CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

TABLE OF CONTENTS

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 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. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited ("**SGX**") on 19 July 2006.

The H-REIT Units and HBT Units are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between M&C REIT Management Limited (the "**H-REIT Manager**"), DBS Trustee Limited (the "**H-REIT Trustee**") and M&C Business Trust Management Limited (the "**HBT Trustee-Manager**") and cannot be traded separately.

H-REIT, the first hotel real estate investment trust in Singapore, is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing.

As of 31 December 2016, CDLHT owns 15 hotels and two resorts comprising a total of 4,912 rooms as well as a retail mall. The properties under CDLHT's portfolio are:

(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, namely Grand Millennium Auckland (formerly known as Rendezvous Hotel Auckland) (the "**New Zealand Hotel**");
(v) one hotel in Cambridge, United Kingdom, namely Hilton Cambridge City Centre (the "**UK Hotel**"); and
(vi) two resorts in Maldives comprising Angsana Velavaru and Jumeirah Dhevanafushi, (collectively, the "**Maldives Resorts**").

In December 2013, the HBT Trustee-Manager activated the HBT. In addition to the acquisition of Jumeirah Dhevanafushi in December 2013, HBT has through its indirectly wholly-owned subsidiary, AKO GK also become the master lessee following the acquisition of the Japan Hotels by H-REIT's indirectly-owned subsidiary in December 2014. In addition to its function as a master lessee, HBT may also undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for H-REIT.

On 1 October 2015, HBT through its indirectly wholly-owned subsidiary, CDL HBT Cambridge City (UK) Ltd acquired Hilton Cambridge City Centre through the acquisition of 100% of the issued share capital of CDL HBT Cambridge City Hotel (UK) Ltd.

CDLHT's distribution policy is to distribute at least 90.0% of its taxable income and 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")

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS

	1 Oct 2016 to 31 Dec 2016 ("4Q 2016") S$'000	1 Oct 2015 to 31 Dec 2015 ("4Q 2015") S$'000 (Restated[1])	Increase/ (Decrease) %	1 Jan 2016 to 31 Dec 2016 ("FY 2016") S$'000	1 Jan 2015 to 31 Dec 2015 ("FY 2015") S$'000 (Restated[1])	Increase/ (Decrease) %
Gross revenue	48,326	50,113	(3.6)	180,857	172,410	4.9
Net property income	37,694	37,805	(0.3)	137,560	137,003	0.4
Total return before fair value adjustment	9,588	15,509	(38.2)	70,955	80,912	(12.3)
Income available for distribution to Stapled Securityholders (before retention)	30,570	31,844	(4.0)	105,530	108,958	(3.1)
Less:						
Income retained for working capital	(3,057)	(3,185)	(4.0)	(10,553)	(10,896)	(3.1)
Income to be distributed to Stapled Securityholders (after retention)	27,513	28,659	(4.0)	94,977	98,062	(3.1)
Capital distribution	3,409	1,130	N.M	4,147	1,130	N.M
Total distribution to Stapled Securityholders (after retention and capital distribution)	30,922	29,789	3.8	99,124	99,192	(0.1)
Total distribution per Stapled Security (before retention)[2] (cents)						
For the period/year	3.42	3.33	2.7	11.05	11.15	(0.9)
Total distribution per Stapled Security (after retention)[2] (cents)						
For the period/year	3.11	3.01	3.3	10.00	10.06	(0.6)

1. On 1 October 2015, the HBT group acquired the UK Hotel. In the financial statements for the year ended 31 December 2015, the fair values of the assets acquired and the liabilities assumed on this acquisition were determined on a provisional basis. The review of the amounts recognised was completed in the current financial year and in accordance with FRS 103 *Business Combination*, adjustments have been made to reduce the net assets acquired by S$7.8 million, giving rise to goodwill of S$7.8 million which has been fully impaired. The adjustments have been reflected in the comparative information and accordingly, the comparative information has been appropriately restated. The restatement does not have any impact on the distribution of CDLHT.

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

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		
		4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)	Increase/ (Decrease) %
Gross revenue										
Gross rental revenue		38,062	39,123	(2.7)	-	-	-	35,673	37,516	(4.9)
Room revenue		-	-	-	9,577	9,384	2.1	9,577	9,384	2.1
Food & beverage revenue		-	-	-	2,034	2,386	(14.8)	2,034	2,386	(14.8)
Other income		-	-	-	1,042	827	26.0	1,042	827	26.0
	(a)	38,062	39,123	(2.7)	12,653	12,597	0.4	48,326	50,113	(3.6)
Property expenses										
Operations and maintenance expenses		-	-	-	(4,099)	(4,599)	(10.9)	(4,099)	(4,599)	(10.9)
Hotel management fee		-	-	-	(618)	(569)	8.6	(618)	(569)	8.6
Property tax	(c)	(1,948)	(2,169)	(10.2)	(226)	(267)	(15.4)	(2,174)	(2,436)	(10.8)
Insurance	(d)	148	(390)	N.M	(54)	(27)	N.M	94	(417)	N.M
Administrative and general expenses		-	-	-	(1,982)	(1,639)	20.9	(1,982)	(1,639)	20.9
Sales and marketing expenses		-	-	-	(497)	(658)	(24.5)	(497)	(658)	(24.5)
Energy and utility expenses		-	-	-	(504)	(644)	(21.7)	(504)	(644)	(21.7)
Rental expenses	(e)	-	-	-	(2,537)	(1,729)	46.7	(148)	(122)	21.3
Other property expenses	(f)	(704)	(1,182)	(40.4)	-	(42)	N.M	(704)	(1,224)	(42.5)
Net property income		35,558	35,382	0.5	2,136	2,423	(11.8)	37,694	37,805	(0.3)
H-REIT Manager's base fees		(1,512)	(1,530)	(1.2)	-	-	-	(1,512)	(1,530)	(1.2)
H-REIT Manager's performance fees		(1,778)	(1,769)	0.5	-	-	-	(1,778)	(1,769)	0.5
H-REIT Trustee's fees		(69)	(68)	1.5	-	-	-	(69)	(68)	1.5
HBT Trustee-Manager's management fees		-	-	-	(113)	(24)	N.M	(113)	(24)	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(33)	-	N.M	(33)	-	N.M
HBT Trustee-Manager's acquisition fee		-	-	-	-	(132)	N.M	-	(132)	N.M
Valuation fees		(10)	(63)	(84.1)	(6)	-	N.M	(16)	(63)	(74.6)
Depreciation, amortisation and impairment losses	(g)	(469)	(377)	24.4	(885)	(8,824)	(90.0)	(10,284)	(11,752)	(12.5)
Other trust expenses	(h)	(627)	(297)	N.M	(28)	(751)	(96.3)	(655)	(1,048)	(37.5)
Finance income		668	690	(3.2)	(93)	12	N.M	25	114	(78.1)
Finance costs		(14,564)	(7,311)	99.2	(643)	(582)	10.5	(14,657)	(7,305)	N.M
Net finance costs	(i)	(13,896)	(6,621)	N.M	(736)	(570)	29.1	(14,632)	(7,191)	N.M
Net income/(loss) before fair value adjustment		17,197	24,657	(30.3)	335	(7,878)	N.M	8,602	14,228	(39.5)
Net fair value gain/(loss) on investment properties		(33,018)	(38,534)	(14.3)	-	-	-	(21,623)	(30,221)	(28.5)
Net income/(loss) before tax		(15,821)	(13,877)	14.0	335	(7,878)	N.M	(13,021)	(15,993)	(18.6)
Income tax expense	(k)	1,025	1,478	(30.6)	(39)	(143)	(72.7)	986	1,281	(23.0)
Total return/Total comprehensive income for the period	(j)	(14,796)	(12,399)	19.3	296	(8,021)	N.M	(12,035)	(14,712)	(18.2)

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CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES ("HBT Group")

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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

		H-REIT Group			HBT Group[b]			CDL Hospitality Trusts		
	Foot-note	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000 (Restated)	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000 (Restated)	Increase/ (Decrease) %
Gross revenue										
Gross rental revenue		141,868	147,209	(3.6)	-	-	-	131,386	136,400	(3.7)
Room revenue		-	-	-	38,215	26,621	43.6	38,215	26,621	43.6
Food & beverage revenue		-	-	-	7,144	5,594	27.7	7,144	5,594	27.7
Other income		-	-	-	4,112	3,795	8.4	4,112	3,795	8.4
	(a)	141,868	147,209	(3.6)	49,471	36,010	37.4	180,857	172,410	4.9
Property expenses										
Operations and maintenance expenses		-	-	-	(15,025)	(11,635)	29.1	(15,025)	(11,635)	29.1
Hotel management fee		-	-	-	(2,568)	(2,022)	27.0	(2,568)	(2,022)	27.0
Property tax	(c)	(8,938)	(8,609)	3.8	(977)	(267)	N.M	(9,915)	(8,876)	11.7
Insurance	(d)	(794)	(1,608)	(50.6)	(161)	(27)	N.M	(955)	(1,635)	(41.6)
Administrative and general expenses		-	-	-	(6,826)	(4,609)	48.1	(6,826)	(4,609)	48.1
Sales and marketing expenses		-	-	-	(2,171)	(1,674)	29.7	(2,171)	(1,674)	29.7
Energy and utility expenses		-	-	-	(2,041)	(2,021)	1.0	(2,041)	(2,021)	1.0
Rental expenses	(e)	-	-	-	(10,917)	(10,931)	(0.1)	(435)	(122)	N.M
Other property expenses	(f)	(3,361)	(2,771)	21.3	-	(42)	N.M	(3,361)	(2,813)	19.5
Net property income		128,775	134,221	(4.1)	8,785	2,782	N.M	137,560	137,003	0.4
H-REIT Manager's base fees		(5,975)	(6,052)	(1.3)	-	-	-	(5,975)	(6,052)	(1.3)
H-REIT Manager's performance fees		(6,439)	(6,711)	(4.1)	-	-	-	(6,439)	(6,711)	(4.1)
H-REIT Trustee's fees		(272)	(273)	(0.4)	-	-	-	(272)	(273)	(0.4)
HBT Trustee-Manager's management fees		-	-	-	(438)	(37)	N.M	(438)	(37)	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(134)	-	N.M	(134)	-	N.M
HBT Trustee-Manager's acquisition fee		-	-	-	-	(132)	N.M	-	(132)	N.M
Valuation fees		(157)	(198)	(20.7)	(28)	-	N.M	(185)	(198)	(6.6)
Depreciation, amortisation and impairment losses	(g)	(1,774)	(1,511)	17.4	(3,769)	(8,824)	(57.3)	(16,938)	(15,230)	11.2
Other trust expenses	(h)	(2,107)	(1,659)	27.0	(187)	(2,631)	(92.9)	(2,294)	(4,290)	(46.5)
Finance income		2,367	908	N.M	13	16	(18.8)	141	332	(57.5)
Finance costs		(32,633)	(22,636)	44.2	(2,663)	(582)	N.M	(33,057)	(22,626)	46.1
Net finance costs	(i)	(30,266)	(21,728)	39.3	(2,650)	(566)	N.M	(32,916)	(22,294)	47.6
Net income/(loss) before fair value adjustment		81,785	96,089	(14.9)	1,579	(9,408)	N.M	71,969	81,786	(12.0)
Net fair value gain/(loss) on investment properties		(33,018)	(38,534)	(14.3)	-	-	-	(21,623)	(30,221)	(28.5)
Net income/(loss) before tax		48,767	57,555	(15.3)	1,579	(9,408)	N.M	50,346	51,565	(2.4)
Income tax expense	(k)	(380)	(629)	(39.6)	(634)	(190)	N.M	(1,014)	(874)	16.0
Total return/Total comprehensive income for the year	(j)	48,387	56,926	(15.0)	945	(9,598)	N.M	49,332	50,691	(2.7)

Footnotes

(a) Gross revenue comprises rental income and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 25 to 26 of the Announcement.

(b) Gross revenue and property expenses for HBT Group have increased for FY 2016 as compared to the corresponding period last year primarily due to the inclusion of the operating results of the UK Hotel (acquired on 1 October 2015). In 4Q 2016, property expenses have decreased as a result of cost savings as well as the resultant effect of the year-on-year ("yoy") depreciation of the British pound ("GBP").

(c) The increase in property tax for FY 2016 was mainly due to inclusion of the UK Hotel, which has a full year impact for FY 2016. Property taxes decreased in 4Q 2016 as compared to the corresponding period last year mainly due to a reduction in the annual value of the Singapore properties, as assessed by the Inland Revenue Authority of Singapore.

(d) Insurance expense in 4Q 2016 and FY 2016 decreased mainly due to lower insurance premiums for the Singapore Hotels and Maldives resorts, as well as an one-off adjustment in 4Q 2016 relating to prior period provisions that are no longer required.

(e) The rental expense of HBT Group relates to rent accrued to H-REIT's indirect wholly-owned subsidiaries (Jumeirah Dhevanafushi and Japan Hotels) and land lease payable to Cambridge City Council by the UK Hotel. For further details, refer to Section 8 (ii) Footnote (b)(ii), (d) and (e) on page 28 of the Announcement.

(f) Other property expenses comprise mainly direct operating expenses of the Claymore Connect. Expenses for FY 2016 were higher as the mall is fully operational. For the corresponding period last year, the mall was still undergoing refurbishment works and officially opened on 8 October 2015. Included in other property expenses in 4Q 2016 was a one-off write-back of expenses of S$203K relating to accruals which are no longer required. This resulted in the drop in expenses for the quarter. During the corresponding quarter last year, there were additional accruals made in respect of operating and property tax expenses of S$239K relating to the period prior to the mall's opening.

Also included in other property expenses is a bad debt provision of $68K made in 4Q 2016 (4Q 2015: S$351K) and S$153K for FY 2016 (FY 2015: S$470K) in relation to Claymore Connect's trade receivables.

(g) The depreciation, amortisation and impairment losses for the group mainly relates to property, plant and equipment of the Japan and UK Hotels and Jumeirah Dhevanafushi. Included in 4Q 2015 and FY 2015 was a goodwill impairment of £3.6 million (S$7.8 million) relating to the UK Hotel (acquired on 1 October 2015). Excluding this, the higher depreciation expenses in 4Q 2016 and FY 2016 is mainly due to the appreciation of Japanese yen ("JPY") and United States dollar ("USD") against Singapore dollar ("SGD"), as well as the inclusion of a full year's depreciation expenses arising from the UK Hotel (as compared to only 3 months in 2015).

Included in the depreciation, amortisation and impairment expenses of CDLHT in 4Q 2016 and FY 2016 is an impairment charge on the property, plant and equipment of S$7.3 million and prepaid land lease of S$750K (total impairment loss collectively of S$8.1 million) arising from Jumeirah Dhevanafushi.

(h) Other trust expenses in CDLHT comprise mainly professional fees and administrative costs. In H-REIT Group, other trust expenses in 4Q 2016 and FY 2016 were higher than the corresponding period last year mainly due to higher professional fees and the absence of a S$0.1 million grant received in 2015. On the other hand, other trust expenses of the HBT Group were lower for FY 2016 due to the absence of a one-off transaction costs of £1,163,000 (S$2,442,000) incurred last year for the UK Hotel acquisition (acquired on 1 October 2015).

(i) Net finance costs comprise the following:

	H-REIT Group					
	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	25	108	(76.9)	141	326	(56.7)
Interest income received/receivable from HBT Group(i)	643	582	10.5	2,226	582	N.M
Finance income	668	690	(3.2)	2,367	908	N.M
Exchange loss(ii)	(8,718)	(1,200)	N.M	(9,013)	(655)	N.M
Interest paid/payable to banks(iii)	(5,435)	(5,818)	(6.6)	(22,088)	(20,787)	6.3
Fair value loss on derivatives(iv)	(37)	-	N.M	(178)	-	N.M
Amortisation of transaction costs capitalised(v)	(322)	(244)	32.0	(1,149)	(998)	15.1
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(52)	(49)	6.1	(205)	(196)	4.6
Finance costs	(14,564)	(7,311)	99.2	(32,633)	(22,636)	44.2
Net finance costs	(13,896)	(6,621)	N.M	(30,266)	(21,728)	39.3

	HBT Group					
	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	-	6	N.M	-	6	N.M
Fair value (loss)/gain on derivatives(iv)	(115)	-	N.M	13	-	N.M
Exchange gain(ii)	22	6	N.M	-	10	N.M
Finance income	(93)	12	N.M	13	16	(18.8)
Exchange loss(ii)	-	-	-	(437)	-	N.M
Interest paid/payable to H-REIT Group(i)	(643)	(582)	10.5	(2,226)	(582)	N.M
Finance costs	(643)	(582)	10.5	(2,663)	(582)	N.M
Net finance costs	(736)	(570)	29.1	(2,650)	(566)	N.M

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	CDL Hospitality Trusts					
	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	25	114	(78.1)	141	332	(57.5)
Finance income	25	114	(78.1)	141	332	(57.5)
Exchange loss(ii)	(8,696)	(1,194)	N.M	(9,450)	(645)	N.M
Interest paid/payable to banks(iii)	(5,435)	(5,818)	(6.6)	(22,088)	(20,787)	6.3
Fair value loss on derivatives(iv)	(152)	-	N.M	(165)	-	N.M
Amortisation of transaction costs capitalised(v)	(322)	(244)	32.0	(1,149)	(998)	15.1
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(52)	(49)	6.1	(205)	(196)	4.6
Finance costs	(14,657)	(7,305)	N.M	(33,057)	(22,626)	46.1
Net finance costs	(14,632)	(7,191)	N.M	(32,916)	(22,294)	47.6

(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 the UK Hotel.

(ii) Exchange gains/losses comprise a revaluation of foreign currency denominated receivables and cash equivalent balances as at reporting date. In addition, the 4Q 2016 and FY 2016 included an exchange loss relating to net foreign currency movements of certain loans against SGD (4Q 2016 and FY 2016: S$8.6 million loss), which is required to be expensed off due to the discontinuation of hedge accounting for such loans in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. These foreign exchange movements do not affect the distributable income of CDLHT.

(iii) The interest paid/payable to banks for FY 2016 was higher mainly due to increased borrowings drawn to finance the acquisition of the UK Hotel.

(iv) 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.

(v) The amortisation costs in 4Q 2016 and FY 2016 relate to the amortisation of transaction costs arising from the group's borrowings.

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

	CDL Hospitality Trusts			
	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)	FY 2016 S$'000	FY 2015 S$'000 (Restated)
H-REIT	(51,773)	2,132	14,713	36,240
Other H-REIT group entities (including consolidation adjustments)	36,977	(14,531)	33,674	20,686
HBT	1,074	1,196	4,253	1,105
Other HBT group entities (including consolidation adjustments)	(778)	(9,217)	(3,308)	(10,703)
CDL Hospitality Trusts' consolidation adjustments	2,465	5,708	-	3,363
	(12,035)	(14,712)	49,332	50,691

(k) This relates to current and deferred tax in respect of overseas properties.

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	4Q 2016 S$'000	4Q 2015 S$'000	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)
Corporate income tax	(895)	99	(170)	(139)	(1,065)	(39)
Deferred tax	1,971	1,010	187	32	2,158	987
Withholding tax	(58)	(93)	(57)	(36)	(115)	(129)
Overprovision in respect of prior year tax	7	462	1	-	8	462
	1,025	1,478	(39)	(143)	986	1,281

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2016 S$'000	FY 2015 S$'000	FY 2016 S$'000	FY 2015 S$'000 (Restated)	FY 2016 S$'000	FY 2015 S$'000 (Restated)
Corporate income tax	(1,731)	(455)	(594)	(170)	(2,325)	(625)
Deferred tax	1,497	44	187	32	1,684	21
Withholding tax	(123)	(95)	(208)	(38)	(331)	(133)
Underprovision in respect of prior year tax	(23)	(123)	(19)	(14)	(42)	(137)
	(380)	(629)	(634)	(190)	(1,014)	(874)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

(I) Income available for distribution[(i)]

	CDL Hospitality Trusts			
	4Q 2016 S$'000	4Q 2015 S$'000	FY 2016 S$'000	FY 2015 S$'000
Total return of H-REIT	(51,773)	2,132	14,713	36,240
Total comprehensive income of HBT	1,074	1,196	4,253	1,105
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	282	210	999	926
- Net fair value loss on investment properties (ii)	61,959	37,260	61,959	37,260
- Fair value loss on financial derivatives	37	-	178	-
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	52	49	205	196
- Exchange (gain)/loss	6,856	(11,674)	3,159	22,267
- H-REIT Manager's fees paid/payable in Stapled Securities	2,632	2,639	9,931	10,210
- H-REIT Trustee's fees	69	68	272	273
- HBT Trustee-Manager's management fees	90	-	350	-
- HBT Trustee-Manager's trustee fees	33	24	134	37
- Impairment loss on subsidiary	8,963	-	8,963	-
- Other items	296	(60)	414	444
Income available for distribution to Stapled Securityholders (before retention)	30,570	31,844	105,530	108,958
Less :				
Income retained for w orking capital	(3,057)	(3,185)	(10,553)	(10,896)
Income to be distributed to Stapled Securityholders (after retention)	27,513	28,659	94,977	98,062
Capital distribution(iii)	3,409	1,130	4,147	1,130
Total distribution to Stapled Securityholders (after retention and capital distribution) (iv)	30,922	29,789	99,124	99,192
Comprising :				
- Taxable income	20,215	21,432	72,428	79,229
- Tax exempt income	7,298	7,227	22,549	18,833
- Capital distribution	3,409	1,130	4,147	1,130
	30,922	29,789	99,124	99,192

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

(ii) The Singapore Hotels and Claymore Connect were revalued as at 31 December 2016 by CBRE Pte Ltd, an independent valuer. The valuation gave rise to a net fair value loss of S$62.0 million, which has been recognized in the Statement of Total Return of H-REIT. This fair value loss has no impact on the income available for distribution to holders of Stapled Securities.

(iii) The capital distribution for 4Q 2016 and FY 2016 relates to remittance from its Japan Hotels, as explained under Section 8 (iii) on pages 30 and 32 of the Announcement.

(iv) The total distributable income for FY 2016 of S$99.1 million comprises all of CDLHT's taxable income, net tax exempt income (after retaining an amount of S$10.6 million for working capital) and capital distribution for the year. Of this amount, the distribution income of S$44.1 million for the half year ended 30 June 2016 was paid on 29 August 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

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 Dec 2016 S$'000	31 Dec 2015 S$'000	31 Dec 2016 S$'000	31 Dec 2015 S$'000 (Restated)	31 Dec 2016 S$'000	31 Dec 2015 S$'000 (Restated)
	Footnote						
ASSETS							
Non-current assets							
Property, plant and equipment	(b)	71,947	69,198	107,432	128,636	244,361	270,855
Investment properties	(c)	2,246,808	2,257,091	-	-	2,175,008	2,176,664
Prepaid land lease		-	-	-	-	6,817	7,406
Deferred tax assets		-	216	-	-	-	216
Other receivables	(d)	117,831	135,742	-	-	-	-
		2,436,586	2,462,247	107,432	128,636	2,426,186	2,455,141
Current assets							
Inventories		-	-	1,053	1,280	1,053	1,280
Trade and other receivables		26,530	18,741	5,820	6,322	25,704	19,094
Cash and cash equivalents		67,927	62,267	14,301	9,701	82,228	71,968
Financial derivative assets	(e)	105	-	66	-	171	-
		94,562	81,008	21,240	17,303	109,156	92,342
Total assets		**2,531,148**	**2,543,255**	**128,672**	**145,939**	**2,535,342**	**2,547,483**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(f)	928,849	703,208	-	-	928,849	703,208
Rental deposits	(g)	8,981	8,749	-	-	8,981	8,749
Other payables	(d)	-	-	117,831	135,742	-	-
Deferred tax liabilities	(h)	8,902	10,514	6,213	7,545	15,115	18,059
		946,732	722,471	124,044	143,287	952,945	730,016
Current liabilities							
Loans and borrowings	(f)	-	219,136	-	-	-	219,136
Trade and other payables	(i)	28,116	26,819	11,964	11,389	33,433	32,239
Financial derivative liabilities	(e)	284	-	52	-	336	-
Provision for taxation		1,551	156	656	117	2,207	273
		29,951	246,111	12,672	11,506	35,976	251,648
Total liabilities		**976,683**	**968,582**	**136,716**	**154,793**	**988,921**	**981,664**
Net assets/(liabilities)		**1,554,465**	**1,574,673**	**(8,044)**	**(8,854)**	**1,546,421**	**1,565,819**
Represented by:							
Unitholders' funds							
Unitholders' funds of H-REIT Group		1,554,465	1,574,673	-	-	-	-
Unitholders' funds of HBT Group		-	-	(8,044)	(8,854)	-	-
Unitholders' funds of Stapled Group		-	-	-	-	1,546,421	1,565,819
		1,554,465	**1,574,673**	**(8,044)**	**(8,854)**	**1,546,421**	**1,565,819**

Footnotes

(a) *The Statement of Financial Position of HBT Group comprises the resort operations of Jumeirah Dhevanafushi, the Japan Hotels and the UK Hotel (acquired on 1 October 2015).*

(b) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the UK Hotel respectively.*

The property, plant and equipment at CDLHT comprise the Japan Hotels, Jumeirah Dhevanafushi and the UK Hotel. 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.

The decrease in property, plant and equipment at CDLHT is mainly due to a net translation loss of S$14.3 million, depreciation expense of S$8.6 million incurred during the period and an impairment loss of S$7.3 million charged on the property, plant and equipment of Jumeirah Dhevanafushi. This decrease is offsetted by additions of S$3.7 million mainly from the UK Hotel. Including the impairment on prepaid land lease of S$0.8 million, the total impairment loss for Jumeirah Dhevanafushi was collectively S$8.1 million.

(c) *The decrease in investment properties at H-REIT Group was mainly attributed to the recognition of net fair value loss of H-REIT Group investment properties at the end of the financial year. The details are as follows:*

The investment properties were valued as at 31 December 2016 by CBRE Pte Ltd, Jones Lang LaSalle Property Consultants Pte. Ltd., and CBRE Limited, all independent registered valuers, as follows:

Properties	Tenure	Valuation	
		Foreign currency (million)	(S$ million)
Orchard Hotel	75 years from 19 July 2006		424.0
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006		348.0
M Hotel	75 years from 19 July 2006		234.0
Copthorne King's Hotel	99 years from 1 February 1968		116.0
Claymore Connect Mall	75 years from 19 July 2006		90.0
Novotel Singapore Clarke Quay	97 years & 30 days from 2 April 1980		319.0
Studio M Hotel	99 years from 26 February 2007		153.0
Grand Millennium Auckland	Freehold	NZ$177.0	177.8
Novotel Brisbane	Freehold	A$68.0	71.1
Mercure and Ibis Brisbane	Freehold	A$62.0	64.8
Mercure Perth	Freehold	A$46.0	48.1
Ibis Perth	Freehold	A$32.0	33.5
Angsana Velavaru	50 years from 26 August 1997	US$66.0	95.7
Jumeirah Dhevanafushi	50 years from 15 June 2006	US$49.5	71.8

The valuation at H-REIT Group's investment properties gave rise to a net fair value loss of S$33.0 million as at 31 December 2016 (31 December 2015: net fair value loss of S$38.5 million). This net fair value is recognised in H-REIT Group's Statement of Total Return for FY 2016 and has no impact on the income available for distribution to holders of Stapled Securities.

In CDLHT's Statement of Total Return for FY 2016, the fair value loss for Jumeirah Dhevanafushi of S$11.4 million (FY 2015: fair value loss of S$8.3 million) is reversed as the property is recorded at cost due to its classification as property, plant and equipment. An impairment loss is instead recorded under property, plant and equipment (refer to Footnote (b) above).

Included in H-REIT Group's investment properties as at 31 December 2016 is a net translation gain of S$14.5 million (31 December 2015: net translation loss of S$3.9 million) relating to its overseas properties.

(d) *As at 31 December 2016, H-REIT drew down £66.5 million (S$118.4 million) from its term loan facility (refer to Section 1(b)(ii) on page 13 to the Announcement) and extended a loan to HBT to finance the acquisition of the UK Hotel. 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 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 the H-REIT Group of S$928.8 million (as at 31 December 2015: S$922.3 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$37.7 million) TMK bond and S$771.1 million bank borrowings, as explained under Section 1(b)(ii) on pages 12 to 13 of the Announcement.*

The movement in loans and borrowings under current liabilities to non-current liabilities was due to the re-financing of these loans with longer tenor borrowings.

(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, Japan and Maldives properties. The decrease in liability is mainly due to the reversal of deferred tax liability from the Maldives resort during the year as well as a translation gain on deferred tax as a result of the weakening of GBP against SGD.*

(i) *Trade and other payables for the H-REIT Group relates mainly to payables for operational and trust expenses.*

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

	H-REIT Group and CDL Hospitality Trusts	
	31 Dec 2016 S$'000	31 Dec 2015 S$'000
Amount repayable after one year		
Secured TMK bond	38,254	36,332
Unsecured medium term notes	120,000	120,000
Unsecured borrowings	774,373	550,525
	932,627	706,857
Amount repayable within one year		
Unsecured medium term note	-	83,600
Unsecured borrowings	-	135,563
	-	219,163
Total borrowings[a]	932,627	926,020

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

H-REIT has S$83.6 million unsecured medium term notes and a £64.6 million 1-year bridge loan (drawn to finance the acquisition of the UK Hotel) which matured in August 2016. These borrowings were re-financed with 5-year floating rate term loans.

Details of borrowings

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

Facilities		H-REIT Group and CDL Hospitality Trusts 31 Dec 2016		
Currency	Type	Facility amount S$'000	Drawn down S$'000	Undrawn S$'000
JPY	TMK bond (¥3.1 billion)	38,254	38,254	-
JPY	5-year term loan (¥3.27 billion)	40,352	40,352	-
SGD	Medium term notes	1,000,000	120,000	880,000
SGD	Bridge loan (uncommitted)	300,000	-	300,000
SGD	3 to 3.25-year revolving credit (committed)	250,000	161,497	88,503
SGD	5-year term loan	153,600	153,600	-
USD	5-year term loan (US$140.0 million)	203,070	203,070	-
AUD	5-year term loan (A$93.2 million)	97,431	97,431	-
GBP	5-year term loan (£66.5 million)	118,423	118,423	-
		2,201,131	**932,627**	**1,268,504**

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 Mokutei Kaisha. CDLHT's interest in Japan Hotels is held via a Tokutei Mokutei 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 notes

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

The Bridge Loan Facility 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).

1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		4Q 2016 S$'000	4Q 2015 S$'000	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)	4Q 2016 S$'000	4Q 2015 S$'000 (Restated)
Operating activities							
Net income/(loss) before tax		(15,821)	(13,877)	335	(7,878)	(13,021)	(15,993)
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	2,632	2,639	90	-	2,722	2,639
Depreciation of property, plant and equipment		469	377	885	1,049	2,134	2,187
Amortisation of prepaid land lease		-	-	-	-	70	67
Impairment loss on property, plant and equipment		-	-	-	-	7,330	1,557
Impairment loss on prepaid land lease		-	-	-	-	750	166
Impairment of goodwill		-	-	-	7,775	-	7,775
Property, plant and equipment written off		-	-	-	142	-	142
Impairment loss on trade receivables		68	470	91	42	158	512
Net fair value loss on investment properties		33,018	38,534	-	-	21,623	30,221
Net finance costs		13,896	5,966	736	572	14,632	6,551
Transaction costs for acquisition of a subsidiary		-	-	-	2,442	-	2,442
Operating income before working capital changes		34,262	34,109	2,137	4,144	36,398	38,266
Changes in working capital:							
Inventories		-	-	11	222	11	223
Trade and other receivables		(5,442)	1,978	792	(987)	(3,386)	(492)
Trade and other payables		5,708	(344)	148	(1,398)	4,594	(273)
Cash generated from/(used in) operating activities		34,528	35,743	3,088	1,981	37,617	37,724
Income tax paid		(3)	(181)	(56)	(61)	(59)	(239)
Net cash generated from/(used in) operating activities		34,525	35,562	3,032	1,920	37,558	37,485
Investing activities							
Capital expenditure on investment properties		(3,088)	(2,625)	-	-	(2,493)	(3,190)
Addition of property, plant and equipment and prepaid land lease		(43)	(172)	(2,174)	(512)	(2,812)	(119)
Net cash outflow from acquisition of a subsidiary		-	-	-	(133,564)	-	(133,564)
Interest received		541	100	-	-	22	100
Cash generated from/(used in) investing activities		(2,590)	(2,697)	(2,174)	(134,076)	(5,283)	(136,773)
Financing activities							
Other (receivables)/payables		-	(3,786)	-	3,786	-	-
Funds reserved for the completion of the acquisition		-	-	-	135,358	-	135,358
Proceeds from bank loans	(b)	113	200,650	-	-	113	200,650
Repayment of bank loans	(b)	-	(200,727)	-	-	-	(200,727)
Payment of transaction costs related to bank loans		(35)	(1,892)	-	-	(35)	(1,892)
Finance costs paid		(6,049)	(6,338)	(518)	-	(6,049)	(6,338)
Distribution to holders of Stapled		-	-	-	-	-	-
Movement in restricted cash		(212)	(1,371)	-	-	(212)	(1,371)
Cash generated from/(used in) financing activities		(6,183)	(13,464)	(518)	139,144	(6,183)	125,680
Net increase in cash and cash equivalents		25,752	19,401	340	6,988	26,092	26,392
Cash and cash equivalents at beginning of the period		40,376	41,228	13,956	2,520	54,332	43,748
Effect of exchange rate changes on cash and cash equivalents		343	267	5	193	348	457
Cash and cash equivalents at end of the period	(c)	66,471	60,896	14,301	9,701	80,772	70,597

1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		FY 2016 S$'000	FY 2015 S$'000	FY 2016 S$'000	FY 2015 S$'000 (Restated)	FY 2016 S$'000	FY 2015 S$'000 (Restated)
Operating activities							
Net income/(loss) before tax		48,767	57,555	1,579	(9,408)	50,346	51,565
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	9,931	10,210	350	-	10,281	10,210
Depreciation of property, plant and equipment		1,774	1,511	3,769	1,049	8,586	5,479
Amortisation of prepaid land lease		-	-	-	-	272	253
Impairment loss on property, plant and equipment		-	-	-	-	7,330	1,557
Impairment loss on prepaid land lease		-	-	-	-	750	166
Impairment of goodwill		-	-	-	7,775	-	7,775
Property, plant and equipment written off		-	-	-	142	-	142
Impairment loss on trade receivables		153	470	223	42	375	512
Net fair value loss on investment properties		33,018	38,534	-	-	21,623	30,221
Net finance costs		30,266	21,073	2,650	572	32,916	21,654
Transaction costs for acquisition of a subsidiary		-	-	-	2,442	-	2,442
Operating income/(loss) before working capital changes		123,909	129,353	8,571	2,614	132,479	131,976
Changes in working capital:							
Inventories		-	-	246	244	246	245
Trade and other receivables		(2,012)	1,945	151	(1,923)	(6,356)	2,887
Trade and other payables		3,617	375	(242)	(404)	7,871	(2,905)
Cash generated from/(used in) operating activities		125,514	131,673	8,726	531	134,240	132,203
Income tax paid		(534)	(850)	(235)	(154)	(769)	(1,004)
Net cash generated from/(used in) operating activities		124,980	130,823	8,491	377	133,471	131,199
Investing activities							
Capital expenditure on investment properties		(15,201)	(16,924)	-	-	(14,204)	(15,466)
Addition of property, plant and equipment and prepaid land lease		(823)	(335)	(2,174)	(512)	(3,994)	(2,304)
Net cash outflow from acquisition of a subsidiary		-	-	-	(133,564)	-	(133,564)
Interest received		1,417	318	-	-	148	318
Cash generated from/(used in) investing activities		(14,607)	(16,941)	(2,174)	(134,076)	(18,050)	(151,016)
Financing activities							
Other (receivables)/payables		(3,282)	(139,144)	3,282	139,144	-	-
Proceeds from bank loans	(b)	223,612	378,723	-	-	223,612	378,723
Proceeds from bond		-	35,030	-	-	-	35,030
Repayment of bank loans	(b)	(207,422)	(273,308)	-	-	(207,422)	(273,308)
Payment of transaction costs related to bank loans		(1,214)	(2,835)	-	-	(1,214)	(2,835)
Finance costs paid		(22,368)	(20,142)	(1,269)	-	(22,368)	(20,142)
Distribution to holders of Stapled Securities		(94,738)	(102,587)	(2,476)	-	(97,214)	(102,587)
Movement in restricted cash		(11)	(1,371)	-	-	(11)	(1,371)
Cash generated from/(used in) financing activities		(105,423)	(125,634)	(463)	139,144	(104,617)	13,510
Net increase/(decrease) in cash and cash equivalents		4,950	(11,752)	5,854	5,445	10,804	(6,307)
Cash and cash equivalents at beginning of the period		60,896	72,381	9,701	4,066	70,597	76,447
Effect of exchange rate changes on cash and cash equivalents		625	267	(1,254)	190	(629)	457
Cash and cash equivalents at end of the year	(c)	66,471	60,896	14,301	9,701	80,772	70,597

Footnotes

(a) *Significant non-cash transactions*

4Q 2016

2,227,572 (4Q 2015: 2,017,102) Stapled Securities amounting to S$2.7 million (4Q 2015: S$2.6 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.

FY 2016

7,712,028 (FY 2015: 6,921,908) Stapled Securities amounting to S$10.3 million (FY 2015: S$10.2 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 FY 2016.

(b) *Proceeds from bank loans were utilised to re-finance bank borrowings, fund the asset enhancement and capital expenditure works for its properties and for working capital purposes.*

(c) *Cash and cash equivalents for H-REIT Group and CDL Hospitality Trusts as at 31 December 2016 are as follows:*

	H-REIT Group S$'000	CDL Hospitality Trusts S$'000
Cash and cash equivalents in the Statement of Financial Position	67,927	82,228
Restricted cash[(a)]	(1,456)	(1,456)
Cash and cash equivalents in the Statement of Cash Flows	66,471	80,772

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

1 (d)(i) Statement of Movements in Stapled Securityholders’ funds for the period from 1 October 2016 to 31 December 2016

		H-REIT Group					HBT Group					CDL Hospitality Trusts
	Footnote	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 October 2016 as restated		1,164,348	(23,921)	(28,602)	442,942	**1,554,767**	760	(121)	995	(11,285)	**(9,651)**	**1,542,680**
Operations												
Increase/(decrease) in net assets resulting from operations		-	-	-	(14,796)	**(14,796)**	-	-	-	296	**296**	**(12,035)**
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries		-	-	10,076	-	**10,076**	-	-	1,221	-	**1,221**	**11,268**
- Exchange differences on hedge of net investment in a foreign operation		-	-	(101)	-	**(101)**	-	-	-	-	**-**	**(101)**
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	1,887	-	**1,887**	-	-	-	-	**-**	**1,887**
Increase in foreign currency translation reserve		-	-	11,862	-	**11,862**	-	-	1,221	-	**1,221**	**13,054**
Stapled securityholders’ transactions												
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a)	2,632	-	-	-	**2,632**	-	-	-	-	**-**	**2,632**
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees	(b)	-	-	-	-	**-**	90	-	-	-	**90**	**90**
- Distribution to Stapled Securityholders		-	-	-	-	**-**	-	-	-	-	**-**	**-**
Increase in net assets resulting from stapled securityholders’ transactions		2,632	-	-	-	**2,632**	90	-	-	-	**90**	**2,722**
Balance as at 31 December 2016		1,166,980	(23,921)	(16,740)	428,146	**1,554,465**	850	(121)	2,216	(10,989)	**(8,044)**	**1,546,421**

1 (d)(ii) Statement of Movements in Stapled Securityholders' funds for the period from 1 January 2016 to 31 December 2016

		H-REIT Group					HBT Group					CDL Hospitality Trusts
	Footnote	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 as restated		1,158,930	(23,921)	(32,952)	472,616	**1,574,673**	500	(121)	225	(9,458)	**(8,854)**	**1,565,819**
Operations												
Increase/(decrease) in net assets resulting from operations		-	-	-	48,387	**48,387**	-	-	-	945	**945**	**49,332**
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries		-	-	10,277	-	**10,277**	-	-	1,991	-	**1,991**	**12,268**
- Exchange differences on hedge of net investment in a foreign operation		-	-	(476)	-	**(476)**	-	-	-	-	**-**	**(476)**
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	6,411	-	**6,411**	-	-	-	-	**-**	**6,411**
Increase in foreign currency translation reserve		-	-	16,212	-	**16,212**	-	-	1,991	-	**1,991**	**18,203**
Stapled securityholders' transactions												
- Stapled Securities to be issued as payment of H-REIT Manager's management fees	(a)	9,931	-	-	-	**9,931**	-	-	-	-	**-**	**9,931**
- Stapled Securities to be issued as payment of HBT Trustee-Manager's management fees	(b)	-	-	-	-	**-**	350	-	-	-	**350**	**350**
- Distribution to Stapled Securityholders	(c)	(1,881)	-	-	(92,857)	**(94,738)**	-	-	-	(2,476)	**(2,476)**	**(97,214)**
Increase/(decrease) in net assets resulting from stapled securityholders' transactions		8,050	-	-	(92,857)	**(84,807)**	350	-	-	(2,476)	**(2,126)**	**(86,933)**
Balance as at 31 December 2016		1,166,980	(23,921)	(16,740)	428,146	**1,554,465**	850	(121)	2,216	(10,989)	**(8,044)**	**1,546,421**

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

1 (d)(iii) Statement of Movements in Stapled Securityholders' funds for the period from 1 October 2015 to 31 December 2015

		H-REIT Group						HBT Group					CDL Hospitality Trusts
	Footnote	Units in Issue S$'000	Issue Expenses S$'000	Foreign Currency Translation Reserve S$'000	Hedging Reserve S$'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 October 2015		1,156,291	(23,921)	(44,628)	(208)	485,015	**1,572,549**	500	(121)	(20)	(1,437)	**(1,078)**	**1,565,523**
Operations													
Decrease in net assets resulting from operations (restated)		-	-	-	-	(12,399)	**(12,399)**	-	-	-	(8,021)	**(8,021)**	**(14,712)**
Movement in hedging reserve													
Effective portion of changes in fair value of cash flow hedge	(e)	-	-	-	208	-	**208**	-	-	-	-	**-**	**208**
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries (restated)		-	-	(1,508)	-	-	**(1,508)**	-	-	245	-	**245**	**(1,023)**
- Exchange differences on hedge of net investment in a foreign operation		-	-	1,484	-	-	**1,484**	-	-	-	-	**-**	**1,484**
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	11,700	-	-	**11,700**	-	-	-	-	**-**	**11,700**
Increase in foreign currency translation reserve (restated)		-	-	11,676	-	-	**11,676**	-	-	245	-	**245**	**12,161**
Stapled securityholders' transactions													
- Stapled Securities to be issued as payment of H-REIT Manager's management fees	(a)	2,639	-	-	-	-	**2,639**	-	-	-	-	**-**	**2,639**
Increase in net assets resulting from stapled securityholders' transactions		2,639	-	-	-	-	**2,639**	-	-	-	-	**-**	**2,639**
Balance as at 31 December 2015 (restated)		1,158,930	(23,921)	(32,952)	-	472,616	**1,574,673**	500	(121)	225	(9,458)	**(8,854)**	**1,565,819**

1 (d)(iv) Statement of Movements in Stapled Securityholders' funds for the period from 1 January 2015 to 31 December 2015

		H-REIT Group						HBT Group					CDL Hospitality Trusts
	Footnote	Units in Issue S$'000	Issue Expenses S$'000	Foreign Currency Translation Reserve S$'000	Hedging Reserve S$'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 2015		1,148,720	(23,921)	(23,650)	(581)	518,277	**1,618,845**	500	(121)	9	140	**528**	**1,616,127**
Operations													
Increase/(decrease) in net assets resulting from operations (restated)		-	-	-	-	56,926	**56,926**	-	-	-	(9,598)	**(9,598)**	**50,691**
Movement in hedging reserve													
Effective portion of changes in fair value of cash flow hedge	(e)	-	-	-	581	-	**581**	-	-	-	-	**-**	**581**
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries (restated)		-	-	11,947	-	-	**11,947**	-	-	216	-	**216**	**12,046**
- Exchange differences on hedge of net investment in a foreign operation		-	-	(8,024)	-	-	**(8,024)**	-	-	-	-	**-**	**(8,024)**
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	(13,225)	-	-	**(13,225)**	-	-	-	-	**-**	**(13,225)**
Increase/(decrease) in foreign currency translation reserve (restated)		-	-	(9,302)	-	-	**(9,302)**	-	-	216	-	**216**	**(9,203)**
Stapled securityholders' transactions													
- Stapled Securities to be issued as payment of H-REIT Manager's management fees	(a)	10,210	-	-	-	-	**10,210**	-	-	-	-	**-**	**10,210**
- Distribution to Stapled Securityholders	(d)	-	-	-	-	(102,587)	**(102,587)**	-	-	-	-	**-**	**(102,587)**
Increase/(decrease) in net assets resulting from stapled securityholders' transactions		10,210	-	-	-	(102,587)	**(92,377)**	-	-	-	-	**-**	**(92,377)**
Balance as at 31 December 2015 (restated)		1,158,930	(23,921)	(32,952)	-	472,616	**1,574,673**	500	(121)	225	(9,458)	**(8,854)**	**1,565,819**

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. Prior to 1 January 2016, the Stapled Securities for the portion of the management fee (comprising base fee and performance fee) were issued within 30 days from the end of the quarter. With effect from 1 January 2016, due to a new requirement of the Monetary Authority of Singapore, 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. The arrangement for the base fee remains unchanged, where the Stapled Securities are issued within 30 days from the quarter end.

(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 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016, which includes a capital distribution of S$1,881,000 in year ended 31 December 2016.

(d) Distribution to Stapled Securityholders in respect of the period from 1 July 2014 to 31 December 2014 and 1 January 2015 to 30 June 2015.

(e) The hedging reserve relates to the changes in fair value of the interest rate swap entered into to hedge the interest rate risk of the previous 3-year A$93.2 million term loan facility. The interest rate swap expired in December 2015 as this loan was re-financed with 5-year fixed rate term loan facility.

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

	Foot-note	CDL Hospitality Trusts 4Q 2016	CDL Hospitality Trusts 4Q 2015
Issued stapled securities at beginning of the period		990,901,825	985,224,365
Issue of new stapled securities:			
- as payment of H-REIT Manager's management fees		869,234	1,912,523
Issued stapled securities at end of the period		991,771,059	987,136,888
Stapled securities to be issued:			
- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	(a)	5,094,959	2,017,102
Total issued and issuable stapled securities at end of the period		996,866,018	989,153,990

	Foot-note	CDL Hospitality Trusts FY 2016	CDL Hospitality Trusts FY 2015
Issued stapled securities at beginning of the period		987,136,888	980,284,978
Issue of new stapled securities:			
- as payment of H-REIT Manager's management fees		4,634,171	6,483,881
- as payment of H-REIT Manager's acquisition fee		-	368,029
Issued stapled securities at end of the period		991,771,059	987,136,888
Stapled securities to be issued:			
- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	(a)	5,094,959	2,017,102
Total issued and issuable stapled securities at end of the year		996,866,018	989,153,990

Footnote

(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 4.2 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 year ended 31 December 2016 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 2015.

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

There has been no change in accounting policies and methods of computation adopted by H-REIT Group, HBT Group and CDL Hospitality Trusts.

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

	CDL Hospitality Trusts			
	4Q 2016	4Q 2015	FY 2016	FY 2015
EPS				
Basic EPS				
Weighted average number of Stapled Securities	991,826,437	987,158,813	990,497,634	984,605,921
Basic EPS[(a)] (cents) (restated)	(1.21)	(1.49)	4.98	5.15
Diluted EPS				
Weighted average number of Stapled Securities	996,866,018	989,153,990	996,866,018	989,153,990
Diluted EPS[(b)] (cents) (restated)	(1.21)	(1.49)	4.95	5.15

	CDL Hospitality Trusts			
	4Q 2016	4Q 2015	FY 2016	FY 2015
DPS				
Number of Stapled Securities entitled to distribution:				
- in issue	991,771,059	987,136,888	987,136,888	980,284,978
- issuable	925,435	2,017,102	5,559,606	8,869,012
	992,696,494	989,153,990	992,696,494	989,153,990
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.04	2.17	7.31	8.03
- Tax exempt income	0.73	0.73	2.27	1.92
- Capital distribution	0.34	0.11	0.42	0.11
	3.11	3.01	10.00	10.06

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 numbers of Stapled Securities to be issued as payment for performance fee.

7 Net asset value ("NAV") per stapled security based on issued and issuable stapled securities at the end of the period

	CDL Hospitality Trusts	
	31 Dec 2016	31 Dec 2015 (Restated)
Net asset value (S$'000)	1,546,421	1,565,819
Number of Stapled Securities issued and to be issued at end of the period	996,866,018	989,153,990
Net asset value per Stapled Security (S$)	1.5513	1.5830

8 Review of the performance for the fourth quarter and year ended 31 December 2016

8 (i) Breakdown of Total Gross Revenue by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %
Master leases										
Singapore										
- Hotels		22,938	25,689	(10.7)	-	-	-	22,938	25,689	(10.7)
- Claymore Connect	(a)	1,775	1,864	(4.8)	-	-	-	1,775	1,864	(4.8)
Maldives	(b)	2,129	4,081	(47.8)	-	-	-	2,129	4,081	(47.8)
Australia		3,613	3,468	4.2	-	-	-	3,613	3,468	4.2
New Zealand	(c)	5,218	2,414	116.2	-	-	-	5,218	2,414	116.2
		35,673	37,516	(4.9)	-	-	-	35,673	37,516	(4.9)
Management contracts										
Maldives	(b)	1,194	555	N.M	4,477	3,909	14.5	4,477	3,909	14.5
Japan	(d)	1,195	1,052	13.6	2,803	2,556	9.7	2,803	2,556	9.7
United Kingdom	(e)	-	-	-	5,373	6,132	(12.4)	5,373	6,132	(12.4)
		2,389	1,607	48.7	12,653	12,597	0.4	12,653	12,597	0.4
Total		38,062	39,123	(2.7)	12,653	12,597	0.4	48,326	50,113	(3.6)

8 (i) Breakdown of Total Gross Revenue by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Master leases										
Singapore										
- Hotels		89,265	96,930	(7.9)	-	-	-	89,265	96,930	(7.9)
- Claymore Connect	(a)	6,105	4,398	38.8	-	-	-	6,105	4,398	38.8
Maldives	(b)	8,304	10,201	(18.6)	-	-	-	8,304	10,201	(18.6)
Australia		14,438	15,194	(5.0)	-	-	-	14,438	15,194	(5.0)
New Zealand	(c)	13,274	9,677	37.2	-	-	-	13,274	9,677	37.2
		131,386	136,400	(3.7)	-	-	-	131,386	136,400	(3.7)
Management contracts										
Maldives	(b)	4,784	5,475	(12.6)	17,481	20,152	(13.3)	17,481	20,152	(13.3)
Japan	(d)	5,698	5,334	6.8	10,572	9,726	8.7	10,572	9,726	8.7
United Kingdom	(e)	-	-	-	21,418	6,132	N.M	21,418	6,132	N.M
		10,482	10,809	(3.0)	49,471	36,010	37.4	49,471	36,010	37.4
Total		141,868	147,209	(3.6)	49,471	36,010	37.4	180,857	172,410	4.9

8 (ii) Breakdown of Net Property Income by Geography

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %	4Q 2016 S$'000	4Q 2015 S$'000	Increase/ (Decrease) %
Singapore										
- Hotels		21,642	23,744	(8.9)	-	-	-	21,642	23,744	(8.9)
- Claymore Connect	(a)	1,216	722	68.4	-	-	-	1,216	722	68.4
Maldives	(b)	2,758	4,054	(32.0)	70	(20)	N.M	2,828	4,034	(29.9)
Australia		3,613	3,468	4.2	-	-	-	3,613	3,468	4.2
New Zealand	(c)	5,218	2,414	116.2	-	-	-	5,218	2,414	116.2
Japan	(d)	1,111	980	13.4	32	166	(80.7)	1,143	1,146	(0.3)
United Kingdom	(e)	-	-	-	2,034	2,277	(10.7)	2,034	2,277	(10.7)
Total		35,558	35,382	0.5	2,136	2,423	(11.8)	37,694	37,805	(0.3)

	Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
		FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Singapore										
- Hotels		81,411	88,793	(8.3)	-	-	-	81,411	88,793	(8.3)
- Claymore Connect	(a)	3,247	2,190	48.3	-	-	-	3,247	2,190	48.3
Maldives	(b)	11,037	13,303	(17.0)	269	329	(18.2)	11,306	13,632	(17.1)
Australia		14,438	15,194	(5.0)	-	-	-	14,438	15,194	(5.0)
New Zealand	(c)	13,274	9,677	37.2	-	-	-	13,274	9,677	37.2
Japan	(d)	5,368	5,064	6.0	58	176	(67.0)	5,426	5,240	3.5
United Kingdom	(e)	-	-	-	8,458	2,277	N.M	8,458	2,277	N.M
Total		128,775	134,221	(4.1)	8,785	2,782	N.M	137,560	137,003	0.4

Footnotes

(a) Claymore Connect underwent refurbishment works since end of December 2013 and received its Temporary Occupation Permit ("TOP") in March 2015. Rental income from new tenants was recognised from Q3 2015 following the completion of their own retrofitting works. The mall was officially opened on 8 October 2015. The 4Q 2015 revenue and net property income included S$254K of rental adjustments relating to the period prior to the mall's opening, upon finalisation in 4Q 2015. Excluding this, 4Q 2016 revenue and NPI would have increased yoy by $165K and S$748K respectively.

(b) The Maldives resorts includes a Master Lease and Management Contract 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).

In FY 2016, the Lessee paid the Lessor a top-up amount of US$1.0 million to make up for the shortfall in rent below the minimum rent of US$6.0 million. The minimum rent top-up has a 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.

(ii) Management Contract

There is a lease agreement between H-REIT's indirectly wholly-owned subsidiary and CDL HBT Oceanic Maldives Pvt Ltd, 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 4Q 2016 and FY 2016 includes S$1.2 million (US$0.9 million) and S$4.8 million (US$3.5 million) rental income from HBT Group (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.

(c) 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.

(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 gross revenue for 4Q 2016 and FY 2016 includes S$1.2 million (JPY91.3 million) and S$5.7 million (JPY448.7 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S$1.0 million (JPY 77.7 million), after deducting operating expenses, was included in the income available for distribution in 4Q 2016 as the financial results for the fiscal period ended 30 September 2016 has been audited and the income was ascertained. The fiscal period for the Japan Hotels will be 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.

(e) The UK Hotel was acquired on 1 October 2015 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 of the UK Hotel.

The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the UK Hotel.

8 (iii) Review of the Performance

Fourth Quarter ended 31 December 2016

Gross revenue for CDLHT for 4Q 2016 was S$48.3 million, 3.6% or S$1.8 million lower than the corresponding period last year. Weaker trading performance from the group's Singapore and Maldives properties resulted in a collective decline of S$4.2 million year-on-year ("yoy"), but this was largely mitigated by a revenue boost of S$2.8 million in 4Q 2016 from Grand Millennium Auckland ("GMA"), where under the new lease structure (following the expiry of the previous lease in September 2016)[1], the group benefitted from the strength in the Auckland hospitality market as the new terms provided for more variable income as compared to the largely fixed rent received previously.

In addition, there was an incremental contribution of S$0.4 million from the Australia and Japan hotels, primarily due to the appreciation of the AUD and JPY against the SGD, whereas in respect of the UK hotel, there was a decline of S$0.8 million (in SGD terms) or 12.4% in the yoy revenue contribution, due to the depreciation of GBP against SGD. In local currency terms, the UK Hotel recorded a yoy revenue increase of £0.1 million or 3.7% growth over 4Q 2015.

The trading environment for the Singapore hotels remained challenging as the uncertain global economic climate continued to weigh on the attendant demand for corporate and leisure travel. Aggregate RevPAR for the Singapore Hotels fell 10.5% yoy to S$154 in 4Q 2016, primarily attributed to fewer events and weaker demand from project groups, especially from sectors which have slowed down considerably, such as the oil and gas and financial sectors. These factors, coupled with the new supply of hotel rooms continue to hamper the hospitality market.

In the Maldives, the hospitality sector continued to face headwinds due to the decline in Chinese visitor arrivals and the continued strength in the USD which has necessitated downward price adjustments in room rates to compensate. Against the backdrop of a very competitive environment, the group's Maldives resorts posted a collective RevPAR decline of 14.7%.

In 4Q 2016, Tokyo experienced a marginal lift in occupancy driven by an increase in inbound flights and visa de-regulation. The devaluation of the Japanese Yen against the Chinese yuan, which made travel cheaper for inbound tourists, benefitted MyStays Asakusabashi, which enjoys a higher proportion of inbound travellers. However, the MyStays Kamata, which is more reliant on domestic travel, continued to experience softer room rates due to new supply. Collectively, the Tokyo hotels posted a RevPAR decrease of 5.0%.

The New Zealand Hotel posted a stellar performance, achieving a yoy RevPAR growth of 24.9% over 4Q 2015. The tourism sector in New Zealand remained buoyant, where international arrivals continued to grow at an all-time high of 12.1%[2] yoy for the first two months of 4Q 2016. These arrivals, coupled with a higher variable income under the new lease structure, catalysed the growth contribution.

Hilton Cambridge City Centre achieved a RevPAR growth of 10.8% yoy on the back of healthy demand and the re-branding of the hotel.

In aggregate, the group's net property income[3] in 4Q 2016 remained at the same level as the previous corresponding period.

[1] On 7 September 2016, CDLHT commenced a new lease with Millennium & Copthorne Hotels New Zealand Limited and the New Zealand Hotel has been rebranded Grand Millennium Auckland. Under the new lease, the rent is equivalent to the net operating profit of the hotel, subject to an annual base rent of NZ$6.0 million. The lease is for a term of 3 years and provides for two 3-year renewal terms, subject to mutual agreement.
[2] Statistics New Zealand, "International Visitor Arrivals to New Zealand"
[3] Net property income is derived after deducting operating expenses of Jumeirah Dhevanafushi, Japan Hotels and Hilton Cambridge City Centre and the portfolio's property tax and insurance expenses.

Net finance costs for 4Q 2016 was S$7.4 million higher than 4Q 2015, primarily due to the inclusion of net foreign exchange losses of S$8.6 million (4Q 2015: nil) arising mainly from the foreign currency movements of certain loans against SGD, which is required to be expensed off due to the discontinuation of hedge accounting for such loans in accordance with FRS 39 Financial Instruments: Recognition and Measurement. These foreign exchange movements do not have any impact on the distribution of CDLHT.

CDLHT revalued its investment properties as at 31 December 2016 and recorded a net fair value loss of S$21.6 million in the Statement of Total Return for 4Q and FY 2016. The fair value loss (in SGD terms) arose from its Singapore and Maldives properties (offset by a fair value gain on its New Zealand and Australia properties). In addition, there was also an impairment loss of S$8.1 million recognised on Jumeirah Dhevanafushi[4]. Both the revaluation and impairment loss do not have any impact on unitholders distribution.

Overall, the total income available for distribution (after deducting income retained for working capital) in 4Q 2016 was S$27.5 million , S$1.1 million or 4.0% lower yoy. This distributable income includes a S$1.0 million (JPY 77.7 million) contribution from its Japan Hotels for the six months ended 30 September 2016 (which was remitted in December 2016 following the completion of its mandatory statutory audit and tax filing).

Additionally, there was also a capital distribution of S$3.4 million received from its Japan assets in 4Q 2016 (4Q 2015: S$1.1 million), which included a one-off consumption tax refund of S$2.5 million (JPY 205 million) relating to the Japan Hotels acquisition. This augmented the total distribution (after retention and capital distribution) to S$30.9 million for 4Q 2016, which was S$1.1 million or 3.8% higher yoy.

Correspondingly, the total distribution per Stapled Security (after retention and capital distribution) of 3.11 cents in 4Q 2016 was 3.3% higher than the 3.01 cents recorded in the previous corresponding quarter.

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

	4Q 2016	4Q 2015	Increase/(Decline)
Average Occupancy Rate	83.6%	86.5%	(2.9)pp
Average Daily Rate	S$184	S$199	(7.5)%
RevPAR	S$154	S$172	(10.5)%

[4] Refer to Section 1(a), Footnote (g) on page 5 of the Announcement.

Year ended 31 December 2016

CDLHT registered gross revenue of S$180.9 million for FY 2016, S$8.4 million or 4.9% higher than FY 2015. The growth was largely attributed to the inorganic contribution of S$15.3 million from its UK hotel (which was acquired on 1 October 2015) and an incremental income boost of S$1.7 million from the Claymore Connect retail mall ("Mall"). The improvement in the Mall's performance was largely attributed to the recognition of full year's rental revenue during the year (in 2015, the Mall was undergoing a refurbishment and only officially opened on 8 October 2015). The committed occupancy for the Mall (including the Galleria) as at 31 December 2016 was 91%. The revenue contributions from its New Zealand Hotel in FY 2016 rose by S$3.6 million yoy (largely from the higher proportion of variable income recognised due to the revised lease structure) and the Japan Hotels also increased its revenue by S$0.8 million yoy.

These improvements mitigated the weaker trading performance from the Singapore Hotels and Maldives Resorts, which declined by S$7.6 million and S$4.6 million yoy respectively, due to the soft trading conditions in these markets. The weaker performance in the Maldives was partially due to the absence of variable rent from Angsana Velavaru in FY 2016 (FY 2015: S$2.0 million). In addition, the Australia Hotels recorded a lower rent contribution by S$0.8 million, mainly due to the local currency's weakness against SGD and the recognition of a smaller variable income of S$0.4 million for FY 2016 compared to S$1.1 million recognised the year before.

Average RevPAR for the Singapore Hotels fell by 8.6% yoy to S$160, as the city experienced slowdown in global corporate travel amidst the global economic slowdown. Furthermore, the refurbishment works at Grand Copthorne Waterfront Hotel and M Hotel coupled with the absence of events like SEA games, SG50 celebrations and the Zika-related travel advisory issued against Singapore in September 2016 also affected the performance of the Singapore Hotels. The new supply of about 2,600[1] rooms also gave rise to competitive pricing strategies in the market. Through active management of business mix, the Group's hotels were able to retain a healthy occupancy level through the replacement of reduced corporate business with lower rated leisure business.

Collectively, the two Maldives Resorts posted a yoy RevPAR decline of 25.1% in FY 2016. The hospitality market in the Maldives remained challenging in the face of the slowdown in Chinese luxury travel and the continued strength of the US dollar (which room rates are priced in), which caused significant downward price adjustment in some of the major source countries. The situation was further compounded by new supply in 2016 which intensified rate competition.

The tourism sector in New Zealand enjoyed strong growth in 2016 with a record number of international visitor arrivals. For the first 11 months of 2016, visitor arrivals have grown 11.9%[2] yoy to 3.0 million. The surge in tourism arrivals was facilitated by additional commercial flight capacity serving the Auckland with new international airlines being launched and new routes being established during the year. Against this backdrop, the New Zealand Hotel posted a robust yoy RevPAR growth of 10.8%. Consequently, the revenue contribution from Grand Millennium Auckland rose 37.2% in FY 2016 compared with the same period last year, with a significant contribution recorded in 4Q 2016 post the re-branding of the hotel and the commencement of the new lease in September 2016 which contained a much more significant variable rent component.

The group's Tokyo Hotels posted a positive performance despite currency headwinds during the year which affected inbound tourist arrivals. Both hotels achieved strong occupancies of over 90% but faced some rate pressure amidst rising competition within the market. Consequently, only a marginal yoy collective RevPAR growth of 0.6% for FY 2016 was recorded.

Hilton Cambridge City Centre reported a yoy RevPAR increase of 11.9% for FY 2016 due to the positive influence of the rebranding exercise in 2016, coupled with the product uplift after its refurbishment.

[1] Based on Horwath data (January 2017) and CDLHT research
[2] Statistics New Zealand, "International Visitor Arrivals to New Zealand"

Net property income[3] for FY 2016 of S$137.6 million was slightly higher by S$0.6 million or 0.4% yoy.

Net finance costs for FY 2016 was S$10.6 million higher than FY 2015, primarily due to net foreign exchange losses of S$8.6 million arising from the foreign currency movements of certain loans against SGD, which is required to be expensed off due to the discontinuation of hedge accounting for such loans in accordance with FRS 39 Financial Instruments: Recognition and Measurement. These foreign exchange movements do not have any impact on the distribution of CDLHT. In addition, the interest expense in FY 2016 was also higher by S$1.3 million due to the recognition of a full year's interest (as compared to only 3 months in 2015) arising from borrowings to finance the UK Hotel (acquired on 1 October 2015).

For FY 2016, CDLHT revalued its investment properties as at 31 December 2016 and recorded a net fair value loss of S$21.6 million in the Statement of Total Return. The fair value loss (in SGD terms) arose from its Singapore and Maldives properties (offset by a fair value gain on its New Zealand and Australia properties). In addition, there was also an impairment loss of S$8.1 million recognized on Jumeirah Dhevanafushi[4]. Both the revaluation and impairment loss do not have any impact on unitholders distribution.

Overall, the total income available for distribution (after deducting income retained for working capital) of S$94.9 million, was S$3.1 million or 3.1% lower yoy. This distributable income includes S$2.0 million (JPY 162.2 million) contribution from its Japan Hotels for the 6-month fiscal periods ended 31 March 2016 and 30 September 2016 (which was remitted in June 2016 and December 2016 respectively following the completion of its mandatory statutory audit and tax filing).

Additionally, there was also a capital distribution of S$4.1 million received from its Japan assets in FY 2016 (FY 2015 : S$1.1 million[5]), which included a one-off consumption tax refund of S$2.5 million (JYP 205 million) relating to the Japan Hotels acquisition. This augmented the total distribution (after retention and capital distribution) to S$99.1 million for FY 2016, which was maintained at the same level as FY 2015.

Correspondingly, the total distribution per Stapled Security (after retention and capital distribution) was 10.00 cents for FY 2016, as compared to 10.06 cents in FY 2015.

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

	FY 2016	FY 2015	Increase/(Decline)
Average Occupancy Rate	85.4%	87.7%	(2.3)pp
Average Daily Rate	S$187	S$199	(6.0)%
RevPAR	S$160	S$175	(8.6)%

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

No forecast has been disclosed.

[3] Net property income is derived after deducting operating expenses of Jumeirah Dhevanafushi, Japan Hotels and Hilton Cambridge City Centre and the portfolio's property tax and insurance expenses.
[4] Refer to Section 1(a), Footnote (g) on page 5 of the Announcement.
[5] The capital distribution from the Japan Hotels is for the period 19 December 2014 to 30 September 2015.

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

Total international visitor arrivals to Singapore grew 7.9% yoy to 14.9 million for the first 11 months of 2016, according to the latest data from Singapore Tourism Board ("STB"). The increase in total international visitor arrivals was largely underpinned by growth in Singapore's top two source markets – China and Indonesia. In particular, Chinese arrivals grew 36.1% yoy, increasing by almost 700,000 compared to the same period last year. Total visitor days only grew 2.2% yoy as the average length of stay declined from 3.6 days to 3.4 days[1].

According to Singapore's Ministry of Trade and Industry ("MTI"), the elasticity of trade to global growth is likely to remain weak, suggesting that external demand for Singapore and regional countries may not see a significant uplift in 2017. Moreover, downside risks continue to exist due to uncertainties arising from Brexit as well as increased political risks. As such, Singapore's growth outlook for 2017 remains modest[2].

The trading environment in Singapore for hotels is expected to remain competitive, especially given the absence of biennial city-wide events such as the Singapore Airshow in February and Food & Hotel Asia in April for 2017. The net supply for Singapore hotel inventory is estimated to increase by 3,767[3] rooms in 2017, representing approximately 5.9% of existing room stock. Room rates are likely to remain competitive as new hotels seek to build their base. For the first 24 days of January 2017, RevPAR for Singapore Hotels decreased by 0.9% as compared to the same period last year.

At Novotel Clarke Quay, renovation of the rooms and lift lobbies is expected to commence progressively after the first quarter this year and complete by end 2018, which will enhance guests' stay experience. While the hotel remains largely operational due to the progressive refurbishment, it is anticipated that there will be some disruption and revenue loss during the period of renovation.

In Australia, the value of committed resources and energy projects has fallen by 12.0% over 12 months to October 2016, and the outlook for the natural resources sector remains subdued over the short to medium term. Despite recent recovery of commodities prices, expectations of challenging operating and market conditions have resulted in delays to final investment decisions for many projects[4]. Coupled with the increase in new hotel room supply in Perth and Brisbane, the trading performance of the hospitality sector will likely remain challenging. However, any weakness in the performance of the Australia Hotels is mitigated by the defensive lease structure which provides CDLHT with largely fixed rent.

In New Zealand, the tourism sector continues to enjoy strong growth, reflected by the 11.9% yoy growth in visitor arrivals for the first 11 months of 2016 to 3.0 million[5]. In line with New Zealand's "Tourism 2025" growth framework[6], the increase in new international air services and a strong events calendar are likely to support the growth momentum in the hospitality sector in the medium term. Grand Millennium Auckland's variable lease structure allows CDLHT to benefit strongly from the growth trajectory in the Auckland hospitality market.

In Japan, visitor arrivals continue to display robust growth, with a yoy increase of 21.8% to a record 24.0 million for 2016[7]. Aiming to welcome 40.0 million foreign visitors in 2020, tourism growth is likely to maintain its healthy run as a result of favourable government initiatives[8]. The long-term outlook for the hospitality sector in Japan is expected to be positive and this is also supported by the recent announcement on the Japanese government's approval of the integrated resorts.

The near term outlook for Maldives remains challenging given the relative strength of the US dollar against some of the top source markets, which has the effect of eroding the spending power of guests from these markets. The cautious consumer sentiment towards discretionary spending in the high-end leisure market and slowing growth in China may continue to affect the performance of the Maldives Resorts.

In United Kingdom, the weaker pound is likely to improve tourism flows and international arrivals are expected to increase in 2017[9]. However, there is significant economic uncertainty due to the impending commencement of the formal EU exit negotiations in March 2017.

CDLHT will continue to pursue suitable acquisitions to diversify our income sources and augment returns to Stapled Securityholders.

[1] International Visitor Arrivals Statistics – STB
[2] MTI, "MTI Forecasts GDP to Grow by "1.0 to 1.5 Per Cent" in 2016 and "1.0 to 3.0 Per Cent" in 2017", 24 November 2016
[3] Based on Horwath data (January 2017) and CDLHT research
[4] Australia Department of Industry, Innovation and Science, "Resources and Energy Quarterly December 2016"
[5] Statistics New Zealand, "International Visitor Arrivals to New Zealand"
[6] Tourism Industry Aotearoa, "Tourism 2025, Two Years On", May 2016
[7] Japan National Tourism Organization
[8] Nikkei Asian Review, "Japan prepares for mass influx of tourists", 11 January 2017
[9] TTG, "2017 could be 'record year' for inbound tourism", 30 December 2016

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 July 2016 to 31 December 2016

Distribution type	Taxable income	Tax exempt income	Capital	**Total**
Amount (cents per Stapled Security)	3.92	1.29	0.34	**5.55**

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 (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 July 2015 to 31 December 2015

Distribution type	Taxable income	Tax exempt income	Capital	**Total**
Amount (cents per Stapled Security)	4.22	1.04	0.11	**5.37**

Tax rate

<u>Taxable income distribution</u>
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%.

<u>Tax exempt income distribution</u>
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.

<u>Capital distribution</u>
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 6 February 2017

11 (d) Date payable

28 February 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 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.

15 Segmented revenue and results for operating segments

	CDL Hospitality Trusts		
	FY 2016 S$'000	FY 2015 S$'000	Variance %
Gross Revenue			
Singapore	89,265	96,930	(7.9)
New Zealand	13,274	9,677	37.2
Australia	14,438	15,194	(5.0)
Maldives	25,785	30,353	(15.0)
Japan	10,572	9,726	8.7
UK	21,418	6,132	N.M
Others	6,105	4,398	38.8
	180,857	**172,410**	**4.9**
Net Property Income			
Singapore	81,411	88,793	(8.3)
New Zealand	13,274	9,677	37.2
Australia	14,438	15,194	(5.0)
Maldives	11,306	13,632	(17.1)
Japan	5,426	5,240	3.5
UK	8,458	2,277	N.M
Others	3,247	2,190	48.3
	137,560	**137,003**	**0.4**

16 In the review performance the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8(iii) for the review of the actual performance.

17 Breakdown of sales

	CDL Hospitality Trusts		
	FY 2016 S$'000	FY 2015 S$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	87,123	81,213	7.3
Total return for first half year	38,814	44,031	(11.8)
Gross revenue reported for second half year	93,734	91,197	2.8
Total return for second half year (restated)	10,518	6,661	57.9

18 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2016

	CDL Hospitality Trusts	
	S$'000	S$'000
1 July 2014 to 31 December 2014	-	56,380
1 January 2015 to 30 June 2015	-	46,207
1 July 2015 to 31 December 2015	53,118	-
1 January 2016 to 30 June 2016	44,096	-

19 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the H-REIT Manager and the HBT Trustee-Manager confirm that there are no persons occupying managerial positions in the H-REIT Manager and its principal subsidiary, the HBT Trustee-Manager, who are related to a director or the chief executive officer or a substantial shareholder of the H-REIT Manager or of the HBT Trustee-Manager respectively or a substantial stapled security holder of CDLHT.

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016

On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

26 January 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. 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.

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)

26 January 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)

26 January 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

26 January 2017

Dear Sirs

CDL Hospitality Trusts

Report on review of financial information

Introduction

We have reviewed the accompanying financial information (the "Financial Information") of CDL Hospitality Trusts ("CDLHT") for the year ended 31 December 2016. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Financial Information consists of the following:

- Statement of financial position of CDLHT as at 31 December 2016;
- Portfolio statement of CDLHT as at 31 December 2016;
- Statement of total return of CDLHT for the year ended 31 December 2016;
- Statement of movements in unitholders' funds of CDLHT for the year ended 31 December 2016;
- Distribution statement for the year ended 31 December 2016;
- Statement of cash flows of CDLHT for the year ended 31 December 2016; and
- Certain explanatory notes to the above Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Financial Information in accordance with the provisions 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 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 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 Financial Information is not prepared, in all material respects, in accordance with the provisions 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 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
26 January 2017