this, Pullman Hotel Munich reported an improvement in RevPAR to €24 for 1Q 2022 after coming off an extremely low base of €8 for 1Q 2021 due to a nationwide 'lockdown light' that was in place prohibiting non-essential travel. For 1Q 2022, the hotel recorded an NPI increase of S$0.9 million yoy, mainly due to the recognition of an NPI of S$1.6 million on a straight-line basis and absence of an impairment loss of S$1.2 million recognised against the rental receivables in 1Q 2021.

While Hotel Cerretani Firenze was closed in 1Q 2021 amidst continuing travel restrictions, the hotel was operational throughout 1Q 2022 and posted a RevPAR of €57 for the quarter supported by the gradual return of domestic, inter-Europe and US leisure travel. Even though RevPAR increased, the NPI in 1Q 2022 was lower yoy mainly due to the depreciation of the Euro against the Singapore dollar as well as an increase in property taxes.

Claymore Connect, CDLHT's only retail mall, recorded a S$0.4 million yoy improvement in NPI due primarily to higher occupancy (committed occupancy as of 31 March 2022 was 85.8% as compared to 79.4% as at 31 March 2021), reduced rental rebates and the improvement in variable rent collected due to higher trading revenue from tenants as a result of the relaxation of COVID-19 related measures.

2. Outlook and Prospects

Most countries across the world have eased or are easing restrictions at varying paces and are likely to reopen borders and lift travel restrictions. Based on the latest available data by the World Tourism Organization, global international tourist arrivals more than doubled in January 2022 yoy. As of 24 March 2022, 12 destinations have no COVID-19 related restrictions in place and an increasing number of destinations are easing or lifting travel restrictions[9].

New challenges lie ahead as we continue on the road to recovery in 2022. Notably, the impact of the Russia-Ukraine conflict could weigh on the global travel rebound from the pandemic. Oil prices increased to the highest levels since 2014 as Russia invaded Ukraine, while the increase in the price of multiple commodities is also contributing to a surge in inflation[10]. Higher oil prices may be passed on in the form of higher air fares and the inflation pressure could lead to higher interest rates[11].

Most of CDLHT's portfolio markets, except for Japan and New Zealand, have significantly eased restrictions to a large extent and are open to most international travellers with minimal or no restrictions. Supported by the reopening progress, CDLHT continues to observe a recovery across its portfolio markets. Looking ahead, international tourism volumes are likely to depend largely on the return of traveller confidence and corporate travel policies.

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

Portfolio Markets

On 1 April 2022, Singapore marked its most significant move to reopen its borders with the launch of the Vaccinated Travel Framework. Under the new framework, travellers will no longer be required to take only designated flights to enter Singapore quarantine-free, and will not have to take a Covid-19 antigen rapid test within 24 hours of arrival. Quotas on the number of daily arrivals are lifted and no entry approvals are needed for all vaccinated travellers[12]. Following the reopening of borders, the Singapore government has set aside close to S$500 million to support the tourism sector in the coming years, with initiatives to generate demand for Singapore's tourism products and offset business costs, as well as aid businesses with capability development[13].

[9] UNWTO, "Tourism enjoys strong start to 2022 while facing new uncertainties", 25 March 2022
[10] The Straits Times, "Oil soars to US$105 as Russia attacks Ukraine, topping US$100 for 1st time since 2014", 24 February 2022
[11] The Straits Times, "Global stocks dive, STI sinks 3.5% as Russia launches military attack on Ukraine", 24 February 2022
[12] The Straits Times, "All vaccinated travellers can enter Singapore without quarantine from April 1, no need for VTL flights", 31 March 2022
[13] Business Times, "STB to focus on business tourism as part of strategy to recapture demand", 6 April 2022

On 26 April 2022, Singapore marked another significant step in the return to normalcy. Group size limits and safe distancing requirements between individuals and groups, and capacity limits for large events (exceeding 1,000 pax) have been lifted. On the country's border measures, fully vaccinated travellers are no longer required to take a pre-departure test before departing for Singapore[14]. The latest relaxation of measures will add to the ease of travel for tourists, and could contribute to a significant and meaningful recovery for the hospitality sector.

Two of CDLHT's Singapore Hotels continue to operate as facilities used for isolation purposes and these contracts are expected to end by 3Q 2022. The other four Singapore Hotels are expected to be supported primarily by the return of international travellers, staycations, long stay project groups, as well as the return of meeting groups, including major MICE events. CDLHT's Singapore Hotels that are not in the isolation business are in the process of re-building traditional business segments.

In New Zealand, the country's borders are planned to gradually reopen throughout 2022, with the five-stage border reopening plan having commenced in end-February 2022 and from 1 May 2022, travellers from visa-waiver countries including the United States, Britain and Singapore will be allowed to enter the country[15]. Grand Millennium Auckland will continue to be contracted as a managed isolation facility until early June 2022, which will mitigate the impact of the weaker demand during the early phase of the border reopening plan.

WA's border restrictions were eased on 3 March 2022, allowing quarantine-free travel for all vaccinated travellers[16]. COVID-19 testing on arrival will not be required for all travellers from mid-April 2022 and further easing from 29 April 2022, which includes the removal of (i) mask mandate except for high-risk settings; (ii) density and capacity limits; and (iii) triple dose vaccination requirement for interstate arrivals, should encourage travel into WA[17]. Major events are set to take place later in the year, such as the rugby game between Australia and England which is expected to attract thousands of English and interstate visitors and be worth several million dollars to the state economy[18].

Japan's international borders, which have been closed to foreign tourists since April 2020, have recently reopened to foreign students, academics and workers. The daily entry limit was raised by 2,000 to 7,000 in mid-March 2022, and further increased to 10,000 on 11 April 2022[19]. Prior to the full reopening, the hospitality sector will continue to be supported by domestic and business travel, subject to the restriction measures in place.

The continued recovery in tourist arrivals to the Maldives has been supported by top inbound source markets such as the UK, Russia, India and Germany, which collectively accounted for over 40% of the market share for 2022 as of 2 April 2022[20]. With the onset of the Russia-Ukraine conflict in late February 2022, business from the Russia and Ukraine inbound source markets has reduced significantly from March 2022 onwards. The impact to Angsana Velavaru is expected to be limited as the resort has lower exposure to the Russia and Ukraine markets. During this period, CDLHT's resorts continue to focus on marketing its product offerings in the existing and upcoming inbound source markets.

Across the Europe portfolio, most remaining travel restrictions in the UK, Germany and Italy were lifted during the quarter with international borders fully open to all travellers. The lifting of border restrictions, alongside the return of major MICE and sporting events, is expected to pave the way for further recovery of the hospitality industry.

On 31 August 2021, CDLHT invested in a residential Build-to-Rent forward-funding scheme in Manchester, UK ("**UK BTR**"). The construction of the new UK BTR building continues to be progressing in accordance with the planned schedule. Piling works have completed and works on the ground floor slab are in progress.

[14] Ministry of Health Singapore
[15] New Zealand Government
[16] Government of Western Australia
[17] Government of Western Australia
[18] PerthNow, "England heading to Perth in July for blockbuster Optus Stadium Test against Wallabies", 5 April 2022
[19] The Japan Times, "Japan to ease border controls to allow entry for up to 10,000 nontourists per day", 1 April 2022
[20] Ministry of Tourism, Republic of Maldives

3. CDLHT Key Financial Statistics

	As at 31 March 2022	As at 31 December 2021
Debt Value (S$ million)	1,121	1,102
Gearing[21]	39.8%	39.1%
Debt Headroom (S$ million) at 50% Gearing	575	614
Interest Coverage Ratio[22]	3.4x	3.3x
Weighted Average Cost of Debt	2.1%	2.0%

During the reporting quarter, an existing S$200.0 million committed multi-currency unsecured revolving credit facility was refinanced by the Group for another 3 years.

To manage interest rate risks, the Group entered into three fixed-rate interest rate swaps to hedge against the interest rate volatility arising from (i) the progressive draw down of the UK BTR development term loan facility (£60.2 million) and (ii) the funding of the acquisition of Hotel Brooklyn (£24.1 million). In addition, proceeds from previous divestments amounting to £18.8 million were utilised by the Group to partially pare down the GBP borrowings.

As at 31 March 2022, CDLHT has a healthy balance sheet, with a gearing of 39.8% and cash reserves of about S$92.0 million. In addition, CDLHT also has approximately S$213.2 million of committed unsecured revolving credit facilities available for drawdown, S$106.3 million undrawn committed term loan to fund the UK BTR development over the construction period, and another S$358.7 million in short-term uncommitted bridge loan facilities available for acquisitions.

[21] For the purposes of gearing computation, the total assets exclude the SFRS(I) 16/ FRS 116 *Leases* (adopted wef 1 January 2019).
[22] Computed by using trailing 12 months earnings before interest, tax, depreciation and amortization ("**EBITDA**") (excluding effects of any fair value changes of derivatives and investment properties and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees.

About CDL Hospitality Trusts

CDL Hospitality Trusts ("**CDLHT**") is one of Asia's leading hospitality trusts with assets under management of about S$3.0 billion as at 31 March 2022. 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 March 2022, CDLHT's portfolio comprises 19 operational properties (total of 4,820 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the portfolio include:

(i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Studio M Hotel and W Singapore – Sentosa Cove (the "**W Hotel**" and collectively, the "**Singapore Hotels**") as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
(ii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the "**Perth Hotels**");
(iii) two hotels in Japan's gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the "**Japan Hotels**");
(iv) one hotel in New Zealand's gateway city of Auckland, namely Grand Millennium Auckland (the "**New Zealand Hotel**");
(v) 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**");
(vi) one hotel in Germany's gateway city of Munich, namely Pullman Hotel Munich (the "**Germany Hotel**");
(vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the "**Italy Hotel**" or "**Hotel Cerretani Firenze**"); and
(viii) two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the "**Maldives Resorts**").

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C REIT Management Limited
(Company Registration No. 200607091Z)
(as Manager of CDL Hospitality Real Estate Investment Trust)

29 April 2022

By Order of the Board

Vincent Yeo Wee Eng
Chief Executive Officer
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
(as Trustee-Manager of CDL Hospitality Business Trust)

29 April 2022

IMPORTANT NOTICE

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

*The value of the stapled securities in CDLHT (the "**Stapled Securities**") and the income derived from them, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.*

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

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