



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND
QUARTER AND SIX MONTHS ENDED 30 JUNE 2017**

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

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INTRODUCTION

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.7 billion. 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 was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 14 July 2017, CDLHT owns 17 hotels and two resorts comprising a total of 5,414 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) five hotels in Brisbane and Perth, Australia comprising Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia 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 (Grand Millennium Auckland, previously known as Rendezvous Hotel Auckland) (the “**New Zealand Hotel**”);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) (the “**UK Hotels**”);
- (vi) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich (the “**Germany Hotel**”); and
- (vii) two resorts in Maldives, comprising Angsana Velavaru and Jumeirah Dhevanafushi (collectively, the “**Maldives Resorts**”).

In December 2013, the HBT Trustee-Manager activated HBT. As at 30 June 2017, it owns Hilton Cambridge City Centre and is the master lessee of the Japan Hotels and Jumeirah Dhevanafushi, both of which are owned by the H-REIT group. It will continue its functions as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

On 4 May 2017, HBT through its indirectly wholly-owned subsidiary, CDL HBT North Ltd, completed the acquisition of The Lowry Hotel through the acquisition of 100% of the issued share capital of The Lowry Hotel Limited.

On 27 June 2017, H-REIT through its wholly-owned subsidiary, CDLHT Munich One Pte. Ltd., entered into a share purchase agreement for the acquisition of an effective interest of 94.5% in Pullman Hotel Munich and its office, retail components and the fixture, furniture and equipment used by the Germany Hotel. The acquisition was completed on 14 July 2017.

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CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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On 27 June 2017, CDLHT announced the launch of an underwritten and renounceable rights issue (“Rights Issue”) to raise gross proceeds of approximately S\$255.4 million. The gross proceeds from the Rights Issue will be mainly used to partially repay CDLHT’s existing borrowings¹. Expected date for commencement of trading of rights Stapled Securities on the Singapore Exchange Securities Trading Limited is on 2 August 2017 from 9.00 a.m..

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

¹ For the avoidance of doubt, the existing borrowings to be partially repaid shall not include the loan facilities drawn down and to be drawn down respectively to finance CDLHT’s acquisition of The Lowry Hotel (a hotel located in Manchester, the United Kingdom (“UK”)) which was announced on 4 May 2017 and an effective interest of 94.5% in Pullman Hotel Munich (a property located in Munich, Germany).

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SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS

	1 Apr 2017 to 30 Jun 2017 ("2Q 2017") S\$'000	1 Apr 2016 to 30 Jun 2016 ("2Q 2016") S\$'000	Increase/ (Decrease) %	1 Jan 2017 to 30 Jun 2017 ("1H 2017") S\$'000	1 Jan 2016 to 30 Jun 2016 ("1H 2016") S\$'000	Increase/ (Decrease) %
Gross revenue	47,838	42,459	12.7	94,249	87,123	8.2
Net property income	34,906	31,324	11.4	70,778	65,034	8.8
Total return for the period	12,983	17,877	(27.4)	30,607	38,814	(21.1)
Income available for distribution to Stapled Securityholders (before retention)	25,179	23,719	6.2	52,004	48,099	8.1
Less:						
Income retained for working capital	(2,518)	(2,372)	6.2	(5,200)	(4,810)	8.1
Income to be distributed to Stapled Securityholders (after retention)	22,661	21,347	6.2	46,804	43,289	8.1
Capital distribution	2,215	738	N.M	2,215	738	N.M
Total distribution to Stapled Securityholders (after retention)	24,876	22,085	12.6	49,019	44,027	11.3
Total distribution per Stapled Security (before retention)¹ (cents)						
For the period ²	2.29	2.39	(4.1)	4.53	4.77	(5.0)
Total distribution per Stapled Security (after retention)¹ (cents)						
For the period ²	2.08	2.16	(3.7)	4.10	4.30	(4.7)
For information only Total distribution per Stapled Security (after retention and excluding the effects of the Rights Issue)¹ (cents)						
For the period	2.49	2.23	11.7	4.91	4.45	10.3

¹ This includes capital distribution.

² Distribution per Stapled Security ("DPS") before and after retention for the quarter and period ended 30 June 2017 include the effect of the Rights Issue. The rights Stapled Securities will rank pari passu in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter. DPS for 1Q 2017 is restated retrospectively to include the effect of the Rights Issue. As such, DPS after taking into account the effect of the Rights Issue, for 1Q 2017, 2Q 2017 and 1H 2017 is 2.02 cents, 2.08 cents and 4.10 cents respectively.

For the quarter and period ended 30 June 2016, DPS have been restated to reflect the effect of bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	2Q 2017	2Q 2016	Increase/ (Decrease)	2Q 2017	2Q 2016	Increase/ (Decrease)	2Q 2017	2Q 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue									
Gross rental revenue	34,970	32,701	6.9	-	-	-	33,093	30,227	9.5
Room revenue	-	-	-	11,167	9,683	15.3	11,167	9,683	15.3
Food & beverage revenue	-	-	-	2,586	1,642	57.5	2,586	1,642	57.5
Other income	-	-	-	992	907	9.4	992	907	9.4
(a)	34,970	32,701	6.9	14,745	12,232	20.5	47,838	42,459	12.7
Property expenses									
(c)									
Operation and maintenance	-	-	-	(2,943)	(2,294)	28.3	(2,943)	(2,294)	28.3
Employee benefits expenses	-	-	-	(3,296)	(2,308)	42.8	(3,296)	(2,308)	42.8
Rental expenses	-	-	-	(2,018)	(2,432)	(17.0)	(141)	(82)	72.0
Property tax	(2,067)	(2,275)	(9.1)	(438)	(230)	90.4	(2,505)	(2,504)	0.0
(d)	(2,067)	(2,275)	(9.1)	(438)	(230)	90.4	(2,505)	(2,504)	0.0
Other property expenses	(1,085)	(1,386)	(21.7)	(2,962)	(2,561)	15.7	(4,047)	(3,947)	2.5
(e)	(1,085)	(1,386)	(21.7)	(2,962)	(2,561)	15.7	(4,047)	(3,947)	2.5
	(3,152)	(3,661)	(13.9)	(11,657)	(9,825)	18.6	(12,932)	(11,135)	16.1
Net property income	31,818	29,040	9.6	3,088	2,407	28.3	34,906	31,324	11.4
H-REIT Manager's base fees	(1,492)	(1,486)	0.4	-	-	-	(1,492)	(1,486)	0.4
H-REIT Manager's performance fees	(1,591)	(1,452)	9.6	-	-	-	(1,591)	(1,452)	9.6
H-REIT Trustee's fees	(68)	(68)	-	-	-	-	(68)	(68)	-
HBT Trustee-Manager's management fees	-	-	-	-	(112)	N.M	-	(112)	N.M
HBT Trustee-Manager's trustee fees	-	-	-	(49)	(33)	48.5	(49)	(33)	48.5
HBT Trustee-Manager's acquisition fee	-	-	-	(94)	-	N.M	(94)	-	N.M
Valuation fees	(46)	(51)	(9.8)	(6)	(7)	(14.3)	(52)	(58)	(10.3)
Depreciation, amortisation and impairment losses	(484)	(432)	12.0	(7,891)	(956)	N.M	(9,167)	(2,204)	N.M
(f)	(484)	(432)	12.0	(7,891)	(956)	N.M	(9,167)	(2,204)	N.M
Other trust expenses	(548)	(530)	3.4	(1,566)	(256)	N.M	(2,113)	(786)	N.M
(g)	(548)	(530)	3.4	(1,566)	(256)	N.M	(2,113)	(786)	N.M
Finance income	628	538	16.7	-	116	N.M	49	20	N.M
Finance costs	(5,880)	(6,165)	(4.6)	(813)	(746)	9.0	(6,114)	(6,277)	(2.6)
Net finance costs	(5,252)	(5,627)	(6.7)	(813)	(630)	29.0	(6,065)	(6,257)	(3.1)
(h)	(5,252)	(5,627)	(6.7)	(813)	(630)	29.0	(6,065)	(6,257)	(3.1)
Net income/(loss) before tax	22,337	19,394	15.2	(7,331)	413	N.M	14,215	18,868	(24.7)
Income tax expense	(898)	(486)	84.8	(334)	(505)	(33.9)	(1,232)	(991)	24.3
(i)	(898)	(486)	84.8	(334)	(505)	(33.9)	(1,232)	(991)	24.3
Total return/(Net loss)	21,439	18,908	13.4	(7,665)	(92)	N.M	12,983	17,877	(27.4)
(j)	21,439	18,908	13.4	(7,665)	(92)	N.M	12,983	17,877	(27.4)

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1H 2017	1H 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue									
Gross rental revenue	72,724	68,460	6.2	-	-	-	67,761	62,755	8.0
Room revenue	-	-	-	20,127	18,933	6.3	20,127	18,933	6.3
Food & beverage revenue	-	-	-	4,292	3,427	25.2	4,292	3,427	25.2
Other income	-	-	-	2,069	2,008	3.0	2,069	2,008	3.0
(a)	72,724	68,460	6.2	26,488	24,368	8.7	94,249	87,123	8.2
Property expenses									
(c)									
Operation and maintenance	-	-	-	(5,275)	(4,597)	14.7	(5,275)	(4,597)	14.7
Employee benefits expenses	-	-	-	(5,468)	(4,470)	22.3	(5,468)	(4,470)	22.3
Rental expenses	-	-	-	(5,187)	(5,873)	(11.7)	(224)	(168)	33.3
Property tax	(4,130)	(4,780)	(13.6)	(708)	(525)	34.9	(4,838)	(5,305)	(8.8)
(d)	(4,130)	(4,780)	(13.6)	(708)	(525)	34.9	(4,838)	(5,305)	(8.8)
Other property expenses	(2,240)	(2,486)	(9.9)	(5,426)	(5,063)	7.2	(7,666)	(7,549)	1.5
(e)	(2,240)	(2,486)	(9.9)	(5,426)	(5,063)	7.2	(7,666)	(7,549)	1.5
	(6,370)	(7,266)	(12.3)	(22,064)	(20,528)	7.5	(23,471)	(22,089)	6.3
Net property income	66,354	61,194	8.4	4,424	3,840	15.2	70,778	65,034	8.8
H-REIT Manager's base fees	(2,969)	(2,947)	0.7	-	-	-	(2,969)	(2,947)	0.7
H-REIT Manager's performance fees	(3,318)	(3,060)	8.4	-	-	-	(3,318)	(3,060)	8.4
H-REIT Trustee's fees	(135)	(135)	-	-	-	-	(135)	(135)	-
HBT Trustee-Manager's management fees	-	-	-	(35)	(176)	(80.1)	(35)	(176)	(80.1)
HBT Trustee-Manager's trustee fees	-	-	-	(80)	(67)	19.4	(80)	(67)	19.4
HBT Trustee-Manager's acquisition fee	-	-	-	(94)	-	N.M	(94)	-	N.M
Valuation fees	(95)	(101)	(5.9)	(13)	(15)	(13.3)	(108)	(116)	(6.9)
Depreciation, amortisation and impairment losses	(970)	(833)	16.4	(8,774)	(1,947)	N.M	(11,310)	(4,432)	N.M
(f)	(970)	(833)	16.4	(8,774)	(1,947)	N.M	(11,310)	(4,432)	N.M
Other trust expenses	(1,034)	(882)	17.2	(1,747)	76	N.M	(2,749)	(806)	N.M
(g)	(1,034)	(882)	17.2	(1,747)	76	N.M	(2,749)	(806)	N.M
Finance income	1,474	1,129	30.6	12	116	(89.7)	243	95	N.M
Finance costs	(17,123)	(12,406)	38.0	(1,403)	(1,353)	3.7	(17,283)	(12,609)	37.1
Net finance costs	(15,649)	(11,277)	38.8	(1,391)	(1,237)	12.4	(17,040)	(12,514)	36.2
(h)	(15,649)	(11,277)	38.8	(1,391)	(1,237)	12.4	(17,040)	(12,514)	36.2
Net income/(loss) before tax	42,184	41,959	0.5	(7,710)	474	N.M	32,940	40,781	(19.2)
Income tax expense	(1,945)	(1,359)	43.1	(388)	(608)	(36.2)	(2,333)	(1,967)	18.6
(i)	(1,945)	(1,359)	43.1	(388)	(608)	(36.2)	(2,333)	(1,967)	18.6
Total return/(Net loss)	40,239	40,600	(0.9)	(8,098)	(134)	N.M	30,607	38,814	(21.1)
(j)	40,239	40,600	(0.9)	(8,098)	(134)	N.M	30,607	38,814	(21.1)

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the corresponding period of the immediately preceding financial year**

	HBT Group		
	2Q 2017	2Q 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
Net loss for the period	(7,665)	(92)	N.M
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Tax effect on revaluation surplus on property, plant and equipment	(5)	-	N.M
	(5)	-	N.M
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(267)	350	N.M
	(267)	350	N.M
Other comprehensive income for the period, net of tax	(272)	350	N.M
Total comprehensive income for the period	(7,937)	258	N.M

	HBT Group		
	1H 2017	1H 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
Net loss for the period	(8,098)	(134)	N.M
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation surplus on property, plant and equipment	3,512	-	N.M
Tax effect on revaluation surplus on property, plant and equipment	(602)	-	N.M
	2,910	-	N.M
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(30)	350	N.M
	(30)	350	N.M
Other comprehensive income for the period, net of tax	2,880	350	N.M
Total comprehensive income for the period	(5,218)	216	N.M

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Footnotes

- (a) Gross revenue comprises rental income and hotel revenue from CDLHT’s properties. Please refer to Section 8 (i), page 28 to 31 of the Announcement.
- (b) Gross revenue and property expenses for HBT Group have increased in 2Q 2017 and 1H 2017 as compared to the corresponding period last year primarily due to the inclusion of the operating results of The Lowry Hotel which was acquired on 4 May 2017.
- (c) The breakdown of property expenses has been revised in the current period to present the significant components included in this caption so as to provide users with a more meaningful analysis of such expenses. Accordingly, certain comparatives have been reclassified to conform with the current period’s presentation.
- (d) Property tax expenses of the H-REIT Group were lower in 1H 2017 as compared to the corresponding period last year, as 1H 2016 property tax expenses included additional property tax of the prior years following finalisation of the tax assessment for the Singapore Hotels. In contrast, HBT Group’s property tax expenses increased year-on-year (“yoy”) due to the inclusion of The Lowry Hotel.
- (e) Other property expenses comprise mainly utilities, insurance and other direct operating expenses of the Claymore Connect, Japan and UK Hotels and Jumeriah Dhevanafushi.
- (f) The depreciation, amortisation and impairment losses for the group mainly relate to property, plant and equipment of the Japan and UK Hotels and Jumeriah Dhevanafushi. The higher expenses in 2Q 2017 and 1H 2017 is mainly attributed to the impairment of goodwill of S\$6.6 million in relation to the acquisition of The Lowry Hotel.

In accordance with FRS 103 Business Combinations, CDLHT is currently performing a purchase price allocation (“PPA”) exercise for its investment in The Lowry Hotel, which resulted in a goodwill impairment. Accordingly, the fair value of the assets acquired and liabilities assumed at the acquisition date and the resultant goodwill may still be adjusted subsequently when the PPA exercise is completed by the end of the financial year.

- (g) Other trust expenses in CDLHT was higher mainly due to the inclusion of one-off transaction costs of £0.8 million (S\$1.4 million) incurred in relation to the acquisition of The Lowry Hotel. This treatment is in accordance with FRS 103 Business Combinations, which requires such expenses to be expensed off.

In 1H 2016, there was a write-back of accruals for expenses no longer required and a reversal of an accrual for transaction costs of £246K (S\$495K) relating to the Hilton Cambridge City Centre acquisition (following the finalisation of such transaction costs), which did not recur in 1H 2017.

- (h) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	2Q 2017 S\$'000	2Q 2016 S\$'000	Increase/ (Decrease) %	1H 2017 S\$'000	1H 2016 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	49	12	N.M	132	87	51.7
Interest income received/receivable from HBT Group ⁽ⁱ⁾	579	526	10.1	1,166	1,042	11.9
Fair value gain on derivatives ⁽ⁱⁱ⁾	-	-	-	176	-	N.M
Finance income	628	538	16.7	1,474	1,129	30.6
Exchange loss ⁽ⁱⁱⁱ⁾	(137)	(214)	(36.0)	(5,581)	(508)	N.M
Interest paid/payable to banks ^(iv)	(5,325)	(5,537)	(3.8)	(10,819)	(11,166)	(3.1)
Fair value loss on derivatives ⁽ⁱⁱ⁾	(57)	(108)	(47.2)	-	(108)	N.M
Amortisation of transaction costs capitalised ^(v)	(307)	(255)	20.4	(616)	(522)	18.0
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(54)	(51)	5.9	(107)	(102)	4.9
Finance costs	(5,880)	(6,165)	(4.6)	(17,123)	(12,406)	38.0
Net finance costs	(5,252)	(5,627)	(6.7)	(15,649)	(11,277)	38.8

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

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	HBT Group			HBT Group		
	2Q 2017	2Q 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Fair value gain on derivatives ⁽ⁱⁱ⁾	-	116	N.M	-	116	N.M
Exchange gain ⁽ⁱⁱⁱ⁾	-	-	-	12	-	N.M
Finance income	-	116	N.M	12	116	(89.7)
Exchange loss ⁽ⁱⁱⁱ⁾	(11)	(220)	(95.0)	-	(311)	N.M
Interest paid/payable to banks ^(iv)	(172)	-	N.M	(172)	-	N.M
Interest paid/payable to H-REIT Group ⁽ⁱ⁾	(579)	(526)	10.1	(1,166)	(1,042)	11.9
Fair value loss on derivatives ⁽ⁱⁱ⁾	(51)	-	N.M	(65)	-	N.M
Finance costs	(813)	(746)	9.0	(1,403)	(1,353)	3.7
Net finance costs	(813)	(630)	29.0	(1,391)	(1,237)	12.4

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2Q 2017	2Q 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	49	12	N.M	132	87	51.7
Fair value gain on derivatives ⁽ⁱⁱ⁾	-	8	N.M	111	8	N.M
Finance income	49	20	N.M	243	95	N.M
Exchange loss ⁽ⁱⁱⁱ⁾	(148)	(434)	(65.9)	(5,569)	(819)	N.M
Interest paid/payable to banks ^(iv)	(5,497)	(5,537)	(0.7)	(10,991)	(11,166)	(1.6)
Fair value loss on derivatives ⁽ⁱⁱ⁾	(108)	-	N.M	-	-	-
Amortisation of transaction costs capitalised ^(v)	(307)	(255)	20.4	(616)	(522)	18.0
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(54)	(51)	5.9	(107)	(102)	4.9
Finance costs	(6,114)	(6,277)	(2.6)	(17,283)	(12,609)	37.1
Net finance costs	(6,065)	(6,257)	(3.1)	(17,040)	(12,514)	36.2

- (i) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the acquisition of Hilton Cambridge City Centre.
- (ii) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT's and HBT's income from overseas.
- (iii) The higher exchange loss in 1H 2017 mainly arose from the repayment of the New Zealand dollar (“NZD”) denominated intercompany loan in 1Q 2017 that contributed to a S\$6.5 million exchange loss. Excluding this, H-REIT group and CDLHT would have incurred an exchange gain of S\$0.9 million in 1H 2017, mainly attributed to gains from the United States dollar (“USD”) denominated bank loans as a result of the depreciation of USD against SGD. In comparison, the exchange loss in 1H 2016 was contributed by the depreciation of the Australian dollar (“AUD”), NZD, USD and British pound (“GBP”) against SGD. These exchange differences (other than those which are revenue in nature) do not have an impact on the distributable income of CDLHT.

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- (iv) The interest paid/payable to banks for 2Q 2017 and 1H 2017 was lower mainly due to an overall lower cost of borrowing attributable to the floating rate loans. The savings would have been higher, if not for the additional interest incurred in funding of the acquisition of The Lowry Hotel and on a deposit placed in relation to the acquisition of the Pullman Hotel Munich, which was completed on 14 July 2017.
- (v) The amortisation costs in 2Q 2017 and 1H 2017 relate to the amortisation of transaction costs arising from the group’s borrowings.

(i) *This relates to current and deferred tax in respect of CDLHT’s properties.*

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2017 S\$’000	2Q 2016 S\$’000	2Q 2017 S\$’000	2Q 2016 S\$’000	2Q 2017 S\$’000	2Q 2016 S\$’000
Corporate income tax	(880)	(220)	(193)	(139)	(1,073)	(359)
Deferred tax	47	(172)	60	-	107	(172)
Withholding tax	(61)	(61)	(144)	(366)	(205)	(427)
Underprovision in respect of prior year tax	(4)	(33)	(57)	-	(61)	(33)
	(898)	(486)	(334)	(505)	(1,232)	(991)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2017 S\$’000	1H 2016 S\$’000	1H 2017 S\$’000	1H 2016 S\$’000	1H 2017 S\$’000	1H 2016 S\$’000
Corporate income tax	(1,833)	(634)	(226)	(171)	(2,059)	(806)
Deferred tax	(47)	(627)	86	-	39	(627)
Withholding tax	(61)	(62)	(191)	(417)	(252)	(478)
Underprovision in respect of prior year tax	(4)	(36)	(57)	(20)	(61)	(56)
	(1,945)	(1,359)	(388)	(608)	(2,333)	(1,967)

(j) *Total return of CDL Hospitality Trusts is contributed by:*

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2017 S\$’000	2Q 2016 S\$’000	1H 2017 S\$’000	1H 2016 S\$’000
H-REIT	21,684	21,028	50,041	41,338
Other H-REIT group entities (including consolidation adjustments)	(245)	(2,120)	(9,802)	(738)
HBT	1,519	934	1,928	1,331
Other HBT group entities (including consolidation adjustments)	(9,184)	(1,026)	(10,026)	(1,465)
CDL Hospitality Trusts’ consolidation adjustments	(791)	(939)	(1,534)	(1,652)
	12,983	17,877	30,607	38,814

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(k) *Income available for distribution⁽ⁱ⁾*

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2017 S\$'000	2Q 2016 S\$'000	1H 2017 S\$'000	1H 2016 S\$'000
Total return of H-REIT	21,684	21,028	50,041	41,338
Total comprehensive income of HBT	1,519	934	1,928	1,331
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	275	230	547	462
- Fair value gain/(loss) on financial derivatives	58	108	(175)	108
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	54	51	107	102
- Exchange (gain)/loss	(1,119)	(1,267)	(5,934)	(567)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,466	2,351	5,029	4,806
- H-REIT Trustee's fees	68	68	135	135
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	-	90	28	141
- HBT Trustee-Manager's trustee fees	49	33	80	67
- Other items	125	93	218	176
Income available for distribution to Stapled Securityholders (before retention)	25,179	23,719	52,004	48,099
Less :				
Income retained for working capital	(2,518)	(2,372)	(5,200)	(4,810)
Income to be distributed to Stapled Securityholders (after retention)	22,661	21,347	46,804	43,289
Capital distribution ⁽ⁱⁱ⁾	2,215	738	2,215	738
Total distribution to Stapled Securityholders (after retention)	24,876	22,085	49,019	44,027
Comprising :				
- Taxable income	17,281	16,256	35,267	33,565
- Tax exempt income	5,380	5,091	11,537	9,724
- Capital distribution	2,215	738	2,215	738
	24,876	22,085	49,019	44,027

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

(ii) The capital distribution of S\$2.2 million comprises income from the Group's overseas properties. For a meaningful yoy comparison of the total income from overseas properties, tax exempt income and capital distribution should be read collectively.

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

	Footnote	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts	
		30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,247,122	2,246,808	-	-	2,178,163	2,175,008
Property, plant and equipment	(c)	80,983	71,947	202,340	107,432	344,435	244,361
Prepaid land lease		-	-	-	-	6,334	6,817
Other receivables	(d)	117,768	117,831	-	-	149	-
		2,445,873	2,436,586	202,340	107,432	2,529,081	2,426,186
Current assets							
Inventories		-	-	1,234	1,053	1,234	1,053
Trade and other receivables		37,421	26,530	10,471	5,820	39,424	25,704
Financial derivative assets	(e)	115	105	1	66	116	171
Cash and cash equivalents		64,986	67,927	14,605	14,301	79,591	82,228
		102,522	94,562	26,311	21,240	120,365	109,156
Total assets		2,548,395	2,531,148	228,651	128,672	2,649,446	2,535,342
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(f)	799,281	928,849	-	-	799,281	928,849
Rental deposits	(g)	9,148	8,981	-	-	9,148	8,981
Other payables	(d)	-	-	117,619	117,831	-	-
Deferred tax liabilities	(h)	10,758	8,902	14,159	6,213	24,918	15,115
		819,187	946,732	131,778	124,044	833,347	952,945
Current liabilities							
Loans and borrowings	(f)	129,061	-	94,213	-	223,274	-
Trade and other payables	(i)	34,920	28,116	17,907	11,964	44,358	33,433
Financial derivative liabilities	(e)	119	284	52	52	171	336
Provision for taxation		1,830	1,551	879	656	2,709	2,207
		165,930	29,951	113,051	12,672	270,512	35,976
Total liabilities		985,117	976,683	244,829	136,716	1,103,859	988,921
Net assets/(liabilities)		1,563,278	1,554,465	(16,178)	(8,044)	1,545,587	1,546,421
Represented by:							
Unitholders' funds		1,563,278	1,554,465	(16,178)	(8,044)	1,545,587	1,546,421

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Footnotes

- (a) *The Statement of Financial Position of HBT Group comprises the resort operations of Jumeirah Dhevanafushi, the Japan Hotels and the UK Hotels (includes The Lowry Hotel which was acquired on 4 May 2017).*
- (b) *The increase in investment properties at H-REIT Group was mainly attributed to additional capital expenditure of about S\$5.6 million incurred during the period, partially offset by a net translation loss of S\$2.5 million.*
- (c) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the UK Hotels respectively.*

The property, plant and equipment at CDLHT comprise the Japan Hotels, Jumeirah Dhevanafushi and the UK Hotels. For Jumeirah Dhevanafushi, the property is leased by H-REIT's indirect wholly-owned subsidiary to HBT's indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT's indirect wholly-owned subsidiary. Under FRS 40, these properties are considered property held for use as owner-occupied properties. Accordingly, these properties are classified as property, plant and equipment instead of investment property in CDLHT's financial statements.

With effect from 1 January 2017, CDLHT changed its accounting policy with respect to the subsequent measurement of land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Please refer to Section 5 on page 25 to the Announcement for details.

The increase in property, plant and equipment at CDLHT is mainly due to the inclusion of The Lowry Hotel of S\$94.4 million, a revaluation gain on land and buildings of S\$13.2 million arising from its Japan and UK Hotels, following the remeasurement to revaluation model and additions of S\$1.3 million. This was offset by a net translation loss of S\$4.2 million from the Maldives and UK properties, and depreciation expense of S\$4.6 million for the period.

- (d) *The intra-group loan between H-REIT and HBT is classified as non-current other receivables/payables at H-REIT Group and HBT Group respectively. The intra-group loan arose as H-REIT extended a loan to HBT to finance the acquisition of Hilton Cambridge City Centre. The loan interest which is payable every 3 months, is correspondingly classified as current other receivables/payables at H-REIT Group and HBT Group respectively.*
- (e) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts.*
- (f) *Loans and borrowings of CDLHT of S\$1,022.6 million (as at 31 December 2016: S\$928.8 million), which are measured at amortised cost, comprise S\$120.0 million notes issued pursuant to the Medium Term Note Programme, JPY 3.1 billion (S\$38.3 million) TMK bond and S\$864.3 million bank borrowings, as explained under Section 1(b)(ii) on pages 13 to 15 of the Announcement.*

The increase in short-term loans and borrowings is due to new loans drawn down to finance the acquisition of The Lowry Hotel in May 2017 and a 10% refundable deposit for the acquisition of Pullman Hotel Munich which was completed on 14 July 2017.

- (g) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*
- (h) *The deferred tax liabilities relate to the Australia, UK and Japan properties. The increase in liability is mainly due to the additional deferred liability recognised on acquisition of The Lowry Hotel as well as for the UK and Japan Hotels following the recognition of revaluation gain on land and buildings, as explained under Section 1(b)(i) footnote (c). Please refer to Section 5 on page 25 to the Announcement for details.*
- (i) *Trade and other payables for the H-REIT Group relates mainly to payables for operational and trust expenses.*

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000
Amount repayable after one year						
Secured TMK bond	38,316	38,254	-	-	38,316	38,254
Unsecured medium term note	-	120,000	-	-	-	120,000
Unsecured borrowings	764,109	774,373	-	-	764,109	774,373
	802,425	932,627	-	-	802,425	932,627
Amount repayable within one year						
Unsecured medium term note	120,000	-	-	-	120,000	-
Unsecured borrowings	9,090	-	94,213	-	103,303	-
	129,090	-	94,213	-	223,303	-
Total borrowings^(a)	931,515	932,627	94,213	-	1,025,728	932,627

^(a) The borrowings are presented before the deduction of unamortised transaction costs.

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

Details of borrowings

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

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		30 Jun 2017			30 Jun 2017			30 Jun 2017		
Currency	Type	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000
JPY	TMK bond (¥3.1 billion)	38,316	38,316	-	-	-	-	38,316	38,316	-
JPY	5-year term loan (¥3.27 billion)	40,417	40,417	-	-	-	-	40,417	40,417	-
SGD	Medium term note	1,000,000	120,000	880,000	-	-	-	1,000,000	120,000	880,000
SGD	Bridge loan (uncommitted)	300,000	9,090	290,910	200,000	94,213	105,787	500,000	103,303	396,697
SGD	3 to 3.25-year revolving credit (committed)	250,000	159,772	90,228	-	-	-	250,000	159,772	90,228
SGD	5-year term loan	153,600	153,600	-	-	-	-	153,600	153,600	-
USD	5-year term loan (US\$140.0 million)	194,026	194,026	-	-	-	-	194,026	194,026	-
AUD	5-year term loan (A\$93.2 million)	98,084	98,084	-	-	-	-	98,084	98,084	-
GBP	5-year term loan (£66.5 million)	118,210	118,210	-	-	-	-	118,210	118,210	-
		2,192,653	931,515	1,261,138	200,000	94,213	105,787	2,392,653	1,025,728	1,366,925

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Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$38.3 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“TMK”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

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

Unsecured medium term note

H-REIT’s wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “Issuer”) has in place a S\$1.0 billion Multi-currency Medium Term Note Programme (the “Programme”), out of which medium term notes are issued.

Unsecured bridge loan

H-REIT and HBT has in place a S\$300.0 million and S\$200.0 million (fresh facility secured in April 2017) uncommitted multi-currency bridge loan facility with a bank respectively (the “Bridge Loan Facilities”) to fund acquisitions, capital expenditure and working capital requirements.

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

As at 30 June 2017, £53.0 million (S\$94.2 million) was drawn down by HBT to fund the acquisition of The Lowry Hotel which was acquired on 4 May 2017 and €5.8 million (S\$9.1 million) was drawn down by H-REIT to fund the 10% refundable deposit for the acquisition of an effective interest of 94.5% in Pullman Hotel Munich (announced on 27 June 2017).

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2017	2Q 2016	2Q 2017	2Q 2016	2Q 2017	2Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	22,337	19,394	(7,331)	413	14,215	18,868
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,466	2,351	-	90	2,466	2,441
Depreciation of property, plant and equipment	484	432	1,335	956	2,545	2,137
Amortisation of prepaid land lease	-	-	-	-	66	67
Impairment of goodwill	-	-	6,556	-	6,556	-
Impairment loss on trade receivables	(22)	55	9	36	(13)	91
Net finance costs	5,252	5,627	813	630	6,065	6,257
Transaction costs on acquisition of a subsidiary	-	-	1,448	-	1,448	-
Operating income before working capital changes	30,517	27,859	2,830	2,125	33,348	29,861
Changes in working capital:						
Inventories	-	-	25	7	25	7
Trade and other receivables	(17,428)	562	(1,864)	901	(15,578)	(2,409)
Trade and other payables	4,605	(3,207)	2,395	(1,588)	3,453	(799)
Cash generated from operating activities	17,694	25,214	3,386	1,445	21,248	26,660
Income tax paid/(refunded)	(1,567)	79	(201)	(368)	(1,768)	(289)
Net cash generated from operating activities	16,127	25,293	3,185	1,077	19,480	26,371
Investing activities						
Acquisition of subsidiary, net of cash acquired	-	-	(92,638)	-	(92,638)	-
Capital expenditure on investment properties	(3,661)	(3,024)	-	-	(3,416)	(3,002)
Addition of property, plant and equipment and prepaid land lease	-	(360)	(314)	(32)	(727)	(415)
Interest received	510	310	-	-	49	11
Cash generated used in investing activities	(3,151)	(3,074)	(92,952)	(32)	(96,732)	(3,406)
Financing activities						
Proceeds from bank loans	8,743	4,288	93,958	-	102,701	4,288
Payment of transaction costs related to bank loans	(1)	(1)	-	-	(1)	(1)
Finance costs paid	(3,775)	(5,782)	(461)	(299)	(3,775)	(5,782)
Movement in restricted cash	(348)	(255)	-	-	(348)	(255)
Cash generated from/(used in) financing activities	4,619	(1,750)	93,497	(299)	98,577	(1,750)
Net increase in cash and cash equivalents	17,595	20,469	3,730	746	21,325	21,215
Cash and cash equivalents at beginning of the period	46,005	37,510	10,660	9,931	56,665	47,442
Effect of exchange rate changes on cash and cash equivalents	48	(107)	215	(566)	263	(674)
Cash and cash equivalents at end of the period	63,648	57,872	14,605	10,111	78,253	67,983

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2017**

1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	42,184	41,959	(7,710)	474	32,940	40,781
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	5,029	4,806	28	141	5,057	4,947
Depreciation of property, plant and equipment	970	833	2,218	1,947	4,620	4,296
Amortisation of prepaid land lease	-	-	-	-	134	136
Impairment of goodwill	-	-	6,556	-	6,556	-
Impairment loss on trade receivables	29	55	24	117	53	172
Net finance costs	15,649	11,277	1,391	1,237	17,040	12,514
Transaction costs on acquisition of a subsidiary	-	-	1,448	-	1,448	-
Operating income before working capital changes	63,861	58,930	3,955	3,916	67,848	62,846
Changes in working capital:						
Inventories	-	-	38	67	38	67
Trade and other receivables	(12,106)	(1,177)	(1,985)	(328)	(9,443)	(4,489)
Trade and other payables	5,922	1,774	1,724	(1,193)	3,135	3,565
Cash generated from operating activities	57,677	59,527	3,732	2,462	61,578	61,989
Income tax paid	(1,609)	(14)	(249)	(440)	(1,858)	(454)
Net cash generated from operating activities	56,068	59,513	3,483	2,022	59,720	61,535
Investing activities						
Acquisition of subsidiary, net of cash acquired	-	-	(92,638)	-	(92,638)	-
Capital expenditure on investment properties	(6,137)	(10,397)	-	-	(5,775)	(10,054)
Addition of property, plant and equipment and prepaid land lease	(216)	(756)	(494)	(96)	(1,241)	(1,195)
Interest received	1,080	396	-	-	129	97
Cash generated used in investing activities	(5,273)	(10,757)	(93,132)	(96)	(99,525)	(11,152)
Financing activities						
Proceeds from bank loans	8,743	12,545	93,958	-	102,701	12,545
Repayment of bank loans	(1,579)	-	-	-	(1,579)	-
Payment of transaction costs related to bank loans	(9)	(89)	-	-	(9)	(89)
Finance costs paid	(8,677)	(10,968)	(951)	(299)	(8,677)	(10,968)
Distribution to holders of Stapled Securities	(52,150)	(53,118)	(2,944)	-	(55,094)	(53,118)
Movement in restricted cash	120	61	-	-	120	61
Cash generated from/(used in) financing activities	(53,552)	(51,569)	90,063	(299)	37,462	(51,569)
Net increase/(decrease) in cash and cash equivalents	(2,757)	(2,813)	414	1,627	(2,343)	(1,186)
Cash and cash equivalents at beginning of the period	66,471	60,896	14,301	9,701	80,772	70,597
Effect of exchange rate changes on cash and cash equivalents	(66)	(211)	(110)	(1,217)	(176)	(1,428)
Cash and cash equivalents at end of the period	63,648	57,872	14,605	10,111	78,253	67,983

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MONTHS ENDED 30 JUNE 2017**

Footnotes

(a) Significant non-cash transactions

2Q 2017

1,438,091 (2Q 2016: 1,647,299) Stapled Securities amounting to S\$2.5 million (2Q 2016: S\$2.4 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of the quarter.

1H 2017

3,285,965 (1H 2016: 3,570,111) Stapled Securities amounting to S\$5.1 million (1H 2016: S\$4.9 million) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of 1H 2017.

(b) *Cash and cash equivalents for H-REIT Group and CDL Hospitality Trusts as at 30 June 2017 are as follows:*

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	64,986	79,591
Restricted cash ^(a)	(1,338)	(1,338)
Cash and cash equivalents in the Statement of Cash Flows	63,648	78,253

^(a) *Relates to cash reserved by a trust bank in Japan.*

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1 (d)(i) Statement of Movements in Stapled Securityholders’ funds for the period from 1 April 2017 to 30 June 2017

Footnote	H-REIT Group						HBT Group						CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 April 2017	1,166,168	(23,921)	(11,579)	7,935	398,171	1,536,774	878	(121)	2,453	2,915	(14,366)	(8,241)	1,527,803
Operations													
Increase/(decrease) in net assets resulting from operations	-	-	-	-	21,439	21,439	-	-	-	-	(7,665)	(7,665)	12,983
Movements in revaluation reserve	-	-	-	7	-	7	-	-	-	(5)	-	(5)	2
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries	-	-	1,331	-	-	1,331	-	-	(267)	-	-	(267)	1,072
- Exchange differences on hedge of net investment in a foreign operation	-	-	3,350	-	-	3,350	-	-	-	-	-	-	3,350
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(2,089)	-	-	(2,089)	-	-	-	-	-	-	(2,089)
Increase/(decrease) in foreign currency translation reserve	-	-	2,592	-	-	2,592	-	-	(267)	-	-	(267)	2,333
Stapled securityholders’ transactions													
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 2,466	-	-	-	-	2,466	-	-	-	-	-	-	2,466
Increase in net assets resulting from stapled securityholders’ transactions	2,466	-	-	-	-	2,466	-	-	-	-	-	-	2,466
Balance as at 30 June 2017	1,168,634	(23,921)	(8,987)	7,942	419,610	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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1 (d)(ii) Statement of Movements in Stapled Securityholders’ funds for the period from 1 January 2017 to 30 June 2017

Footnote	H-REIT Group						HBT Group						CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 January 2017	1,166,980	(23,921)	(16,740)	-	428,146	1,554,465	850	(121)	2,216	-	(10,989)	(8,044)	1,546,421
Operations													
Increase/(decrease) in net assets resulting from operations	-	-	-	-	40,239	40,239	-	-	-	-	(8,098)	(8,098)	30,607
Movements in revaluation reserve	-	-	-	7,942	-	7,942	-	-	-	2,910	-	2,910	10,852
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(3,896)	-	-	(3,896)	-	-	(30)	-	-	(30)	(3,904)
- Exchange differences on hedge of net investment in a foreign operation	-	-	6,913	-	-	6,913	-	-	-	-	-	-	6,912
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(1,763)	-	-	(1,763)	-	-	-	-	-	-	(1,763)
- Transfer of exchange differences to statement of total return upon repayment of intercompany loan which formed part of net investment in a foreign operation	-	-	6,499	-	-	6,499	-	-	-	-	-	-	6,499
Increase/(decrease) in foreign currency translation reserve	-	-	7,753	-	-	7,753	-	-	(30)	-	-	(30)	7,744
Stapled securityholders’ transactions													
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	5,029	-	-	-	-	5,029	-	-	-	-	-	-	5,029
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (b)	-	-	-	-	-	-	28	-	-	-	-	28	28
- Distribution to Stapled Securityholders (c)	(3,375)	-	-	-	(48,775)	(52,150)	-	-	-	-	(2,944)	(2,944)	(55,094)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	1,654	-	-	-	(48,775)	(47,121)	28	-	-	-	(2,944)	(2,916)	(50,037)
Balance as at 30 June 2017	1,168,634	(23,921)	(8,987)	7,942	419,610	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587

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1 (d)(iii) Statement of Movements in Stapled Securityholders’ funds for the period from 1 April 2016 to 30 June 2016

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 April 2016	1,160,297	(23,921)	(38,076)	442,278	1,540,578	551	(121)	254	(1,757)	(1,073)	1,538,814
Operations											
Increase/(decrease) in net assets resulting from operations	-	-	-	18,908	18,908	-	-	-	(92)	(92)	17,877
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	111	-	111	-	-	350	-	350	473
- Exchange differences on hedge of net investment in a foreign operation	-	-	924	-	924	-	-	-	-	-	924
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	624	-	624	-	-	-	-	-	624
Increase in foreign currency translation reserve	-	-	1,659	-	1,659	-	-	350	-	350	2,021
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,351	-	-	-	2,351	-	-	-	-	-	2,351
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (b)	-	-	-	-	-	90	-	-	-	90	90
Increase in net assets resulting from stapled securityholders’ transactions	2,351	-	-	-	2,351	90	-	-	-	90	2,441
Balance as at 30 June 2016	1,162,648	(23,921)	(36,417)	461,186	1,563,496	641	(121)	604	(1,849)	(725)	1,561,153

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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1 (d)(iv) Statement of Movements in Stapled Securityholders’ funds for the period from 1 January 2016 to 30 June 2016

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 January 2016	1,158,930	(23,921)	(32,952)	472,616	1,574,673	500	(121)	27	(1,715)	(1,309)	1,573,364
Operations											
Increase/(decrease) in net assets resulting from operations	-	-	-	40,600	40,600	-	-	-	(134)	(134)	38,814
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(4,254)	-	(4,254)	-	-	577	-	577	(3,643)
- Exchange differences on hedge of net investment in a foreign operation	-	-	5,012	-	5,012	-	-	-	-	-	5,012
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(4,223)	-	(4,223)	-	-	-	-	-	(4,223)
Increase/(decrease) in foreign currency translation reserve	-	-	(3,465)	-	(3,465)	-	-	577	-	577	(2,854)
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	4,806	-	-	-	4,806	-	-	-	-	-	4,806
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (b)	-	-	-	-	-	141	-	-	-	141	141
- Distribution to Stapled Securityholders (d)	(1,088)	-	-	(52,030)	(53,118)	-	-	-	-	-	(53,118)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	3,718	-	-	(52,030)	(48,312)	141	-	-	-	141	(48,171)
Balance as at 30 June 2016	1,162,648	(23,921)	(36,417)	461,186	1,563,496	641	(121)	604	(1,849)	(725)	1,561,153

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. The Stapled Securities for the base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for the performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from the date of issuance of the financial statements of the Group.*
- (c) *Distribution to Stapled Securityholders in respect of the period from 1 July 2016 to 31 December 2016, which includes a capital distribution of S\$3,375,000.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2015 to 31 December 2015, which includes a capital distribution of S\$1,088,000.*

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1 (e) Details of any changes in the stapled securities

		CDL Hospitality Trusts	
Foot-note		2Q 2017	2Q 2016
	Issued stapled securities at beginning of the period	992,696,494	989,153,990
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	5,032,214	906,510
	Issued stapled securities at end of the period	997,728,708	990,060,500
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	2,423,275	2,663,601
(b)	Total issued and issuable stapled securities at end of the period	1,000,151,983	992,724,101

		CDL Hospitality Trusts	
Foot-note		1H 2017	1H 2016
	Issued stapled securities at beginning of the period	991,771,059	987,136,888
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	5,957,649	2,923,612
	Issued stapled securities at end of the period	997,728,708	990,060,500
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	2,423,275	2,663,601
(b)	Total issued and issuable stapled securities at end of the period	1,000,151,983	992,724,101

Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for 2Q 2017 and 1H 2017 is 1.7 million Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *An additional 199,545,741 Stapled Securities will be issued on 2 August 2017, following the closing of the Rights Issue on 24 July 2017.*

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2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been extracted from the financial information for the six months ended 30 June 2017 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

3 Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of matter)

Please see the attached review report.

4 Whether the same accounting principles and methods of computation as in the issuer’s most recent audited financial statements have been applied

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2016 except as explained in section 5 below.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

On 1 January 2017, the H-REIT Group, the HBT Group and CDLHT (collectively, the “Group”) changed their accounting policy with respect to the subsequent measurement of freehold land, leasehold land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Under the revaluation model, any surplus arising on revaluation is recognised in other comprehensive income or the statement of unitholders’ funds (as the case may be). Any deficit in revaluation arising on revaluation is recognised in profit or loss or the statement of total return (as the case may be) except to the extent that it reverses a previous revaluation on the same asset.

The subsequent measurement of the above asset classes using the revaluation model aligns the policy for such assets with that for properties classified as investment properties, assists users to better understand the risks associated with these assets and provides users with information on the net asset value of the Group that incorporates the latest valuations of their properties classified as property, plant and equipment. This change in accounting policy has been applied prospectively in accordance with FRS 16 *Property, plant and equipment* and FRS 8 *Accounting policies, changes in estimates and errors*.

The effects of this change in accounting policy are set out below:-

H-REIT Group

A revaluation surplus and deferred tax liabilities of S\$9.7 million and S\$1.8 million respectively, have been recognised in unitholders’ funds.

HBT Group

A revaluation surplus and deferred tax liabilities of S\$3.5 million and S\$0.6 million respectively, have been recognised in other comprehensive income.

CDLHT

A revaluation surplus and deferred tax liabilities of S\$13.2 million and S\$2.4 million respectively, have been recognised in unitholders’ funds.

The additional annual depreciation arising from the adoption of the revaluation model is not material for the Group.

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6 Earnings per Stapled Security (“EPS”) and Income Available for Distribution per Stapled Security (“DPS”) for the financial period

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2017	2Q 2016	1H 2017	1H 2016
EPS				
<u>Basic EPS</u>				
Weighted average number of Stapled Securities	997,736,969	990,069,745	997,308,664	989,616,848
Basic EPS ^(a) (cents)	1.30	1.81	3.07	3.92
<u>Diluted EPS</u>				
Weighted average number of Stapled Securities	1,000,151,983	992,724,101	1,000,151,983	992,724,101
Diluted EPS ^(b) (cents)	1.30	1.80	3.06	3.91

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2Q 2017	2Q 2016 Restated	2Q 2016 Previously reported	1H 2017	1H 2016 Restated	1H 2016 Previously reported
DPS						
Number of Stapled Securities entitled to distribution:						
- in issue	997,728,708	990,060,500	990,060,500	991,771,059	987,136,888	987,136,888
- issuable	751,804	841,325	841,325	6,709,453	3,764,937	3,764,937
- rights issue	199,545,741 ^(c)	33,789,752 ^(d)	-	199,545,741 ^(c)	33,789,752 ^(d)	-
	1,198,026,253	1,024,691,577	990,901,825	1,198,026,253	1,024,691,577	990,901,825
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)						
- Taxable income	1.45	1.59	1.64	2.95	3.28	3.39
- Tax exempt income	0.45	0.50	0.51	0.97	0.95	0.98
- Capital distribution	0.18	0.07	0.08	0.18	0.07	0.08
	2.08	2.16	2.23	4.10	4.30	4.45

Footnotes

- (a) Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.
- (b) Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.
- (c) The number of Stapled Securities entitled for distribution includes the effect of the Rights Issue. The rights Stapled Securities will rank pari passu in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution for the period from 1 January 2017 to 30 June 2017 as well as all distributions thereafter.
- (d) The number of Stapled Securities entitled for distribution and DPS have been restated to reflect the effect of the bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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7 Net asset value (“NAV”)/net tangible asset (“NTA”) per stapled security based on issued and issuable stapled securities at the end of the period

	CDL Hospitality Trusts	
	30 Jun 2017	31 Dec 2016
Net asset value/net tangible asset (S\$'000)	1,545,587	1,546,421
Number of Stapled Securities issued and to be issued at end of the period	1,000,151,983	996,866,018
Net asset value/net tangible asset per Stapled Security (S\$)	1.5454	1.5513

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8 Review of the performance for the second quarter and six months ended 30 June 2017

8 (i) Breakdown of Total Gross Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2017 S\$'000	2Q 2016 S\$'000	Increase/ (Decrease) %	2Q 2017 S\$'000	2Q 2016 S\$'000	Increase/ (Decrease) %	2Q 2017 S\$'000	2Q 2016 S\$'000	Increase/ (Decrease) %
<u>Master leases</u>									
<i>Singapore</i>									
- Hotels	21,052	20,929	0.6	-	-	-	21,052	20,929	0.6
- Claymore Connect	1,711	1,399	22.3	-	-	-	1,711	1,399	22.3
<i>Maldives</i>	2,091	2,046	2.2	-	-	-	2,091	2,046	2.2
<i>Australia</i>	3,583	3,453	3.8	-	-	-	3,583	3,453	3.8
<i>New Zealand</i>	4,656	2,400	94.0	-	-	-	4,656	2,400	94.0
	33,093	30,227	9.5	-	-	-	33,093	30,227	9.5
<u>Managed hotels</u>									
<i>Maldives</i>	459	897	(48.8)	3,138	3,758	(16.5)	3,138	3,758	(16.5)
<i>Japan</i>	1,418	1,577	(10.1)	2,614	2,711	(3.6)	2,614	2,711	(3.6)
<i>United Kingdom</i>	-	-	-	8,993	5,763	56.0	8,993	5,763	56.0
	1,877	2,474	(24.1)	14,745	12,232	20.5	14,745	12,232	20.5
Total	34,970	32,701	6.9	14,745	12,232	20.5	47,838	42,459	12.7

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8 (i) Breakdown of Total Gross Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2017 S\$'000	1H 2016 S\$'000	Increase/ (Decrease) %	1H 2017 S\$'000	1H 2016 S\$'000	Increase/ (Decrease) %	1H 2017 S\$'000	1H 2016 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	42,859	43,233	(0.9)	-	-	-	42,859	43,233	(0.9)
- Claymore Connect	3,371	2,820	19.5	-	-	-	3,371	2,820	19.5
<i>Maldives</i>	4,217	4,150	1.6	-	-	-	4,217	4,150	1.6
<i>Australia</i>	7,236	7,301	(0.9)	-	-	-	7,236	7,301	(0.9)
<i>New Zealand</i>	10,078	5,251	91.9	-	-	-	10,078	5,251	91.9
	67,761	62,755	8.0	-	-	-	67,761	62,755	8.0
Managed hotels									
<i>Maldives</i>	2,137	2,580	(17.2)	8,270	9,150	(9.6)	8,270	9,150	(9.6)
<i>Japan</i>	2,826	3,125	(9.6)	4,974	5,175	(3.9)	4,974	5,175	(3.9)
<i>United Kingdom</i>	-	-	-	13,244	10,043	31.9	13,244	10,043	31.9
	4,963	5,705	(13.0)	26,488	24,368	8.7	26,488	24,368	8.7
Total	72,724	68,460	6.2	26,488	24,368	8.7	94,249	87,123	8.2

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8 (i) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2017	2Q 2016	Increase/ (Decrease)	2Q 2017	2Q 2016	Increase/ (Decrease)	2Q 2017	2Q 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	19,167	18,882	1.5	-	-	-	19,167	18,882	1.5
- Claymore Connect	1,094	430	N.M	-	-	-	1,094	430	N.M
Maldives (a)	1,981	2,379	(16.7)	6	16	(62.5)	1,987	2,270	(12.5)
Australia	3,583	3,453	3.8	-	-	-	3,583	3,453	3.8
New Zealand (b)	4,656	2,400	94.0	-	-	-	4,656	2,400	94.0
Japan (c)	1,337	1,496	(10.6)	16	41	(61.0)	1,353	1,537	(12.0)
United Kingdom (d)	-	-	-	3,066	2,350	30.5	3,066	2,352	30.4
Total	31,818	29,040	9.6	3,088	2,407	28.3	34,906	31,324	11.4

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2017	1H 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)	1H 2017	1H 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	39,088	38,721	0.9	-	-	-	39,088	38,721	0.9
- Claymore Connect	2,061	1,170	76.2	-	-	-	2,061	1,170	76.2
Maldives (a)	5,228	5,785	(9.6)	119	147	(19.0)	5,347	5,932	(9.9)
Australia	7,236	7,301	(0.9)	-	-	-	7,236	7,301	(0.9)
New Zealand (b)	10,078	5,251	91.9	-	-	-	10,078	5,251	91.9
Japan (c)	2,663	2,966	(10.2)	(37)	37	N.M	2,626	3,003	(12.6)
United Kingdom (d)	-	-	-	4,342	3,656	18.8	4,342	3,656	18.8
Total	66,354	61,194	8.4	4,424	3,840	15.2	70,778	65,034	8.8

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Footnotes

- (a) *The Maldives resorts includes a Master Lease and Managed hotel as follows:*
- (i) Master Lease
- There is a master lease agreement between H-REIT’s indirect wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited (the “Lessor”) and Maldives Bay Pvt Ltd (the “Lessee”), a subsidiary of Banyan Tree Holdings Limited. The gross revenue for the reporting period comprises a minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum).*
- There is a minimum rent top-up cap of US\$6.0 million and there shall be no further minimum rent top-ups payable by Lessee to Lessor after the cumulative top-ups reach US\$6.0 million. In 1H 2017, the Lessee paid the Lessor a top-up amount of US\$0.2 million (FY 2016: US\$1.0 million) to make up for the shortfall in rent below the minimum rent of US\$6.0 million.*
- (ii) Managed hotel
- There is a lease agreement between H-REIT’s indirectly wholly-owned subsidiary and CDL HBT Oceanic Maldives Private Limited, HBT’s indirect wholly-owned subsidiary. The hotel operator for this resort is Jumeirah Management Services (Maldives) Private Limited.*
- For H-REIT Group, the gross revenue for 2Q 2017 and 1H 2017 includes S\$0.4 million (US\$0.3 million) and S\$2.1 million (US\$1.5 million) rental income from HBT Group respectively (based on 80% of the gross operating profit of Jumeirah Dhevanafushi, not exceeding US\$6.0 million per annum or US\$1.2 million per quarter).*
- For HBT Group, the gross revenue for the reporting period comprises the entire revenue derived from the resort operations of Jumeirah Dhevanafushi.*
- (b) *The New Zealand Hotel was rebranded as Grand Millennium Auckland on 7 September 2016, following the expiry of the existing lease with Rendezvous Hotels (NZ) Limited. Under this lease, H-REIT will receive rent equivalent to the net operating profit of the hotel, subject to a minimum base rent of NZ\$6.0 million per annum.*
- (c) *The Japan Hotels with HBT refers to master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and CDLHT.*
- For H-REIT Group, the gross revenue for 2Q 2017 and 1H 2017 includes S\$1.4 million (JPY113.5 million) and S\$2.8 million (JPY226.1 million) net rental income received from HBT Group respectively (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S\$0.9 million (JPY71.4 million), after deducting operating expenses, was included in the income available for distribution in the second quarter as the financial results for the fiscal period ended 31 March 2017 has been audited and the income was ascertained. The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.*
- (d) *The UK Hotels includes:*
- (i) Hilton Cambridge City Centre
- Hilton Cambridge City Centre is owned by HBT’s indirectly wholly-owned subsidiary. The hotel operator for this hotel is Hilton UK Manage Limited.*
- The gross revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.*
- (ii) The Lowry Hotel
- The Lowry Hotel was acquired on 4 May 2017 and is owned and operated by HBT’s indirectly wholly-owned subsidiary.*
- The gross revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.*

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8 (iii) Review of the Performance

Second Quarter ended 30 June 2017

CDLHT's gross revenue for 2Q 2017 recorded a 12.7% or S\$5.4 million increase as compared to the corresponding period last year. This was mainly attributed to inorganic contribution of S\$3.7 million from The Lowry Hotel in the UK which was acquired on 4 May 2017. Benefitting from Auckland's robust hospitality market, the Group also recorded a higher incremental contribution of S\$2.3 million, which was facilitated by the change from a largely fixed rent structure to a lease structure with a more significant variable rent component. The Singapore Hotels and Claymore Connect also reported a modest yoy growth of S\$0.4 million. These income boost was however dampened by softer trading performance from the Japan and Maldives properties and lower contribution (in SGD terms) from Hilton Cambridge City Centre, mainly due to the weakened GBP and one-off expenses including the re-launch costs in relation to its newly repositioned restaurant. Collectively, contributions from these properties declined yoy by S\$1.1 million.

The competitive market environment in the Singapore hospitality sector continued to prevail, leading to a RevPAR decline of 1.4% for the Singapore portfolio. The absence of the biennial Food & Hotel Asia event this year, as well as continued price competition dampened the performance despite higher occupancies achieved compared to last year. Nonetheless, income from the Singapore portfolio managed to record a slight increase.

The Maldives resort market remained challenging as tourism demand from China, the largest source market, continued to decline. Coupled with pricing pressures amongst market players amidst an increase in new supply¹, the Maldives Resorts collectively posted a 16.3% decline in RevPAR yoy due to pricing pressures amidst an increase in hotel supply.

The natural resource market in Australia continued to be subdued while there are increases in new supply of hotels in Perth and Brisbane. CDLHT continues to receive fixed rent in local currency.

New Zealand inbound arrivals continued to grow, bolstered by new air services arrangements² and increased direct flight frequencies since the beginning of this year. Certain sporting events such as the World Masters Games and, the British and Irish Lions Rugby Games also helped to boost performance. Accordingly, the New Zealand Hotel reported a stellar 49.0% yoy increase in RevPAR.

The high price sensitivity of the Tokyo economy-accommodation market continues to weigh on the Japan Hotels' performance. Whilst occupancy remains strong, RevPAR for the Group's Japan Hotels declined by 4.2% yoy due to lower average room rates amidst increased supply.

Hilton Cambridge City Centre reported a RevPAR improvement of 2.8% against the same period last year while The Lowry Hotel saw a slight yoy dip in RevPAR due to the Manchester Arena bombing that occurred on 22 May 2017. Contribution from The Lowry Hotel is for the period of 4 May 2017, the date of acquisition, to 30 June 2017, and the full effects of its contribution to Gross Revenue and NPI will be reflected from the next quarter onwards.

For 2Q 2017, net property income³ increased by S\$3.6 million or 11.4% to S\$34.9 million.

Overall, the total distribution to Stapled Securityholders (after retention for working capital and capital distribution of S\$2.2 million comprising income from the Group's overseas properties) for 2Q 2017 increased 12.6% or S\$2.8 million as compared to the corresponding period last year, contributed mainly from the higher variable rent component from the New Zealand Hotel and the newly acquired The Lowry Hotel. For the reporting period, the total distribution per Stapled Security (after retention and capital distribution) and after taking into account the effects of the Rights Issue was 2.08 cents, 3.7% lower than 2Q 2016 due to the issuance of new Stapled Securities in relation to a rights issue launched on 27 June 2017. The new Stapled Securities (which are to be issued on 2 August 2017) are ranked pari passu with existing Stapled Securities and thereby entitled to accrued distributions for the period from 1 January 2017 to 30 June 2017. Excluding the effect of the Rights Issue, the distribution per Stapled Security (after retention and capital distribution) would have been 2.49 cents, an 11.7% increase from the same reporting period last year, whereby eligible Stapled Securityholders who have fully subscribed for their pro-rata rights entitlements will enjoy the growth in distribution.

¹ Maldives Ministry of Tourism, Monthly Updates

² NZ Herald, Package for Chinese tourism welcomed by industry group, 27 March 2017

³ Net property income is derived after deducting the operating expenses of Jumeirah Dhevanafushi, the Japan Hotels, the UK Hotels, as well as the property tax and insurance expenses of the portfolio.

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Statistics on the weighted average occupancy rate, daily rate and RevPAR for the Singapore Hotels are set out below:

	2Q 2017	2Q 2016	Increase/(Decline)
Average Occupancy Rate	86.2%	83.5%	2.7pp
Average Daily Rate	S\$180	S\$188	(4.7)%
RevPAR	S\$155	S\$157	(1.4)%

Six months ended 30 June 2017

CDLHT reported a gross revenue of S\$94.2 million in 1H 2017, which was 8.2% or S\$7.1 million higher than the corresponding period last year. This was mainly due to the recognition of a two months (4 May 2017 to 30 June 2017) inorganic contribution of S\$3.7 million from The Lowry Hotel (which was absent in the corresponding period last year) and the stellar performance by the New Zealand Hotel, which posted a yoy revenue growth of S\$4.8 million, due to the change in rental structure to include more variable rent. There was also higher contribution of S\$0.6 million from Claymore Connect.

This improvement was however dampened by lower gross revenue from the other properties. Contributions from the Singapore Hotels, Japan Hotels and Maldives Resorts declined collectively by S\$1.4 million yoy due to softer trading conditions while Hilton Cambridge City Centre recorded lower contribution of S\$0.5 million due to local currency weakness against SGD due to Brexit as well as recognition of one-off expenses.

The addition of nearly 2,000 rooms to Singapore’s hotel supply during the past 12 months weighed on the Singapore Hotels’ performance. The trading environment continued to be competitive and there were also two biennial events – the Singapore Airshow in February and Food & Hotel Asia in April that did not feature this year. Although there was an increase in the yoy occupancy rate, the drop in the average room rate led to the RevPAR for the Singapore Hotels falling marginally by 1.1% yoy to S\$157. Notwithstanding the increased competition, there was a slight rise in rental income overall.

The Australia Hotels received only fixed rent for this year as opposed to also receiving variable income of S\$0.4m last year. The predominantly fixed rent structure insulates the Australia Hotels against the vagaries of the hospitality markets in Perth and Brisbane.

In New Zealand, year-to-date May 2017 has been a record year for tourism. This was bolstered by strong tourism arrivals and an increase in flight capacity into New Zealand⁴. The New Zealand Hotel achieved a substantial year-to-date RevPAR increase of 36.8% yoy, and its NPI improved by 91.9%, in part due to a change in rental structure to include more variable rent.

The hospitality market in the Maldives remained challenging with the sustained weakness in travel demand from China, as well as increased supply. This resulted in severe rate competition as resorts attempted to retain market share. Collectively, the Maldives Resorts posted yoy RevPAR decline of 11.7% and contribution fell S\$0.6 million.

With some new supply coming into the market since a year ago, the Japan Hotels continued to experience rate pressures even though visitor arrivals recorded yoy growth of 17.3% for year-to-date May 2017. The Japan Hotels posted a combined RevPAR decline of 5.6% against the correspondingly period last year.

Hilton Cambridge City Centre’s RevPAR for 1H 2017 increased by 9.0% yoy but the positive performance was diluted by the weakened GBP and recognition of one-off expenses. The Lowry Hotel provided a boost in income from its contribution from 4 May 2017 (date of acquisition) to 30 June 2017.

Collectively, net property income⁵ increased by S\$5.7million or 8.8% to S\$70.8 million in 1H 2017.

⁴ New Zealand Ministry of Business, Innovation & Employment, New Zealand Tourism Forecasts 2017 - 2023

⁵ Net property income is derived after deducting the operating expenses of Jumeirah Dhevanafushi, the Japan Hotels, the UK Hotels, as well as the property tax and insurance expenses of the portfolio.

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Net finance costs for 1H 2017 was higher than the corresponding period last year, mainly a result of higher foreign exchange losses of S\$4.8 million over 1H 2016. This was largely due to an exchange loss arising from the repayment of the NZD denominated intercompany loan. The foreign exchange loss does not impact the distributable income of CDLHT.

Overall, the total income available for distribution (after retention for working capital and capital distribution of S\$2.2 million comprising income from the Group’s overseas properties) of S\$49.0 million for 1H 2017 was 11.3% or S\$5.0 million higher than the corresponding period last year, contributed mainly from the higher variable rent component from the New Zealand Hotel and the newly acquired The Lowry Hotel. Total income available for distribution per Stapled Security (after retention and capital distribution) was 4.10 cents in 1H 2017, a 4.7% decrease compared to 4.30 cents in 1H 2016 due to the issuance of new Stapled Securities in relation to a rights issue launched on 27 June 2017. The new Stapled Securities (which are to be issued on 2 August 2017) are ranked pari passu with existing Stapled Securities and thereby entitled to accrued distributions for the period from 1 January 2017 to 30 June 2017. Excluding the effect of the Rights Issue, the distribution per Stapled Security (after retention and capital distribution) would have been 4.91 cents, a 10.3% increase from the same reporting period last year, whereby eligible Stapled Securityholders who have fully subscribed for their pro-rata rights entitlements will enjoy the growth in 1H 2017 distribution.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the Singapore Hotels are set out below:

	1H 2017	1H 2016	Increase/(Decline)
Average Occupancy Rate	87.3%	83.7%	3.6pp
Average Daily Rate	S\$180	S\$190	(5.3)%
RevPAR	S\$157	S\$159	(1.1)%

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

No forecast has been disclosed.

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

According to the Singapore Tourism Board (“STB”), in the first four months of 2017, international visitor arrivals increased 4.4% yoy to 5.8 million. Consequently, total visitor days grew 2.6% yoy¹. The growth in visitor arrivals was mainly due to an increase in Chinese arrivals, Singapore’s top source market. Eight out of the top ten source markets also recorded growth.

On the supply front in Singapore, the net supply for hotel inventory is estimated to increase by 2,559² rooms in 2017, representing approximately 4.0% of room stock as at end of 2016. Room rates are likely to remain competitive as new hotels seek to build their base. For the first 24 days of July 2017, RevPAR for Singapore Hotels increased by 0.9% as compared to the same period last year.

Looking ahead, Singapore’s GDP growth in 2017 is expected to be higher yoy with improved growth prospects for the global economy, barring the materialisation of geopolitical risks and economic uncertainties, as well as moderating growth in China³. To augment Singapore’s position as a leading MICE destination, STB, Changi Airport Group (“CAG”), Singapore Airlines (“SIA”), JetQuay and Uber recently launched the second edition of the Singapore MICE Advantage Programme to draw more business events to Singapore. The first edition, launched in 2013 and concluded in 2016, secured over 85 events to Singapore⁴. In addition, STB, SIA and CAG also announced a S\$34 million tripartite partnership in April this year to strengthen Singapore’s destination appeal and woo business and MICE visitors⁵.

In New Zealand, the tourism sector continues to enjoy healthy demand growth with international visitor arrivals increasing 8.7% yoy to a record 1.9 million⁶ for the first six months of 2017. The growth of the hospitality market in New Zealand is likely to be driven by the increase in new international air services, a strong events calendar and the safe haven appeal of New Zealand. To support the tourism boom in New Zealand, Auckland Airport has recently announced an NZD 1.8 billion investment to improve its aeronautical infrastructure over the next five years⁷.

In Japan, visitor arrivals remain healthy with a yoy growth of 17.4% to 13.8 million for the first six months of 2017⁸. The long-term outlook for the hospitality sector in Japan is expected to be positive with the government’s growth target of 40.0 million foreign visitors by 2020⁹, in conjunction with the 2020 Tokyo Olympics.

The near-term outlook for the Maldives hospitality market continues to be challenging, due to the slowdown in luxury spending and the decline in visitor arrivals from China. Coupled with the increase in new rooms supply, this may also continue to affect the performance of the Maldives Resorts.

In United Kingdom, international arrivals are expected to grow by 4.0% in 2017¹⁰ and the relatively weaker GBP may encourage stronger international and domestic leisure travel. However, there is significant economic and political uncertainty with the outcome of the June elections and EU exit negotiations, which may affect corporate demand.

In May 2017, CDLHT acquired The Lowry Hotel, a 5-star luxury hotel in Manchester, UK, and in July 2017, completed the acquisition of Pullman Hotel Munich, a 4-star hotel in Munich, Germany. The full effect of the contributions from these two hotels will be felt in the coming quarters ahead. With an enlarged debt headroom and strengthened balance sheet from the recently announced rights issue, CDLHT will continue to pursue suitable acquisitions and asset enhancement initiatives to diversify and augment its income streams.

¹ STB

² Based on Horwath data (July 2017) and CDLHT research

³ Ministry of Trade and Industry Singapore, “MTI Maintains 2017 GDP Growth Forecast at “1.0 to 3.0 Per Cent”, 25 May 2017

⁴ STB, “Enhanced advantage programme launched to draw more business events to Singapore”, 16 May 2017

⁵ STB, “\$34m three-year tripartite partnership to strengthen Singapore’s destination appeal and drive visitor traffic”, 17 April 2017

⁶ Tourism – Statistics New Zealand

⁷ Auckland Airport, “Auckland Airport announces new aeronautical prices for next five years and \$1.8 billion infrastructure investment to support the continued growth of New Zealand travel and tourism”, 8 June 2017

⁸ Japan National Tourism Organization

⁹ Nikkei Asian Review, “Japan prepares for mass influx of tourists”, 11 January 2017

¹⁰ TTG, “2017 could be ‘record year’ for inbound tourism”, 30 December 2016

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
 SIX MONTHS ENDED 30 JUNE 2017**

11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2017 to 30 June 2017

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	2.95	0.97	0.18	4.10

Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their Stapled Securities through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.

All other investors received their distributions after deduction of tax at the rate of 17%.

Tax exempt income distribution

All stapled securityholders are exempt from Singapore income tax on the distributions made out of the tax exempt income regardless of whether they are corporate stapled securityholders or investors.

Capital distribution

Capital distribution represents a return of capital to Stapled securityholders for tax purposes and is therefore not subject to income tax. For Stapled securityholders who hold the Stapled Securities as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Stapled Securities for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Stapled Securities.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
 SIX MONTHS ENDED 30 JUNE 2017**

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2016 to 30 June 2016

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	3.39	0.98	0.08	4.45

Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their Stapled Securities through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.

All other investors received their distributions after deduction of tax at the rate of 17%.

Tax exempt income distribution

All stapled securityholders are exempt from Singapore income tax on the distributions made out of the tax exempt income regardless of whether they are corporate stapled securityholders or investors.

Capital distribution

Capital distribution represents a return of capital to Stapled securityholders for tax purposes and is therefore not subject to income tax. For Stapled securityholders who hold the Stapled Securities as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Stapled Securities for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Stapled Securities.

11 (c) Book closure date

5.00 p.m. on 7 August 2017.

11 (d) Date payable

29 August 2017.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2017**

12 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13 General mandate relating to Interested Person Transactions

CDL Hospitality Trusts has not obtained a general mandate from stapled securityholders for Interested Person Transactions.

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the six months ended 30 June 2017 to be false or misleading in any material respect.

15 Confirmation pursuant to Rule 720(1) of the Listing Manual

We, on behalf of the directors of the H-REIT Manager and the HBT Trustee-Manager, hereby confirm that the undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

28 July 2017

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2017**

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. Representative 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.

Nothing in this announcement constitutes an offer of any securities in the United States or elsewhere. The rights Stapled Securities have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of that Act. No public offer of the rights Stapled Securities has been or will be made in the United States.

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

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

By Order of the Board

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

28 July 2017

By Order of the Board

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

28 July 2017



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The Board of Directors
M&C REIT Management Limited
(in its capacity as Manager of CDL Hospitality Real Estate Investment Trust)
390 Havelock Road
#02-05 King's Centre
Singapore 169662

28 July 2017

Dear Sirs

CDL Hospitality Trusts

Report on review of interim financial information

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts ("CDLHT") for the six-month period ended 30 June 2017. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of CDLHT as at 30 June 2017;
- Portfolio statement of CDLHT as at 30 June 2017;
- Statement of total return of CDLHT for the six-month period ended 30 June 2017;
- Statement of movements in unitholders' funds of CDLHT for the six-month period ended 30 June 2017;
- Distribution statement of CDLHT for the six-month period ended 30 June 2017;
- Statement of cash flows of CDLHT for the six-month period ended 30 June 2017; and
- Certain explanatory notes to the above Interim Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the ISCA.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting CDLHT to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in CDLHT's announcement of its financial statements for the information of the holders of its Stapled Securities. We do not assume responsibility to parties other than CDLHT for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 July 2017