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 FIRST QUARTER ENDED 31 MARCH 2019

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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$2.8 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 (collectively the "Group"). CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 31 March 2019, CDLHT owns 16 hotels and two resorts comprising a total of 5,088 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) three hotels in Brisbane and Perth, Australia comprising Novotel 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, namely Grand Millennium 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 "**German Hotel**");
(vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Florence, MGallery by Sofitel (the "**Italy Hotel**"); and
(viii) two resorts in Maldives, comprising Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi) (collectively, the "**Maldives Resorts**").

The above portfolio of properties exclude Mercure Brisbane and Ibis Brisbane, which were divested on 11 January 2018.

HBT Group owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of H-REIT Group's Japan Hotels and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels ("Dhevanafushi Maldives Luxury Resort"). It will continue its function as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

On 27 November 2018, H-REIT through its wholly–owned subsidiary, CDLHT CFM One Pte. Ltd., completed its acquisition of a 95.0% interest in Hotel Cerretani Florence, MGallery by Sofitel and the fixtures, furniture and equipment therein.

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.

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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SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS

	1 Jan 2019 to 31 Mar 2019 ("1Q 2019") S$'000	1 Jan 2018 to 31 Mar 2018 ("1Q 2018") S$'000	Increase/ (Decrease) %
Revenue	46,316	51,795	(10.6)
Net property income	33,770	37,818	(10.7)
Total return before fair value adjustment	18,277	28,031	(34.8)
Income available for distribution to Stapled Securityholders (before retention)	24,133	28,208	(14.4)
Less:			
Income retained for w orking capital	(2,413)	(2,821)	(14.5)
Income to be distributed to Stapled Securityholders (after retention)	21,720	25,387	(14.4)
Capital distribution[1]	3,564	675	N.M
Total distribution to Stapled Securityholders (after retention)	25,284	26,062	(3.0)
Total distribution per Stapled Security (before retention)[2] (cents)			
For the period	2.29	2.40	(4.6)
Total distribution per Stapled Security (after retention)[2] (cents)			
For the period	2.09	2.17	(3.7)

[1] Includes partial distribution of proceeds from the sale of Mercure and Ibis Brisbane amounting to S$2.4 million and S$0.7 million for 1Q 2019 and 1Q 2018 respectively.

[2] This includes capital distribution.

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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		
		1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		37,225	38,661	(3.7)	-	-	-	35,030	36,428	(3.8)
Hotel revenue		-	-	-	11,286	15,367	(26.6)	11,286	15,367	(26.6)
	(a)	37,225	38,661	(3.7)	11,286	15,367	(26.6)	46,316	51,795	(10.6)
Property expenses										
Operation and maintenance expenses		-	-	-	(2,457)	(3,415)	(28.1)	(2,457)	(3,415)	(28.1)
Employee benefit expenses	(c)	-	-	-	(4,083)	(3,808)	7.2	(4,083)	(3,808)	7.2
Rental expenses	(d)	-	-	-	(1,198)	(2,387)	(49.8)	(19)	(154)	(87.7)
Property tax	(e)	(1,455)	(1,946)	(25.2)	(598)	(625)	(4.3)	(2,053)	(2,571)	(20.1)
Other property expenses	(f)	(1,111)	(1,171)	(5.1)	(2,823)	(2,858)	(1.2)	(3,934)	(4,029)	(2.4)
		(2,566)	(3,117)	(17.7)	(11,159)	(13,093)	(14.8)	(12,546)	(13,977)	(10.2)
Net property income		34,659	35,544	(2.5)	127	2,274	(94.4)	33,770	37,818	(10.7)
H-REIT Manager's management fees		(3,284)	(3,288)	(0.1)	-	-	-	(3,284)	(3,288)	(0.1)
H-REIT Trustee's fees		(98)	(71)	38.0	-	-	-	(98)	(71)	38.0
HBT Trustee-Manager's management fees	(g)	-	-	-	(141)	-	N.M	(141)	-	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(56)	(58)	(3.4)	(56)	(58)	(3.4)
Valuation fees		(53)	(45)	17.8	(11)	1	N.M	(64)	(44)	45.5
Depreciation and amortisation	(h)	(547)	(523)	4.6	(2,455)	(1,658)	48.1	(3,083)	(2,891)	6.6
Other trust expenses	(i)	(1,218)	(776)	57.0	(256)	(349)	(26.6)	(1,474)	(1,125)	31.0
Finance income		1,808	250	N.M	-	-	-	1,806	1,862	(3.0)
Finance costs		(8,810)	(8,795)	0.2	(1,695)	(1,150)	47.4	(7,489)	(8,126)	(7.8)
Net finance costs	(l)	(7,002)	(8,545)	(18.1)	(1,695)	(1,150)	47.4	(5,683)	(6,264)	(9.3)
Net income/(loss) before fair value adjustment		22,457	22,296	0.7	(4,487)	(940)	N.M	19,887	24,077	(17.4)
Gain on disposal of investment properties and related cessation of business of foreign operations	(j)	-	5,367	N.M	-	-	-	-	5,367	N.M
Total return/(Net loss) before tax		22,457	27,663	(18.8)	(4,487)	(940)	N.M	19,887	29,444	(32.5)
Tax expense	(m)	(1,331)	(1,051)	26.6	(279)	(362)	(22.9)	(1,610)	(1,413)	13.9
Total return/(Net loss)	(n)	21,126	26,612	(20.6)	(4,766)	(1,302)	N.M	18,277	28,031	(34.8)
Attributable to:										
Unitholders		20,825	26,591	(21.7)	(4,766)	(1,302)	N.M	17,976	28,010	(35.8)
Non-controlling interests	(k)	301	21	N.M	-	-	-	301	21	N.M
Total return/(Net loss)		21,126	26,612	(20.6)	(4,766)	(1,302)	N.M	18,277	28,031	(34.8)

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

	HBT Group		
	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Net loss for the period	(4,766)	(1,302)	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	(20)	(626)	(96.8)
	(20)	(626)	(96.8)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences:			
- foreign operations	2,260	3,201	(29.4)
- hedge of net investment in a foreign operation	(1,778)	(2,574)	(30.9)
- monetary items forming part of net investment in a foreign operation	2,094	3,032	(30.9)
	2,576	3,659	(29.6)
Other comprehensive income for the period, net of tax	2,556	3,033	(15.7)
Total comprehensive (loss)/income for the period	(2,210)	1,731	N.M

Footnotes

(a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 21 of the Announcement.

(b) The decrease in revenue and property expenses for HBT Group in 1Q 2019 is mainly attributed to Dhevanafushi Maldives Luxury Resort, which suspended its operations since 1 June 2018 for rebranding works.

(c) The increase in employee benefit expenses in 1Q 2019 is attributed to the higher headcount in Dhevanafushi Maldives Luxury Resort, in preparation for the resort opening this year. In comparison, the resort was in the midst of winding down for its rebranding works in 1Q 2018.

(d) Rental expenses for HBT Group and CDLHT have decreased in 1Q 2019 as compared to the corresponding period last year as the Group has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with a depreciation charge on right-of-use ("ROU") assets and interest expense on lease liabilities. Please refer to Section 5, page 19 of the Announcement for more details.

(e) The decrease in property taxes in 1Q 2019 is mainly attributed to tax savings from the Singapore properties following the finalisation of prior year assessments.

(f) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. In 1Q 2019, H-REIT Group's expenses have decreased yoy primarily due to the adoption of FRS 116/SFRS(I) 16 in relation to its lease of the units at Waterfront Plaza.

Also included in other property expenses in 1Q 2019 is a net impairment loss of S$10K relating to the receivables of Hilton Cambridge Hotel and Dhevanafushi Maldives Luxury Resort. In the corresponding period last year, CDLHT recognised an overall write-back of prior year impairment loss of S$100K relating to receivables from Claymore Connect's tenants and the UK Hotels.

(g) The increase in HBT Trustee-Manager's management fees is attributed to the alignment of its fee structure to H-REIT Manager which was approved by Stapled Securityholders through an Extraordinary General Meeting held on 27 April 2018. With effect from 1 May 2018, HBT Trustee-Manager's management fees comprises a base fee of 0.25% per annum of the value of HBT's deposited property and a performance fee of 5.0% per annum of HBT's net property income.

(h) The depreciation, amortisation and impairment losses for CDLHT mainly relate to property, plant and equipment of the Japan and UK Hotels and Dhevanafushi Maldives Luxury Resort.

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000
Depreciation of property, plant and equipment [(i)]	547	523	2,455	1,658	3,008	2,821
Amortisation of prepaid land lease	-	-	-	-	75	70
	547	523	2,455	1,658	3,083	2,891

(i) Included in depreciation is depreciation charge on ROU assets relating to property, plant and equipment. CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets and interest expense on lease liabilities. Please refer to Section 5, page 19 of the Announcement for more details.

(i) Other trust expenses comprise mainly professional fees and administrative expenses. CDLHT incurred higher fees and administrative expenses in 1Q 2019 mainly due to the inclusion of Hotel Cerretani Florence (acquired on 27 November 2018).

(j) On 22 December 2017, CDLHT entered into a sale and purchase agreement to sell Mercure Brisbane and Ibis Brisbane in Australia for a total consideration of A$77.0 million. The sale was completed on 11 January 2018 and CDLHT recognised a gain on disposal of S$5.4 million in 1Q 2018.

(k) Non-controlling interests relate to the interest owned by the minority shareholders in relation to Pullman Hotel Munich and Hotel Cerretani Florence which was acquired on 27 November 2018.

(I) Net finance costs comprise the following:

	H-REIT Group		
	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	321	250	28.4
Interest income from finance lease(v)	66	-	N.M
Fair value gain on derivatives(i)	1,421	-	N.M
Finance income	1,808	250	N.M
Exchange loss	(2,912)	(1,395)	N.M
Interest paid/payable to banks(iii)	(5,159)	(3,884)	32.8
Interest expense on lease liabilities(v)	(358)	-	N.M
Fair value loss on derivatives(i)	-	(3,174)	N.M
Amortisation of transaction costs capitalised(iv)	(323)	(286)	12.9
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(58)	(56)	3.6
Finance costs	(8,810)	(8,795)	0.2
Net finance costs	(7,002)	(8,545)	(18.1)

	HBT Group		
	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Exchange loss	(275)	(424)	(35.1)
Interest paid/payable to banks(iii)	(644)	(668)	(3.6)
Interest expense on lease liabilities(v)	(736)	-	N.M
Fair value loss on derivatives(i)	(2)	(20)	(90.0)
Amortisation of transaction costs capitalised(iv)	(38)	(38)	-
Finance costs	(1,695)	(1,150)	47.4

	CDL Hospitality Trusts		
	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	321	250	28.4
Interest income from finance lease(v)	66	-	N.M
Fair value gain on derivatives(i)	1,419	-	N.M
Exchange gain(ii)	-	1,612	N.M
Finance income	1,806	1,862	(3.0)
Exchange loss(ii)	(818)	-	N.M
Interest paid/payable to banks(iii)	(5,803)	(4,552)	27.5
Interest expense on lease liabilities(v)	(449)	-	N.M
Fair value loss on derivatives(i)	-	(3,194)	N.M
Amortisation of transaction costs capitalised(iv)	(361)	(324)	11.4
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(58)	(56)	3.6
Finance costs	(7,489)	(8,126)	(7.8)
Net finance costs	(5,683)	(6,264)	(9.3)

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

(ii) The exchange loss of CDLHT for 1Q 2019 mainly arose from translation losses from the group's United States dollar ("USD") denominated bank loans as well as the depreciation of Australian dollar ("AUD") receivables and cash balances against SGD. During the comparative period in 1Q 2018, the exchange gain arose mainly from the impact of weaker USD on the Group's loans. These exchange differences (apart from those which are revenue in nature) do not have an impact on the distributable income of CDLHT.

(iii) The interest paid/payable to banks for 1Q 2019 were higher yoy mainly due to interest incurred on new loans drawn down in FY 2018 for the acquisition of Hotel Cerretani Florence on 27 November 2018 and the rebranding enhancement works of Dhevanafushi Maldives Luxury Resort as well as higher funding cost.

(iv) The amortisation costs in 1Q 2019 relate to the amortisation of transaction costs arising from CDLHT's borrowings.

(v) CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets related to property, plant and equipment and interest expense on lease liabilities. Additionally, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease, resulting in an interest income from finance lease. Please refer to Section 5, page 19 of the Announcement for more details.

(m) This relates to current and deferred taxes in respect of CDLHT's properties.

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000
Corporate income tax[(i)]	(1,206)	(977)	(84)	18	(1,290)	(959)
Deferred tax	(185)	(74)	69	(178)	(116)	(252)
Withholding tax	-	-	(264)	(202)	(264)	(202)
Overprovision in respect of prior year tax	60	-	-	-	60	-
	(1,331)	(1,051)	(279)	(362)	(1,610)	(1,413)

(i) Corporate income tax has increased due to tax arising from the Group's overseas properties.

(n) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts	
	1Q 2019 S$'000	1Q 2018 S$'000
H-REIT	19,691	24,689
Other H-REIT group entities (including consolidation adjustments)	1,435	1,923
HBT	548	748
Other HBT group entities (including consolidation adjustments)	(5,314)	(2,050)
CDL Hospitality Trusts' consolidation adjustments	1,917	2,721
	18,277	28,031

(o) Income available for distribution(i)

	CDL Hospitality Trusts	
	1Q 2019 S$'000	1Q 2018 S$'000
Total return of H-REIT	19,691	24,689
Total comprehensive income of HBT	548	748
Add/(Less): Non tax deductible/(tax chargeable) items:		
- Amortisation of transaction costs	318	289
- Income in relation to gain on disposal of investment properties	-	(7,473)
- Fair value (gain)/ loss on financial derivatives	(1,421)	3,174
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	58	56
- Exchange loss	1,884	3,767
- H-REIT Manager's fees paid/payable in Stapled Securities	2,627	2,630
- H-REIT Trustee's fees	98	71
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	113	-
- HBT Trustee-Manager's trustee fees	56	58
- Other items	161	199
Income available for distribution to Stapled Securityholders (before retention)	24,133	28,208
Less :		
Income retained for working capital	(2,413)	(2,821)
Income to be distributed to Stapled Securityholders (after retention)	21,720	25,387
Capital distribution(ii)	3,564	675
Total distribution to Stapled Securityholders (after retention)	25,284	26,062
Comprising :		
- Taxable income	16,764	18,939
- Tax exempt income	4,956	6,448
- Capital distribution	3,564	675
	25,284	26,062

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

(ii) The capital distribution comprises income from CDLHT's properties as well as CDLHT's continued partial distribution of proceeds from the 2018 disposal of Mercure Brisbane and Ibis Brisbane. For a meaningful yoy comparison of the total income from overseas properties, tax exempt income and capital distribution should be read collectively.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

		H-REIT Group		HBT Group[a]		CDL Hospitality Trusts	
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
	Footnote	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,513,032	2,497,456	-	-	2,437,673	2,428,921
Property, plant and equipment	(c)	82,681	84,186	251,027	202,316	370,781	348,183
Prepaid land lease		-	-	-	-	-	6,853
Deferred tax assets		572	606	-	-	572	606
Finance lease receivables	(d)	5,329	-	-	-	5,329	-
Financial derivative assets	(e)	5,423	3,960	-	-	5,423	3,960
Other receivables		149	149	-	-	149	149
		2,607,186	2,586,357	251,027	202,316	2,819,927	2,788,672
Current assets							
Inventories		-	-	1,283	889	1,283	889
Trade and other receivables		45,444	39,791	12,731	11,241	36,508	32,828
Finance lease receivables	(d)	710	-	-	-	710	-
Financial derivative assets	(e)	95	124	10	70	105	195
Cash and cash equivalents		102,632	127,077	7,436	12,506	110,068	139,583
		148,881	166,992	21,460	24,706	148,674	173,495
Total assets		**2,756,067**	**2,753,349**	**272,487**	**227,022**	**2,968,601**	**2,962,167**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(f)	723,821	669,275	95,589	93,418	819,410	762,693
Lease liabilities	(g)	22,319	-	44,009	-	30,037	-
Rental deposits	(h)	9,587	9,530	-	-	9,587	9,530
Other payables	(j)	727	713	-	-	727	713
Deferred tax liabilities	(i)	16,327	16,262	15,665	15,367	31,992	31,629
		772,781	695,780	155,263	108,785	891,753	804,565
Current liabilities							
Loans and borrowings	(f)	209,858	248,675	-	-	209,858	248,675
Lease liabilities	(g)	899	-	1,726	-	1,082	-
Trade and other payables	(j)	33,296	35,152	29,293	24,811	40,921	41,758
Financial derivative liabilities	(e)	49	37	-	-	49	37
Provision for taxation	(k)	8,993	11,237	333	573	9,327	11,810
		253,095	295,101	31,352	25,384	261,237	302,280
Total liabilities		**1,025,876**	**990,881**	**186,615**	**134,169**	**1,152,990**	**1,106,845**
Net assets		**1,730,191**	**1,762,468**	**85,872**	**92,853**	**1,815,611**	**1,855,322**
Represented by:							
Unitholders' funds		1,722,455	1,754,809	85,872	92,853	1,807,875	1,847,663
Non-controlling interests	(l)	7,736	7,659	-	-	7,736	7,659
		1,730,191	**1,762,468**	**85,872**	**92,853**	**1,815,611**	**1,855,322**

Footnotes

(a) *The Statement of Financial Position of HBT Group comprises the resort operations of Dhevanafushi Maldives Luxury Resort, the Japan Hotels and the UK Hotels.*

(b) *The increase in investment properties as at the reporting date was mainly attributed to the recognition of ROU assets (S$9.2 million) upon adoption of FRS116/SFRS(I) 16 from 1 January 2019 in relation to the Group's operating leases that qualify as investment properties. Please refer to Section 5, page 19 of the Announcement for more details.*

Excluding this, the slight decrease in investment properties at CDLHT was mainly attributed to a net translation loss of S$5.7 million relating to its overseas properties, offset by additional capital expenditure of S$5.2 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, Dhevanafushi Maldives Luxury Resort and the UK Hotels. For Dhevanafushi Maldives Luxury Resort, 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. As these properties are considered property held for use as owner-occupied properties, they are classified as property, plant and equipment instead of investment property in CDLHT's financial statements.

CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, operating leases that qualify as ROU assets relating to property, plant and equipment has been recognised on CDLHT's balance sheet. Please refer to Section 5, page 19 of the Announcement for more details.

The increase in property, plant and equipment at CDLHT is mainly due to the recognition of ROU assets related to property, plant and equipment of S$15.9 million (as described above), net additions of S$0.5 million and a net translation gain of S$2.6 million, offset by depreciation expenses of S$3.0 million for the period.

(d) *Under FRS 116/SFRS(I) 16 Leases, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease. Please refer to Section 5, page 19 of the Announcement for more details.*

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

(f) *Loans and borrowings of CDLHT of S$1.03 billion (as at 31 December 2018: S$1.01 billion), which are measured at amortised cost, comprise JPY3.1 billion (S$37.8 million) TMK bond and S$991.5 million bank borrowings, as explained under Section 1(b)(ii) on pages 10 to 12 of the Announcement.*

In 1Q 2019, an additional S$11.5 million and US$7.0 million was drawn from H-REIT's revolving credit facilities, for capital expenditure on the Group's properties including the Dhevanafushi Maldives Luxury Resort's rebranding renovation.

The net current liabilities position for CDLHT as at 31 March 2019 was mainly attributed to borrowings falling due within one year. Notwithstanding the net current liabilities position, CDLHT has S$110.1 million in cash and cash equivalent as at 31 March 2019 and has an established S$1.0 billion Multi-currency Medium Term Note Programme which remains fully available to refinance its borrowings and to meet its current obligations as and when they fall due.

(g) *The lease liabilities represent CDLHT's obligation to make lease payments in relation to the ROU assets recognised in accordance to FRS 116/SFRS(I) 16 which was effective on 1 January 2019. Please refer to Section 5, page 19 of the Announcement for more details.*

(h) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*

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

(j) *Trade and other payables for the Group relates mainly to payables for operational and trust expenses. Included in HBT Group's payables are amounts owing to suppliers for the rebranding works on Dhevanafushi Maldives Luxury Resort.*

(k) *Provision for taxation has decreased mainly due to tax payment during the reporting period arising from the finalisation of prior year tax assessment on distribution income from the New Zealand Hotel.*

(l) *Non-controlling interests relate to the interests owned by the minority shareholder in relation to the Pullman Hotel Munich (acquired on 14 July 2017) and the Hotel Cerretani Florence, MGallery by Sofitel (acquired on 27 November 2018).*

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	31 Mar 2019 S$'000	31 Dec 2018 S$'000	31 Mar 2019 S$'000	31 Dec 2018 S$'000	31 Mar 2019 S$'000	31 Dec 2018 S$'000
Amount repayable after one year						
Secured borrowings	67,184	68,737	-	-	67,184	68,737
Secured TMK bond	37,975	38,471	-	-	37,975	38,471
Unsecured borrowings	621,855	564,357	96,152	94,019	718,007	658,376
	727,014	671,565	96,152	94,019	823,166	765,584
Amount repayable within one year						
Unsecured borrowings	209,939	248,830	-	-	209,939	248,830
	209,939	248,830	-	-	209,939	248,830
Total borrowings[(a)]	936,953	920,395	96,152	94,019	1,033,105	1,014,414

[(a)] *The borrowings are presented before the deduction of unamortised transaction costs.*

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

Details of borrowings

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

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		31 Mar 2019			31 Mar 2019			31 Mar 2019		
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)	37,975	37,975	-	-	-	-	37,975	37,975	-
JPY	5-year term loan (¥3.27 billion)	40,058	40,058	-	-	-	-	40,058	40,058	-
SGD	Medium term note	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan	300,000	52,208	247,792	200,000	-	200,000	500,000	52,208	447,792
SGD	3 to 3.25-year revolving credit (committed) (i)	250,000	156,994	93,006	-	-	-	250,000	156,994	93,006
SGD	5-year term loans	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US$141.2 million)	190,524	190,524	-	-	-	-	190,524	190,524	-
EUR	7-year term loan (€44.0 million)	67,184	67,184	-	-	-	-	67,184	67,184	-
GBP	5-year term loans (£120.5 million)	118,410	118,410	-	96,152	96,152	-	214,562	214,562	-
		2,277,751	**936,953**	**1,340,798**	**296,152**	**96,152**	**200,000**	**2,573,903**	**1,033,105**	**1,540,798**

* Apart from the TMK bond and the 7-year EUR term loan, all the borrowings of the Group are unsecured.

(i) During the reporting quarter, the previous 3-year S$100 million revolving credit facility ("RCF") matured and H-REIT refinanced it with a fresh 3-year RCF committed facility.

Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S$38.0 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.

Secured borrowing

The secured bank loan relates to a 7-year fixed rate loan of S$67.2 million (€44.0 million) drawn down by H-REIT's indirectly-owned subsidiary, NKS Hospitality I B.V..

The securities include (i) a first legal mortgage on the property, (ii) assignment of the rights and claims under the property's major contracts such as the lease agreement and insurance policies and (iii) pledge of shares and bank accounts of NKS Hospitality I B.V..

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").

In June 2018, the outstanding medium term notes of S$120.0 million were refinanced into a 5-year fixed rate unsecured term loan.

Unsecured bridge loan

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

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

As at 31 March 2019, an amount of S$52.2 million (€34.2 million) has been drawn down by H-REIT to partially fund the acquisition of an interest of 95% in Hotel Cerretani Florence on 27 November 2018.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000	1Q 2019 S$'000	1Q 2018 S$'000
Operating activities							
Net income/(Net loss) before tax		22,457	27,663	(4,487)	(940)	19,887	29,444
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	2,627	2,630	113	-	2,740	2,630
Depreciation of property, plant and equipment		547	523	2,455	1,658	3,008	2,821
Amortisation of prepaid land lease		-	-	-	-	75	70
(Reversal of impairment loss)/ Impairment loss on trade receivables		-	(86)	10	(14)	10	(100)
Gain on disposal of investment property		-	(5,367)	-	-	-	(5,367)
Net finance costs		7,002	8,545	1,695	1,150	5,683	6,264
Operating income before working capital changes		32,633	33,908	(214)	1,854	31,403	35,762
Changes in working capital:							
Inventories		-	-	(398)	139	(398)	139
Trade and other receivables		(6,032)	(4,052)	(1,545)	358	(3,826)	(3,028)
Trade and other payables		723	(3,807)	3,450	(4)	1,439	(4,478)
Cash generated from operating activities		27,324	26,049	1,293	2,347	28,618	28,395
Income tax paid		(3,385)	(171)	(601)	(220)	(3,986)	(391)
Net cash generated from operating activities		23,939	25,878	692	2,127	24,632	28,004
Investing activities							
Capital expenditure on investment properties		(9,521)	(1,966)	-	-	(9,521)	(1,974)
Additions to property, plant and equipment		(24)	(259)	(434)	(418)	(458)	(668)
Proceeds from disposal of investment properties (net)		-	80,556	-	-	-	80,556
Interest received		322	244	-	-	322	244
Cash (used in)/ generated from investing activities		(9,223)	78,575	(434)	(418)	(9,657)	78,158
Financing activities							
Proceeds from bank loans		74,744	3,800	-	-	74,744	3,800
Repayment of bank loans		(53,620)	-	-	-	(53,620)	-
Payment of transaction costs related to bank loans		(1,159)	(25)	-	(29)	(1,159)	(54)
Finance costs paid		(3,561)	(2,486)	(645)	(677)	(4,206)	(3,163)
Distribution to holders of Stapled Securities		(54,835)	(56,393)	(4,884)	(5,027)	(59,719)	(61,420)
Distribution to non-controlling interests		(67)	(149)	-	-	(67)	(149)
Return of capital to non-controlling interests		(24)	-	-	-	(24)	-
Movement in restricted cash		387	472	-	-	387	472
Cash used in financing activities		(38,135)	(54,781)	(5,529)	(5,733)	(43,664)	(60,514)
Net (decrease)/ increase in cash and cash equivalents		(23,419)	49,672	(5,271)	(4,024)	(28,689)	45,648
Cash and cash equivalents at beginning of the period		125,740	77,370	12,506	17,278	138,246	94,648
Effect of exchange rate changes on cash and cash equivalents		(645)	(1,812)	201	324	(445)	(1,488)
Cash and cash equivalents at end of the period	(b)	101,676	125,230	7,436	13,578	109,112	138,808

Footnotes

(a) *Significant non-cash transactions*

1Q 2019

1,670,809 (1Q 2018: 1,559,059) Stapled Securities amounting to S$2.7 million (1Q 2018: S$2.6 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of the quarter.

(b) *Cash and cash equivalents for H-REIT Group and CDLHT as at 31 March 2019 are as follows:*

	H-REIT Group S$'000	CDL Hospitality Trusts S$'000
Cash and cash equivalents in the Statement of Financial Position	102,632	110,068
Restricted cash[(a)]	(956)	(956)
Cash and cash equivalents in the Statement of Cash Flows	101,676	109,112

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

1 (d) Statements of Movements in Unitholders' funds for the period from 1 January 2019 to 31 March 2019

		H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Footnote	Attributable to Stapled Securityholders S$'000	Non-controlling Interests S$'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$'000**	Attributable to Stapled Securityholders S$'000	Non-controlling Interests S$'000	**Total S$'000**
Balance as at 1 January 2019		1,754,809	7,659	**1,762,468**	117,863	(121)	1,838	10,771	(37,498)	**92,853**	1,847,663	**7,659**	**1,855,322**
Operations													
Increase/(decrease) in net assets resulting from operations		20,825	301	**21,126**	-	-	-	-	(4,766)	**(4,766)**	17,976	301	**18,277**
Movements in revaluation reserve													
- Tax effect on revaluation of property, plant and equipment		16	-	**16**	-	-	-	(20)	-	**(20)**	(4)	-	**(4)**
Increase/(decrease) in revaluation reserve		16	-	**16**	-	-	-	(20)	-	**(20)**	(4)	-	**(4)**
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries		(1,836)	(176)	**(2,012)**	-	-	2,260	-	-	**2,260**	425	(176)	**249**
- Exchange differences on hedge of net investment in a foreign operation		1,304	-	**1,304**	-	-	(1,778)	-	-	**(1,778)**	(2,844)	-	**(2,844)**
- Exchange differences on monetary items forming part of net investment in a foreign operation		(455)	-	**(455)**	-	-	2,094	-	-	**2,094**	1,638	-	**1,638**
(Decrease)/Increase in foreign currency translation reserve		(987)	(176)	**(1,163)**	-	-	2,576	-	-	**2,576**	(781)	(176)	**(957)**
Transactions with owners													
Contributions by and distributions to owners													
- Stapled Securities to be issued	(a)	2,627	-	**2,627**	113	-	-	-	-	**113**	2,740	-	**2,740**
- Distribution to Stapled Securityholders	(b)	(54,835)	-	**(54,835)**	(2,980)	-	-	-	(1,904)	**(4,884)**	(59,719)	-	**(59,719)**
- Distribution to non-controlling interests	(c)	-	(24)	**(24)**	-	-	-	-	-	**-**	-	(24)	**(24)**
- Return of capital to non-controlling interests		-	(24)	**(24)**	-	-	-	-	-	**-**	-	(24)	**(24)**
Decrease in net assets resulting from transactions with owners		(52,208)	(48)	**(52,256)**	(2,867)	-	-	-	(1,904)	**(4,771)**	(56,979)	(48)	**(57,027)**
Balance as at 31 March 2019		1,722,455	7,736	**1,730,191**	114,996	(121)	4,414	10,751	(44,168)	**85,872**	1,807,875	7,736	**1,815,611**

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 FIRST QUARTER ENDED 31 MARCH 2019

1 (d) Statements of Movements in Unitholders' funds for the period from 1 January 2018 to 31 March 2018

		H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Footnote	Attributable to Stapled Securityholders S$'000	Non-controlling Interests S$'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$'000**	Attributable to Stapled Securityholders S$'000	Non-controlling Interests	**Total S$'000**
Balance as at 1 January 2018		1,733,892	4,990	**1,738,882**	117,971	(121)	5,304	6,986	(23,760)	**106,380**	1,840,273	4,990	**1,845,263**
Operations													
Increase/(Decrease) in net assets resulting from operations		26,591	21	**26,612**	-	-	-	-	(1,302)	**(1,302)**	28,010	21	**28,031**
Movements in revaluation reserve													
- Tax effect on revaluation of property, plant and equipment		17	-	**17**	-	-	-	(626)		**(626)**	(609)	-	**(609)**
Increase/(decrease) in revaluation reserve		17	-	**17**	-	-	-	(626)	-	**(626)**	(609)	-	**(609)**
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries		(1,843)	-	**(1,843)**	-	-	3,201	-	-	**3,201**	1,365	-	**1,365**
- Exchange differences on hedge of net investment in a foreign operation		(255)	-	**(255)**	-	-	(2,574)	-	-	**(2,574)**	(6,261)	-	**(6,261)**
- Exchange differences on monetary items forming part of net investment in a foreign operation		(2,252)	-	**(2,252)**	-	-	3,032	-	-	**3,032**	779	-	**779**
- Transfer of exchange differences to statement of total return upon repayment of intercompany loan which formed part of net investment in a foreign operation		8,024	-	**8,024**	-	-	-	-	-	**-**	8,024		**8,024**
Increase in foreign currency translation reserve		3,674	-	**3,674**	-	-	3,659	-	-	**3,659**	3,907	-	**3,907**
Transactions with owners													
Contributions by and distributions to owners													
- Stapled Securities to be issued	(a)	2,630	-	**2,630**	-	-	-	-	-	**-**	2,630	-	**2,630**
- Distribution to Stapled Securityholders	(d)	(56,393)	-	**(56,393)**	-	-	-	-	(5,027)	**(5,027)**	(61,420)	-	**(61,420)**
- Distribution to non-controlling interests	(c)	-	(32)	**(32)**	-	-	-	-	-	**-**	-	(32)	**(32)**
Decrease in net assets resulting from transactions with owners		(53,763)	(32)	**(53,795)**	-	-	-	-	(5,027)	**(5,027)**	(58,790)	(32)	**(58,822)**
Balance as at 31 March 2018		1,710,411	4,979	**1,715,390**	117,971	(121)	8,963	6,360	(30,089)	**103,084**	1,812,791	4,979	**1,817,770**

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 H-REIT Manager and HBT Trustee-manager's base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for H-REIT Manager and HBT Trustee-manager's 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) *Distribution to Stapled Securityholders in respect of the period from 1 July 2018 to 31 December 2018, which includes a capital distribution of S$9,049,000 in 1Q 2019.*

(c) *This relates to non-controlling minority shareholders which has an effective interest of less than 5% in Pullman Munich and 5% in Hotel Cerretani Florence (acquired on 27 November 2018).*

(d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2017 to 31 December 2017, which includes a capital distribution of S$3,479,000 in 1Q 2018.*

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

	Foot-note	CDL Hospitality Trusts	
		1Q 2019	1Q 2018
Issued stapled securities at beginning of the period		1,205,465,379	1,198,822,685
Issue of new stapled securities:			
- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees		971,823	773,477
Issued stapled securities at end of the period		1,206,437,202	1,199,596,162
Stapled securities to be issued:			
- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a)	5,121,777	4,914,015
Total issued and issuable stapled securities at end of the period		1,211,558,979	1,204,510,177

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 management fee is 0.8 million (1Q 2018: 0.8 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.

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 quarter ended 31 March 2019 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 2018, except as disclosed 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 2019, H-REIT Group, HBT Group and CDLHT (collectively, the "Group") adopted FRS 116 / SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

Under FRS 116 / SFRS(I) 16, a single, on-balance sheet lease accounting model for lessees is applied. A lessee recognises a ROU" asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as FRS 116 / SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted FRS 116 / SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 / SFRS(I) 16 has been recognised as an adjustment to the opening balance of unitholders' funds as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to their lease liabilities as at 1 January 2019.

As intermediate lessor, the intermediate lessor enters into a head lease and a sublease of the same underlying asset. Under FRS 116 / SFRS(I) 16, the intermediate lessor classifies the sublease as a finance lease when the sub-lease term is for the major part of the economic life of the underlying asset. The intermediate lessor shall derecognise its ROU asset relating to the head lease it transfers to the sublessee and recognises a finance lease receivable. During the term of the sublease, the intermediate lessor recognises both interest income on the sublease and interest expense on the head lease.

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

<u>H-REIT Group</u>
ROU assets (recognised under investment properties) of S$17.2 million, finance lease receivable of S$6.2 million and lease liabilities S$23.4 million, respectively, have been recognised in the Statement of Financial Position as at 1 January 2019. Interest income of S$0.07 million and interest expense of S$0.4 million have been recognised in the Statement of Total Return for the quarter ended 31 March 2019.

<u>HBT Group</u>
ROU assets (recognised under property, plant and equipment) and corresponding lease liabilities of S$46.1 million have been recognised in the Statement of Financial Position as at 1 January 2019. Depreciation of ROU assets and interest expense of S$0.7 million and S$0.7 million, respectively, have been recognised in the Statement of Total Return for the quarter ended 31 March 2019.

<u>CDLHT</u>
ROU assets (recognised under investment properties) of S$9.3 million, ROU assets (recognised under property, plant and equipment) of S$15.9 million, finance lease receivable of S$6.2 million and lease liabilities of S$31.4 million, have been recognised in the Statement of Financial Position as at 1 January 2019. In addition, prepaid land lease with a carrying amount of S$6.8 million as at 1 January 2019 has been reclassified to property, plant and equipment. Interest income of S$0.07 million, depreciation of ROU assets of S$0.1 million and interest expense of S$0.5 million have been recognised in the Statement of Total Return for the quarter ended 31 March 2019.

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

	CDL Hospitality Trusts	
	1Q 2019	1Q 2018
EPS		
Basic EPS		
Weighted average number of Stapled Securities	1,209,898,046	1,202,959,595
Basic EPS[(a)] (cents)	1.49	2.33
Diluted EPS		
Weighted average number of Stapled Securities	1,211,558,977	1,204,510,177
Diluted EPS[(b)] (cents)	1.48	2.33

	CDL Hospitality Trusts	
	1Q 2019	1Q 2018
DPS		
Number of Stapled Securities entitled to distribution	1,210,777,156	1,203,714,089
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	1.39	1.57
- Tax exempt income	0.41	0.54
- Capital distribution	0.29	0.06
	2.09	2.17

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.

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	
	31 Mar 2019	31 Dec 2018
Net asset value/net tangible asset attributable to unitholders(S$'000)	1,807,875	1,847,663
Number of Stapled Securities issued and to be issued at end of the period	1,211,558,979	1,209,888,170
Net asset value/net tangible asset per Stapled Security (S$)	1.4922	1.5271

8 Review of the performance for the first quarter ended 31 March 2019

8 (i) Breakdown of Total Revenue by Geography

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Master leases										
Singapore										
- Hotels		20,564	22,359	(8.0)	-	-	-	20,564	22,359	(8.0)
- Claymore Connect		1,907	1,919	(0.6)	-	-	-	1,907	1,919	(0.6)
Maldives	(a)	2,034	1,978	2.8	-	-	-	2,034	1,978	2.8
Australia		2,325	2,625	(11.4)	-	-	-	2,325	2,625	(11.4)
New Zealand		5,046	5,360	(5.9)	-	-	-	5,046	5,360	(5.9)
Germany	(b)	2,608	2,187	19.3	-	-	-	2,608	2,187	19.3
Italy	(c)	546	-	N.M	-	-	-	546	-	N.M
		35,030	36,428	(3.8)	-	-	-	35,030	36,428	(3.8)
Managed hotels										
Maldives	(a)	1,017	989	2.8	-	3,380	N.M	-	3,380	N.M
Japan	(d)	1,178	1,244	(5.3)	2,304	2,139	7.7	2,304	2,139	7.7
United Kingdom	(e)	-	-	-	8,982	9,848	(8.8)	8,982	9,848	(8.8)
		2,195	2,233	(1.7)	11,286	15,367	(26.6)	11,286	15,367	(26.6)
Total		37,225	38,661	(3.7)	11,286	15,367	(26.6)	46,316	51,795	(10.6)

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 *Leases* (see Section 5 on page 19 of the Announcement). This change required existing lease expenses for operating lease arrangements (previously included in NPI) to be replaced by depreciation charge on ROU assets related to property, plant and equipment and/or interest expenses on lease liabilities.

Under H-REIT, the sub-lease of Waterfront Conference Centre was classified as a finance lease receivable to match the head lease of this property CDL which was capitalised under FRS 116/SFRS(I) 16 as described above. As a result of this change, CDLHT's revenue from the Singapore Hotels declined by S$0.2 million. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the revenue from the Singapore Hotels would have been S$20.8 million.

8 (ii) Breakdown of Net Property Income by Geography

		H-REIT Group			HBT Group			CDL Hospitality Trusts		
	Footnote	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %	1Q 2019 S$'000	1Q 2018 S$'000	Increase/ (Decrease) %
Singapore										
- Hotels		19,168	20,568	(6.8)	-	-	-	19,168	20,568	(6.8)
- Claymore Connect		1,343	1,431	(6.1)	-	-	-	1,343	1,431	(6.1)
Maldives	(a)	2,850	2,455	16.1	(2,010)	(75)	N.M	(176)	2,380	N.M
Australia		2,325	2,625	(11.4)	-	-	-	2,325	2,625	(11.4)
New Zealand		5,046	5,360	(5.9)	-	-	-	5,046	5,360	(5.9)
Germany	(b)	2,364	1,940	21.9	-	-	-	2,364	1,940	21.9
Italy	(c)	467	-	N.M	-	-	-	467	-	N.M
Japan	(d)	1,096	1,165	(5.9)	(3)	(29)	(89.7)	1,093	1,136	(3.8)
United Kingdom	(e)	-	-	-	2,140	2,378	(10.0)	2,140	2,378	(10.0)
Total		34,659	35,544	(2.5)	127	2,274	(94.4)	33,770	37,818	(10.7)

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 *Leases* (see Section 5 on page 19 of the Announcement). This change required existing lease expenses for operating lease arrangements (previously included in NPI) to be replaced by depreciation charge on ROU assets related to property, plant and equipment and/or interest expenses on lease liabilities.

As a result of this change, CDLHT's NPI for 1Q 2019 has increased by S$0.4 million as lease expenses of S$0.3 million and S$0.1 million for Maldives and UK respectively have now been replaced by a depreciation charge on ROU assets on property, plant and equipment and interest expense on lease liabilities. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the NPI for 1Q 2019 would have been S$(0.5) million and S$2.0 million for Maldives and UK respectively.

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 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. No minimum rent top-up was paid by the lessee for 1Q 2019 and 1Q 2018. As at 31 March 2019, the Lessee paid the Lessor a cumulative top-up amount of US$4.8 million to make up for the shortfall in rent below the minimum rent of US$6.0 million. This cumulative top-up will be adjusted once the full year results for the resort are ascertained at year end.

(ii) *Managed hotel*

There is a lease agreement between H-REIT and HBT's indirect wholly-owned subsidiaries.

In turn, HBT's indirect wholly owned subsidiary, CDL HBT Oceanic Maldives Private Limited ("CDL HBT Oceanic") engaged AccorHotels (previously managed by Jumeirah Management Services (Maldives) Private Limited) to operate the resort. The resort initially operates as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, and following enhancements in late 2018, is being repositioned to join the iconic collection of Raffles Hotels and Resorts. As of 1 June 2018, the resort has suspended its operations to commence enhancement works and rebranding exercise.

For the H-REIT Group, the revenue for 1Q 2019 includes S$1.0 million (US$0.8 million) rental income from HBT Group. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the resort.

(b) *H-REIT's indirect wholly-owned subsidiary owns an effective interest of 94.5% in Pullman Hotel Munich, which comprises the hotel and its office and retail components. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality I B.V. (the "Lessor") and UP Hotel Operations GmbH & Co. KG (the "Lessee"). Under this lease, H-REIT will receive rent of around 90% of the net operating profit of the hotel, subject to a guaranteed fixed rent of €3.6 million per annum.*

(c) *H-REIT's indirect wholly-owned subsidiary owns an interest of 95.0% in Hotel Cerretani Florence, MGallery by Sofitel. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality III SRL. (the "Lessor") and FC Operations Hotel SRL (the "Lessee"). Under this lease, H-REIT will receive rent of around 93% of the net operating profit of the hotel, subject to a guaranteed fixed rent of €1.3 million per annum.*

(d) *The Japan Hotels with HBT refers to master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and CDLHT.*

For H-REIT Group, the revenue for 1Q 2019 includes S$1.2 million (JPY95.8 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available once the financial results for the fiscal period ended 31 March 2019 are 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 31 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(e) *The UK Hotels includes:*

(i) *Hilton Cambridge City Centre*

Hilton Cambridge City Centre is owned by HBT's indirectly wholly-owned subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd. The hotel operator for this hotel is Hilton UK Manage Limited.

The revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.

(ii) *The Lowry Hotel*

The Lowry Hotel is owned and operated by HBT's indirectly wholly-owned subsidiary, The Lowry Hotel Ltd.

The revenue for the reporting period comprises the entire revenue derived from the hotel operations. The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the hotel.

8 (iii) Review of the Performance

First Quarter ended 31 March 2019

In 1Q 2019, CDLHT registered gross revenue of S$46.3 million, 10.6% lower than the corresponding period last year. The decrease was mainly attributed to reduced contribution from its Singapore, New Zealand, Australia and UK Hotels. This was exacerbated by the full closure of Dhevanafushi Maldives Luxury Resort since June last year for rebranding works. Collectively, contributions from these properties declined by S$6.7 million year-on-year ("yoy"). This decline was partially mitigated by a S$0.5 million inorganic contribution from the Italy Hotel (acquired 27 November 2018) and higher contribution from Pullman Hotel Munich and the Japan Hotels (S$0.6 million).

The Singapore hospitality market in 1Q 2019 was affected by the absence of the biennial Singapore Airshow and a series of meetings and events hosted during Singapore's Chairmanship of ASEAN in 2018. RevPAR for the Singapore Hotels in 1Q 2019 decreased 2.4% yoy to S$157 mainly due to the competitive environment amidst the uncertain global economic environment. Additionally, its performance was also dampened by upgrading works in some hotels. Orchard Hotel had 8.6% of its room inventory closed during the quarter for renovation of guest rooms in the Orchard Wing and its F&B revenue was also affected by the full closure of the Grand Ballroom and all meeting facilities for upgrading works. There was also some room inventory taken out due to pipe works at M Hotel and Copthorne King's Hotel during the quarter. Excluding the out of order room inventory, RevPAR for the Singapore Hotels in 1Q 2019 increased 0.4% yoy.

For the quarter, Angsana Velavaru secured a RevPAR gain of 17.6% yoy, supported by a 11.7% growth in tourist arrivals into Maldives for year-to-date February 2019. Trading conditions in 1Q 2019 were better in the absence of the state of emergency declared on Maldives, which in the same period last year, affected key source markets such as China and India. Whilst this resort saw some RevPAR increase, the gross revenue (in local currency terms) remains unchanged due to the fixed rental income received during the quarter. Dhevanafushi Maldives Luxury Resort remains closed for the ongoing refurbishment works prior to its relaunch as Raffles Maldives Meradhoo.

Although the Australia Hotels received only fixed rent for 1Q 2019, its revenue (in SGD terms) has decreased mainly due to the weakening of AUD against SGD.

In New Zealand, new competitor supply led to a softer hospitality market overall. Consequently, Grand Millennium Auckland experienced a RevPAR decrease of 4.8% yoy. The absence of a property tax write-back of NZD 0.2 million (which did not recur in 1Q 2019) as well as the weaker NZD resulted in a 5.9% decline in SGD terms.

Gross revenue for the Japan Hotels grew 7.7% yoy for 1Q 2019 at the back of a RevPAR increase of 9.0%. The reduction in AirBnB supply following the introduction of regulations governing short term rentals in 2018 has helped to create a more constrained accommodation market, thereby allowing opportunities to yield up. However, NPI contribution from the Japan Hotels was lower due to the recognition of higher operating expenses such as cleaning, utilities and marketing costs.

In UK, the conference and events business have been dampened by the uncertainty surrounding Brexit. Despite this, RevPAR for The Lowry Hotel in 1Q 2019 remained well supported by a healthy stream of sporting events and businesses from the entertainment sector. However, at Hilton Cambridge, lesser conference and events demand coupled with intense price competition from new market entrants affected its trading performance. Collectively, RevPAR of the UK Hotels in 1Q 2019 declined by 4.2% yoy. The weaker GBP against SGD and the general rising wage environment also contributed to the decline in the NPI for the UK Hotels.

Pullman Munich performed strongly in 1Q 2019, achieving a robust RevPAR growth of 23.9% yoy, aided by a healthy events calendar including a large biennial trade fair.

The Italy Hotel performed well and recorded its first full quarter contribution to CDLHT. Notwithstanding a traditionally low demand season for the quarter, the hotel attained an impressive RevPAR growth of 23.9%[1] yoy primarily through the adoption of a volume strategy.

[1] The yoy RevPAR comparison assumes that CDLHT owned Hotel Cerretani Florence for the corresponding period.

In line with the decline in gross revenue, CDLHT group recorded NPI[2] of S$ 33.7 million, a decrease of 10.7% yoy.

Net finance costs[3] for 1Q 2019 was S$0.5 million lower yoy as a result of fair value gains recognised on the Group's derivatives, which was offset by foreign exchange losses and higher interest expenses incurred on additional loans drawn to finance the acquisition of the Italy Hotel and for asset enhancements works on the Group's properties. The movements in foreign exchange loss as well as fair value gains on the Group's derivatives do not have any impact on the distributable income of CDLHT.

Total income available for distribution (after deducting income retained for working capital) was S$25.3 million in 1Q 2019, 3.0% lower yoy. Included therein is a capital distribution of S$3.6 million from the Group's properties. Part of this capital distribution arose from the sales proceeds of Mercure and Ibis Brisbane, which has been partially utilised to mitigate the net effect arising from this divestment, the loss of income arising from the closure of Dhevanafushi Maldives Luxury Resort and the sub-optimal performance of Orchard Hotel arising from its extensive renovation works.

The distribution per Stapled Security ("DPS") (after deducting income retained for working capital) for 1Q 2019 was 2.09 cents, 3.7% lower yoy.

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

	1Q 2019	1Q 2018	Increase/(Decline)
Average Occupancy Rate	87.3%	87.6%	(0.3)pp
Average Daily Rate	S$180	S$183	(2.0)%
RevPAR	S$157	S$161	(2.4)%

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

No forecast has been disclosed.

[2] CDLHT's net property income ("NPI") is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.
[3] Included in net finance costs is interest expenses on lease liabilities for ROU assets, recognised in accordance to FRS 116/SFRS(I) 16 Leases, which was adopted by the Group from 1 January 2019. For more details, refer to Section 5, page 19 of the Announcement.

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

Visitor arrivals to Singapore rose 6.2% yoy to a record high of 18.5 million in 2018, partly on the back of continued increase in Chinese and Indian arrivals while most of Singapore's top 10 source markets also recorded growth. Singapore Tourism Board ("STB") has forecast visitor arrivals to grow up to 19.2 million or 4% yoy in 2019[1] and for year-to-date ("YTD") February 2019, arrivals increased 2.0% yoy to 3.1 million and total visitor days grew 4.3% yoy[2].

With ongoing trade tensions and uncertainties in key economies, the pace of global and Singapore's domestic economic growth is expected to moderate in the near term[3]. Nonetheless, STB continues to build on Singapore's future MICE pipeline and has secured several events in the professional services, technology and food and beverage industries up to 2022, a number of which are inaugural editions[4]. This is likely to benefit the overall hospitality sector with potential additional hotel room nights and the higher spending propensity of the MICE segment.

On the supply front, Singapore hotel inventory is estimated to increase by 1,900 net rooms[5] in 2019 (of which 421 new rooms are in the city centre), representing approximately 2.8% of existing room stock. While the trading environment is likely to remain competitive as newer market entrants continue to build their base, benign forward supply conditions due to tapering inventory growth is supportive of a gradual recovery in the Singapore hotel sector. For the first 25 days of April 2019, RevPAR for Singapore Hotels decreased by 3.5% as compared to the same period last year.

During the quarter, Orchard Hotel completed the major facelift of all the meeting facilities and the Grand Ballroom. This will strengthen its competitive edge in the MICE space, especially with the Grand Ballroom's unique position as one of only four hotel ballrooms in Singapore with the capacity to house 1,000 or more guests. The Orchard Wing is also undergoing a full rejuvenation project. The phased refurbishment of 260 bedrooms is in progress and is expected to fully complete in June 2019 and the remaining 65 Club Floor Rooms will be completed in 3Q 2019. While the hotel is fully operational, it will face some disruption and revenue loss in the short term. Asset enhancement opportunities in other Singapore Hotels are also being evaluated.

In New Zealand, visitor arrivals grew by 3.5% yoy to 3.9 million in 2018 and 1.8% yoy to 0.8 million for YTD Feb 2019[6]. With heightened hotel development activity in Auckland, the hospitality sector will see an increasingly competitive trading environment. The China-New Zealand Year of Tourism was recently launched to increase the visibility of New Zealand as a favourable tourist destination for Chinese visitors, the top source market after Australia and with the highest daily spend[7].

Japan recorded a robust 8.7% yoy increase in visitor arrivals to 31.2 million for 2018 and 5.7% yoy to 8.1 million for YTD March 2019[8]. Tourism demand is likely to be further spurred by sporting events such as the 2019 Rugby World Cup and the Tokyo 2020 Olympics and Paralympics. While there is growing supply in the limited-service hotel sector in Tokyo, the reduced number of Airbnb listings due to regulations implemented last year have mitigated the overall effect of supply increases in the near term[9].

[1] STB, 2018 Year-In-Review, 13 February 2019
[2] STB
[3] MTI, "MTI Maintains 2019 GDP Growth Forecast at 1.5 to 3.5 Per Cent", 15 February 2019
[4] STB, "Pipeline of business events secured sees strong showing from Technology, Professional Services and F&B clusters", 7 March 2019
[5] Based on Horwath data (January 2019) and CDLHT Research
[6] Stats NZ, "International travel and migration"
[7] Tourism New Zealand, "2019 China-New Zealand Year of Tourism Opening Ceremony", 30 March 2019
[8] Japanese National Tourism Organization
[9] Savills World Research Japan, "Spotlight Japan Hospitality", February 2019

In the Maldives, overall tourism arrivals is healthy, particularly for European source markets. The government is also stepping up marketing efforts with an increase in 2019 state budget for tourism promotion by approximately three times[10]. However, the trading environment remains highly competitive due to new resorts supply. To help improve long term performance, CDLHT is/will be implementing asset enhancement initiatives for the Maldives Resorts. The refurbishment works for the launch of Raffles Maldives Meradhoo is in progress and the land villas will be soft opened in 2Q 2019 while the over-water villas will open later this year. Even with the phased opening and careful management of operating costs, sub-optimal performance is expected to continue during the gestation period after the opening of the resort. To also strengthen Angsana Velavaru's product offering and market positioning, enhancement works for the villas and public areas are being planned to commence in 2Q 2019.

Brexit remains a key uncertainty in UK and poses downside risk to overall demand[11]. Due to new hotel openings, the Cambridge market is experiencing competitive pressure in the near term. In Manchester, while there is also supply growth, positive demand drivers in 2019 include events such as the Cricket World Cup and Conservative Party Conference. To fortify The Lowry Hotel's position as the top hotels in Manchester, renovation works have commenced for the lobby and public areas.

In continental Europe, where CDLHT has presence in Germany and Italy, the pace of broad-based economic recovery is slowing down and uncertainties persist in the macro environment. Munich's tourism demand remains healthy with international arrivals growing 6.2% yoy to 3.8 million for 2018[12] and is well-supported by the city's events calendar.

With a strong balance sheet and ample debt headroom, CDLHT will continue to actively pursue suitable acquisitions to diversify and augment its income streams. CDLHT will continue to evaluate suitable divestment opportunities as they arise to unlock underlying asset values and/or recycle capital for better returns.

[10] Maldives Insider, "Maldives To Launch New Tourism Initiative To Market Individual Atolls", 23 February 2019
[11] 2019 Inbound Tourism Forecast - VisitBritain
[12] München Tourismus

11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

No distribution has been declared for the first quarter ended 31 March 2019.

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the preceding financial period?

No distribution was declared for the first quarter ended 31 March 2018.

11 (c) Book closure date

Not applicable.

11 (d) Date payable

Not applicable.

12 If no distribution has been declared/recommended, a statement to that effect and the reason(s) for the decision

No distribution has been declared for the first quarter ended 31 March 2019. 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.

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 first quarter ended 31 March 2019 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

CHAN SOON HEE ERIC Chairman	VINCENT YEO WEE ENG Chief Executive Officer

30 April 2019

IMPORTANT NOTICE

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

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

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)

30 April 2019

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)

30 April 2019

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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

30 April 2019

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 three-month period ended 31 March 2019. 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 31 March 2019;
- Portfolio statement of CDLHT as at 31 March 2019;
- Statement of total return of CDLHT for the three-month period ended 31 March 2019;
- Statement of movements in unitholders' funds of CDLHT for the three-month period ended 31 March 2019;
- Statement of cash flows of CDLHT for the three-month period ended 31 March 2019; 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.

KPMG

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
30 April 2019