



CDL HOSPITALITY TRUSTS

**CDL Hospitality Trusts**  
**(Constituted in the Republic of Singapore pursuant to a**  
**stapling deed dated 12 June 2006)**

Condensed interim financial statements  
Six-month period ended 30 June 2022

**Statements of Financial Position**  
**As at 30 June 2022**

|                                       | Note | HBT Group      |                | H-REIT Group     |                  | Stapled Group    |                  |
|---------------------------------------|------|----------------|----------------|------------------|------------------|------------------|------------------|
|                                       |      | 30/06/2022     | 31/12/2021     | 30/06/2022       | 31/12/2021       | 30/06/2022       | 31/12/2021       |
|                                       |      | \$'000         | \$'000         | \$'000           | \$'000           | \$'000           | \$'000           |
| <b>Non-current assets</b>             |      |                |                |                  |                  |                  |                  |
| Investment properties                 | 3    | –              | –              | 2,487,482        | 2,419,305        | 1,986,454        | 1,921,748        |
| Investment property under development | 4    | 35,608         | 27,661         | –                | –                | 35,608           | 27,661           |
| Property, plant and equipment         | 5    | 313,144        | 334,284        | 62,602           | 72,631           | 762,691          | 792,701          |
| Finance lease receivables             |      | –              | –              | 1,567            | 1,803            | 1,567            | 1,803            |
| Deferred tax assets                   |      | 685            | 163            | 754              | 789              | 1,439            | 952              |
| Financial derivative assets           |      | –              | –              | 27,320           | 4,762            | 27,320           | 4,762            |
| Other receivables                     |      | 212            | 212            | 74,398           | 72,845           | 361              | 361              |
|                                       |      | <u>349,649</u> | <u>362,320</u> | <u>2,654,123</u> | <u>2,572,135</u> | <u>2,815,440</u> | <u>2,749,988</u> |
| <b>Current assets</b>                 |      |                |                |                  |                  |                  |                  |
| Inventories                           |      | 2,295          | 2,403          | –                | –                | 2,295            | 2,403            |
| Finance lease receivables             |      | –              | –              | 455              | 395              | 455              | 395              |
| Trade and other receivables           |      | 21,632         | 22,340         | 34,531           | 35,148           | 25,148           | 28,876           |
| Financial derivative assets           |      | –              | –              | 92               | –                | 92               | –                |
| Cash and cash equivalents             |      | 24,655         | 32,327         | 74,267           | 107,137          | 98,922           | 139,464          |
|                                       |      | <u>48,582</u>  | <u>57,070</u>  | <u>109,345</u>   | <u>142,680</u>   | <u>126,912</u>   | <u>171,138</u>   |
| <b>Total assets</b>                   |      | <u>398,231</u> | <u>419,390</u> | <u>2,763,468</u> | <u>2,714,815</u> | <u>2,942,352</u> | <u>2,921,126</u> |
| <b>Non-current liabilities</b>        |      |                |                |                  |                  |                  |                  |
| Loans and borrowings                  | 6    | 134,052        | 139,600        | 772,179          | 750,259          | 789,207          | 768,284          |
| Financial derivative liabilities      |      | –              | –              | –                | 948              | –                | 948              |
| Other payables                        |      | 92             | 92             | 11,047           | 10,927           | 11,139           | 11,019           |
| Deferred tax liabilities              |      | 12,653         | 13,939         | 7,517            | 6,703            | 21,179           | 21,672           |
|                                       |      | <u>146,797</u> | <u>153,631</u> | <u>790,743</u>   | <u>768,837</u>   | <u>821,525</u>   | <u>801,923</u>   |
| <b>Current liabilities</b>            |      |                |                |                  |                  |                  |                  |
| Loans and borrowings                  | 6    | 173,421        | 176,819        | 350,522          | 324,655          | 442,689          | 422,888          |
| Trade and other payables              |      | 51,113         | 49,891         | 33,133           | 31,750           | 45,222           | 45,195           |
| Financial derivative liabilities      |      | –              | –              | 19               | –                | 19               | –                |
| Provision for taxation                |      | 335            | 65             | 7,165            | 8,429            | 7,500            | 8,494            |
|                                       |      | <u>224,869</u> | <u>226,775</u> | <u>390,839</u>   | <u>364,834</u>   | <u>495,430</u>   | <u>476,577</u>   |
| <b>Total liabilities</b>              |      | <u>371,666</u> | <u>380,406</u> | <u>1,181,582</u> | <u>1,133,671</u> | <u>1,316,955</u> | <u>1,278,500</u> |
| <b>Net assets</b>                     |      | <u>26,565</u>  | <u>38,984</u>  | <u>1,581,886</u> | <u>1,581,144</u> | <u>1,625,397</u> | <u>1,642,626</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Financial Position (cont'd)**  
**As at 30 June 2022**

|   | Note | HBT Group        |                  | H-REIT Group     |                  | Stapled Group    |                  |
|---|------|------------------|------------------|------------------|------------------|------------------|------------------|
|   |      | 30/06/2022       | 31/12/2021       | 30/06/2022       | 31/12/2021       | 30/06/2022       | 31/12/2021       |
|   |      | \$'000           | \$'000           | \$'000           | \$'000           | \$'000           | \$'000           |
| Represented by:   |      |                  |                  |                  |                  |                  |                  |
| <b>Unitholders' funds</b>   |      | 26,565           | 38,984           | 1,574,793        | 1,573,852        | 1,618,304        | 1,635,334        |
| <b>Non-controlling interests</b>  |      | –                | –                | 7,093            | 7,292            | 7,093            | 7,292            |
|   |      | <u>26,565</u>    | <u>38,984</u>    | <u>1,581,886</u> | <u>1,581,144</u> | <u>1,625,397</u> | <u>1,642,626</u> |
| <b>Units/Stapled Securities<br/>in issue ('000)</b>                                   | 7    | <u>1,234,715</u> | <u>1,230,012</u> | <u>1,234,715</u> | <u>1,230,012</u> | <u>1,234,715</u> | <u>1,230,012</u> |
| <b>Net asset value/Net<br/>tangible asset per<br/>Unit/ Stapled Security<br/>(\$)</b> | 8    | <u>0.0215</u>    | <u>0.0316</u>    | <u>1.27</u>      | <u>1.28</u>      | <u>1.31</u>      | <u>1.33</u>      |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statement of Profit or Loss of the HBT Group**  
**Statements of Total Return of the H-REIT Group and the Stapled Group**  
**Six-month period ended 30 June 2022**

|   | Note | HBT Group                 |                           | H-REIT Group              |                           | Stapled Group             |                           |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|   |      | Six-month<br>period ended | Six-month<br>period ended | Six-month<br>period ended | Six-month<br>period ended | Six-month<br>period ended | Six-month<br>period ended |
|   |      | 30/06/2022                | 30/06/2021                | 30/06/2022                | 30/06/2021                | 30/06/2022                | 30/06/2021                |
|   |      | \$'000                    | \$'000                    | \$'000                    | \$'000                    | \$'000                    | \$'000                    |
| <b>Revenue</b>  | 9    | 56,320                    | 28,527                    | 53,648                    | 44,321                    | 98,645                    | 66,225                    |
| <b>Property expenses</b>                              |      |                           |                           |                           |                           |                           |                           |
| Operations and maintenance expenses                   |      | (12,570)                  | (6,735)                   | –                         | –                         | (12,570)                  | (6,735)                   |
| Employee benefit expenses                             |      | (18,582)                  | (9,812)                   | –                         | –                         | (18,582)                  | (9,812)                   |
| Rental expenses                                       |      | (5,155)                   | (2,039)                   | –                         | –                         | (46)                      | (113)                     |
| Property tax  |      | (711)                     | 759                       | (2,246)                   | (3,344)                   | (2,957)                   | (2,585)                   |
| Other property expenses                               |      | (10,838)                  | (6,575)                   | (2,686)                   | (19,433)                  | (13,524)                  | (10,003)                  |
|   |      | <u>(47,856)</u>           | <u>(24,402)</u>           | <u>(4,932)</u>            | <u>(22,777)</u>           | <u>(47,679)</u>           | <u>(29,248)</u>           |
| <b>Net property income</b>                            |      | 8,464                     | 4,125                     | 48,716                    | 21,544                    | 50,966                    | 36,977                    |
| H-REIT Manager's management fee                       | 10   | –                         | –                         | (5,303)                   | (3,877)                   | (5,303)                   | (3,877)                   |
| H-REIT Trustee's fee                                  |      | –                         | –                         | (184)                     | (180)                     | (184)                     | (180)                     |
| HBT Trustee-Manager's management fee                  | 10   | (482)                     | (279)                     | –                         | –                         | (482)                     | (279)                     |
| HBT Trustee-Manager's trustee fee                     |      | (135)                     | (112)                     | –                         | –                         | (135)                     | (112)                     |
| Valuation fee   |      | (23)                      | (14)                      | (83)                      | (87)                      | (106)                     | (101)                     |
| Depreciation  |      | (8,941)                   | (7,162)                   | (774)                     | (852)                     | (11,361)                  | (10,132)                  |
| Other expenses  |      | (591)                     | (332)                     | (2,005)                   | (8,890)                   | (2,595)                   | (1,772)                   |
| Finance income  |      | 4,020                     | –                         | 24,271                    | 7,772                     | 23,583                    | 7,672                     |
| Finance costs   |      | (4,614)                   | (5,177)                   | (18,852)                  | (17,940)                  | (23,080)                  | (17,636)                  |
| Net finance (costs)/income                            | 11   | <u>(594)</u>              | <u>(5,177)</u>            | <u>5,419</u>              | <u>(10,168)</u>           | <u>503</u>                | <u>(9,964)</u>            |
| <b>Net (loss)/income before fair value adjustment</b> |      | (2,302)                   | (8,951)                   | 45,786                    | (2,510)                   | 31,303                    | 10,560                    |
| Net fair value gain on investment properties          |      | –                         | –                         | 2,404                     | –                         | 2,404                     | –                         |
| <b>(Loss)/Total return for the period before tax</b>  |      | (2,302)                   | (8,951)                   | 48,190                    | (2,510)                   | 33,707                    | 10,560                    |
| Tax credit/(expense)                                  | 12   | <u>1,481</u>              | <u>(413)</u>              | <u>(3,199)</u>            | <u>(2,649)</u>            | <u>(1,718)</u>            | <u>(3,062)</u>            |
| <b>(Loss)/Total return for the period</b>             | 13   | <u>(821)</u>              | <u>(9,364)</u>            | <u>44,991</u>             | <u>(5,159)</u>            | <u>31,989</u>             | <u>7,498</u>              |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statement of Profit or Loss of the HBT Group**  
**Statements of Total Return of the H-REIT Group and the Stapled Group**  
**Six-month period ended 30 June 2022**

|  | <b>HBT Group</b>    |                     | <b>H-REIT Group</b> |                     | <b>Stapled Group</b> |                     |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
|  | <b>Six-month</b>    | <b>Six-month</b>    | <b>Six-month</b>    | <b>Six-month</b>    | <b>Six-month</b>     | <b>Six-month</b>    |
|  | <b>period ended</b> | <b>period ended</b> | <b>period ended</b> | <b>period ended</b> | <b>period ended</b>  | <b>period ended</b> |
| <b>Note</b>                                  | <b>30/06/2022</b>   | <b>30/06/2021</b>   | <b>30/06/2022</b>   | <b>30/06/2021</b>   | <b>30/06/2022</b>    | <b>30/06/2021</b>   |
|  | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>        | <b>\$'000</b>       |
| <b>(Loss)/Total return attributable to:</b>  |                     |                     |                     |                     |                      |                     |
| Unitholders                                  | (821)               | (9,364)             | 44,870              | (5,242)             | 31,868               | 7,415               |
| Non-controlling interests                    | –                   | –                   | 121                 | 83                  | 121                  | 83                  |
|  | <b>(821)</b>        | <b>(9,364)</b>      | <b>44,991</b>       | <b>(5,159)</b>      | <b>31,989</b>        | <b>7,498</b>        |
| <b>Earnings per Stapled Security (cents)</b> |                     |                     |                     |                     |                      |                     |
| Basic  | 14                  |                     |                     |                     | 2.58                 | 0.60                |
| Diluted                                      |                     |                     |                     |                     | 2.58                 | 0.60                |

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**Statement of Comprehensive Income of the HBT Group**  
**Six-month period ended 30 June 2022**

|   | <b>HBT Group</b>  |   |
|---|---|---|
|   | <b>Six-month<br/>period ended<br/>30/06/2022<br/>\$'000</b> | <b>Six-month<br/>period ended<br/>30/06/2021<br/>\$'000</b> |
| <b>Net loss for the period</b>  | (821)   | (9,364)   |
| <b>Other comprehensive income</b>   |   |   |
| <i>Items that will not be reclassified to profit or loss:</i>                               |   |   |
| Tax effect on revaluation of property, plant and equipment                                  | 26  | 9   |
|   | <u>26</u>   | <u>9</u>  |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i>                |   |   |
| Translation differences relating to financial statements of foreign subsidiaries            | (7,346)   | 2,135   |
| Exchange differences on monetary items forming part of net investment in foreign operations | (6,037)   | 3,366   |
| Exchange differences on hedge of net investments in foreign operations                      | 4,271   | (2,191)   |
|   | <u>(9,112)</u>  | <u>3,310</u>  |
| <b>Other comprehensive income for the period, net of tax</b>                                | <u>(9,086)</u>  | <u>3,319</u>  |
| <b>Total comprehensive income for the period</b>  | <u><u>(9,907)</u></u>                                       | <u><u>(6,045)</u></u>                                       |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Movements in Unitholders' Funds**  
**Six-month period ended 30 June 2022**

|   | ----- HBT Group -----                  |                       |                            |   |                           | ----- H-REIT Group ----- |   |                                  | ----- Stapled Group ----- |   |                                  |              |
|---|--|-----------------------|----------------------------|---|---------------------------|--------------------------|---|----------------------------------|---------------------------|---|----------------------------------|--------------|
|   | Units in issue and to be issued \$'000 | Issue expenses \$'000 | Revaluation reserve \$'000 | Foreign currency translation reserve \$'000 | Accumulated losses \$'000 | Total \$'000             | Attributable to Stapled Security-holders \$'000 | Non-controlling interests \$'000 | Total \$'000              | Attributable to Stapled Security-holders \$'000 | Non-controlling interests \$'000 | Total \$'000 |
| <b>At 1 January 2022</b>  | 111,947                                | (121)                 | 16,874                     | 6,689                                       | (96,405)                  | 38,984                   | 1,573,852                                       | 7,292                            | 1,581,144                 | 1,635,334                                       | 7,292                            | 1,642,626    |
| <b>Operations</b>   |  |                       |                            |   |                           |                          |   |                                  |                           |   |                                  |              |
| - (Decrease)/Increase in net assets resulting from operations                                 | -                                      | -                     | -                          | -   | (821)                     | (821)                    | 44,870  | 121                              | 44,991                    | 31,868  | 121                              | 31,989       |
| <b>Revaluation reserve</b>  |  |                       |                            |   |                           |                          |   |                                  |                           |   |                                  |              |
| - Tax effect on revaluation of property, plant and equipment                                  | -                                      | -                     | 26                         | -   | -                         | 26                       | (3)   | -                                | (3)                       | 23  | -                                | 23           |
| <b>Foreign currency translation reserve</b>   |  |                       |                            |   |                           |                          |   |                                  |                           |   |                                  |              |
| - Translation differences relating to financial statements of foreign subsidiaries            | -                                      | -                     | -                          | (7,346)                                     | -                         | (7,346)                  | (15,579)  | (320)                            | (15,899)                  | (22,786)  | (320)                            | (23,106)     |
| - Exchange differences on monetary items forming part of net investment in foreign operations | -                                      | -                     | -                          | (6,037)                                     | -                         | (6,037)                  | (854)   | -                                | (854)                     | (6,891)   | -                                | (6,891)      |
| - Exchange differences on hedge of net investments in foreign operations                      | -                                      | -                     | -                          | 4,271                                       | -                         | 4,271                    | 3,044   | -                                | 3,044                     | 13,805  | -                                | 13,805       |
| <b>Other comprehensive income</b>   | -                                      | -                     | 26                         | (9,112)                                     | -                         | (9,086)                  | (13,392)  | (320)                            | (13,712)                  | (15,849)  | (320)                            | (16,169)     |
| <b>Total comprehensive income</b>   | -                                      | -                     | 26                         | (9,112)                                     | (821)                     | (9,907)                  | 31,478  | (199)                            | 31,279                    | 16,019  | (199)                            | 15,820       |
| <b>Balance carried forward</b>  | 111,947                                | (121)                 | 16,900                     | (2,423)                                     | (97,226)                  | 29,077                   | 1,605,330                                       | 7,093                            | 1,612,423                 | 1,651,353                                       | 7,093                            | 1,658,446    |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

|  | ----- HBT Group -----                           |                             |                                  |   |                                 | ----- H-REIT Group ----- |  |  | ----- Stapled Group ----- |  |  |                 |
|--|---|-----------------------------|----------------------------------|---|---------------------------------|--------------------------|--|--|---------------------------|--|--|-----------------|
|  | Units in<br>issue and<br>to be issued<br>\$'000 | Issue<br>expenses<br>\$'000 | Revaluation<br>reserve<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000          | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000           | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000 |
| <b>Balance brought forward</b>   | 111,947   | (121)                       | 16,900                           | (2,423)   | (97,226)                        | 29,077                   | 1,605,330  | 7,093                                      | 1,612,423                 | 1,651,353  | 7,093                                      | 1,658,446       |
| <b>Transactions with owners,<br/>recorded directly in<br/>equity</b>   |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| <u>Contributions by and<br/>distributions to owners</u>  |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| - Distributions to holders of<br>Stapled Securities  | (2,898)   | —                           | —                                | —   | —                               | (2,898)                  | (34,779)   | —  | (34,779)                  | (37,677)   | —  | (37,677)        |
| - Units/Stapled Securities<br>issued and to be issued as<br>payment of H-REIT<br>Manager's management<br>fee       | —   | —                           | —                                | —   | —                               | —                        | 4,242  | —  | 4,242                     | 4,242  | —  | 4,242           |
| - Units/Stapled Securities<br>issued and to be issued as<br>payment of HBT Trustee-<br>Manager's management<br>fee | 386   | —                           | —                                | —   | —                               | 386                      | —  | —  | —                         | 386  | —  | 386             |
| <b>Total contributions by and<br/>distributions to owners</b>  | (2,512)   | —                           | —                                | —   | —                               | (2,512)                  | (30,537)   | —  | (30,537)                  | (33,049)   | —  | (33,049)        |
| <b>Total transactions with<br/>owners</b>  | (2,512)   | —                           | —                                | —   | —                               | (2,512)                  | (30,537)   | —  | (30,537)                  | (33,049)   | —  | (33,049)        |
| <b>At 30 June 2022</b>   | 109,435   | (121)                       | 16,900                           | (2,423)   | (97,226)                        | 26,565                   | 1,574,793  | 7,093                                      | 1,581,886                 | 1,618,304  | 7,093                                      | 1,625,397       |

The accompanying notes form an integral part of these condensed interim financial statements.



**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

|   | ----- HBT Group -----                           |                             |                                  |   |                                 | ----- H-REIT Group ----- |  |  | ----- Stapled Group ----- |  |  |                 |
|---|---|-----------------------------|----------------------------------|---|---------------------------------|--------------------------|--|--|---------------------------|--|--|-----------------|
|   | Units in<br>issue and<br>to be issued<br>\$'000 | Issue<br>expenses<br>\$'000 | Revaluation<br>reserve<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000          | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000           | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000 |
| <b>At 1 January 2021</b>  | 111,264   | (121)                       | 11,255                           | 6,449   | (87,979)                        | 40,868                   | 1,573,044  | 7,827                                      | 1,580,871                 | 1,619,908  | 7,827                                      | 1,627,735       |
| <b>Operations</b>   |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| - (Decrease)/Increase in net assets resulting from operations                                 | -   | -                           | -                                | -   | (9,364)                         | (9,364)                  | (5,242)  | 83   | (5,159)                   | 7,415  | 83   | 7,498           |
| <b>Revaluation reserve</b>  |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| - Tax effect on revaluation of property, plant and equipment                                  | -   | -                           | 9                                | -   | -                               | 9                        | (6)  | -  | (6)                       | 3  | -  | 3               |
| <b>Foreign currency translation reserve</b>   |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| - Translation differences relating to financial statements of foreign subsidiaries            | -   | -                           | -                                | 2,135   | -                               | 2,135                    | (1,495)  | (107)                                      | (1,602)                   | 811  | (107)                                      | 704             |
| - Exchange differences on monetary items forming part of net investment in foreign operations | -   | -                           | -                                | 3,366   | -                               | 3,366                    | 325  | -  | 325                       | 3,691  | -  | 3,691           |
| - Exchange differences on hedge of net investments in foreign operations                      | -   | -                           | -                                | (2,191)   | -                               | (2,191)                  | 2,026  | -  | 2,026                     | (3,727)  | -  | (3,727)         |
| <b>Other comprehensive income</b>   | -   | -                           | 9                                | 3,310   | -                               | 3,319                    | 850  | (107)                                      | 743                       | 778  | (107)                                      | 671             |
| <b>Total comprehensive income</b>   | -   | -                           | 9                                | 3,310   | (9,364)                         | (6,045)                  | (4,392)  | (24)                                       | (4,416)                   | 8,193  | (24)                                       | 8,169           |
| <b>Balance carried forward</b>  | 111,264   | (121)                       | 11,264                           | 9,759   | (97,343)                        | 34,823                   | 1,568,652  | 7,803                                      | 1,576,455                 | 1,628,101  | 7,803                                      | 1,635,904       |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period ended 30 June 2022**

|  | ----- HBT Group -----                           |                             |                                  |   |                                 | ----- H-REIT Group ----- |  |  | ----- Stapled Group ----- |  |  |                 |
|--|---|-----------------------------|----------------------------------|---|---------------------------------|--------------------------|--|--|---------------------------|--|--|-----------------|
|  | Units in<br>issue and<br>to be issued<br>\$'000 | Issue<br>expenses<br>\$'000 | Revaluation<br>reserve<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000          | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000           | Attributable<br>to Stapled<br>Security-<br>holders<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>\$'000 |
| <b>Balance brought forward</b>   | 111,264   | (121)                       | 11,264                           | 9,759   | (97,343)                        | 34,823                   | 1,568,652  | 7,803                                      | 1,576,455                 | 1,628,101  | 7,803                                      | 1,635,904       |
| <b>Transactions with owners,<br/>recorded directly in<br/>equity</b>   |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| <u>Contributions by and<br/>distributions to owners</u>  |   |                             |                                  |   |                                 |                          |  |  |                           |  |  |                 |
| - Distributions to holders of<br>Stapled Securities  | -   | -                           | -                                | -   | -                               | -                        | (42,123)   | -  | (42,123)                  | (42,123)   | -  | (42,123)        |
| - Units/Stapled Securities<br>issued and to be issued as<br>payment of H-REIT<br>Manager's management<br>fee       | -   | -                           | -                                | -   | -                               | -                        | 3,102  | -  | 3,102                     | 3,102  | -  | 3,102           |
| - Units/Stapled Securities<br>issued and to be issued as<br>payment of HBT Trustee-<br>Manager's management<br>fee | 223   | -                           | -                                | -   | -                               | 223                      | -  | -  | -                         | 223  | -  | 223             |
| <b>Total contributions by and<br/>distributions to owners</b>  | 223   | -                           | -                                | -   | -                               | 223                      | (39,021)   | -  | (39,021)                  | (38,798)   | -  | (38,798)        |
| <b>Total transactions with<br/>owners</b>  | 223   | -                           | -                                | -   | -                               | 223                      | (39,021)   | -  | (39,021)                  | (38,798)   | -  | (38,798)        |
| <b>At 30 June 2021</b>   | 111,487   | (121)                       | 11,264                           | 9,759   | (97,343)                        | 35,046                   | 1,529,631  | 7,803                                      | 1,537,434                 | 1,589,303  | 7,803                                      | 1,597,106       |

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into Singapore dollar, exchange differences on monetary items which form part of Stapled Group's net investment in foreign operations and exchange differences arising from hedge of net investment in foreign operations.

The accompanying notes form an integral part of these condensed interim financial statements.

**Distribution Statement**  
**Six-month period ended 30 June 2022**

|  | Note    | Stapled Group<br>Six-month<br>period ended<br>30/06/2022<br>\$'000 | Six-month<br>period ended<br>30/06/2021<br>\$'000 |
|--|---------|--|---|
| <b>Amount available for distribution to holders of Stapled Securities at the beginning of the period</b> |         | 36,587   | 41,138  |
| Total return of H-REIT   | 13 (ii) | 41,059   | 14,514  |
| Loss of HBT  | 13 (ii) | (463)  | (1,965)   |
| Net tax adjustments (Note A)   |         | (13,949)   | 4,073   |
|  |         | 26,647   | 16,622  |
| Less: Amount retained for working capital  |         | (2,665)  | (1,662)   |
| Add: Capital distribution  |         | 1,218  | –   |
| Amount available for distribution to holders of Stapled Securities                                       |         | <u>61,787</u>  | <u>56,098</u>                                     |
| Distribution to holders of Stapled Securities:   |         |  |   |
| Distribution of 3.44 cents per Stapled Security for the period from 1/7/2020 to 31/12/2020               |         | –  | (42,123)  |
| Distribution of 3.06 cents per Stapled Security for the period from 1/7/2021 to 31/12/2021               |         | (37,677)   | –   |
|  |         | <u>(37,677)</u>  | <u>(42,123)</u>                                   |
| <b>Amount available for distribution to holders of Stapled Securities at the end of the period</b>       |         | <u>24,110</u>  | <u>13,975</u>                                     |
| Distribution per Stapled Security (DPS) (cents)  |         | <u>2.04</u>  | <u>1.22</u>                                       |
| <b>Note A – Net tax adjustments comprise:</b>  |         |  |   |
| Non-tax deductible/(chargeable) items:   |         |  |   |
| - Amortisation of transaction costs  |         | 1,081  | 730   |
| - Fair value gain on financial derivatives   |         | (23,507)   | (7,548)   |
| - Financial expense arising from accretion of non-current rental deposits measured at amortised cost     |         | 130  | 125   |
| - Foreign exchange loss  |         | 346  | 5,231   |
| - H-REIT Manager's management fee paid/payable in Stapled Securities                                     |         | 4,242  | 3,102   |
| - H-REIT Trustee's fee   |         | 184  | 180   |
| - HBT Trustee-Manager's management fee paid/payable in Stapled Securities                                |         | 386  | 223   |
| - HBT Trustee-Manager's trustee fee  |         | 135  | 112   |
| - Other items  |         | 3,054  | 1,918   |
| Net tax adjustments  |         | <u>(13,949)</u>  | <u>4,073</u>                                      |

Distributions of the Stapled Group represents the aggregate of distributions by H-REIT and HBT.

The accompanying notes form an integral part of these condensed interim financial statements.

**Portfolio Statements**  
**As at 30 June 2022**  
**H-REIT Group**

| Description of property             | Tenure of land          | Term of lease                  | Remaining term of lease | Location          | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022<br>% | Percentage of total net assets at 31/12/2021<br>% |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|-------------------|--------------|---|---|---|---|
| <b><u>Investment properties</u></b> |                         |                                |                         |                   |              |   |   |   |   |
| <i>Singapore</i>                    |                         |                                |                         |                   |              |   |   |   |   |
| Orchard Hotel                       | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 442 Orchard Road  | Hotel        | 443,027   | 443,000   | 28.0  | 28.0  |
| Claymore Connect                    | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 442 Orchard Road  | Retail       | 88,417  | 88,000  | 5.6   | 5.6   |
| Grand Copthorne Waterfront Hotel    | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 392 Havelock Road | Hotel        | 356,417   | 356,000   | 22.5  | 22.5  |
| M Hotel                             | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 81 Anson Road     | Hotel        | 239,110   | 239,000   | 15.1  | 15.1  |
| Copthorne King's Hotel              | Leasehold               | 99 years from 1 February 1968  | 44 years                | 403 Havelock Road | Hotel        | 114,855   | 115,000   | 7.3   | 7.3   |
| Studio M Hotel                      | Leasehold               | 99 years from 26 February 2007 | 83 years                | 3 Nanson Road     | Hotel        | 166,135   | 166,000   | 10.5  | 10.5  |
| W Singapore – Sentosa Cove          | Leasehold               | 99 years from 31 October 2006  | 83 years                | 21 Ocean Way      | Hotel        | 366,980   | 366,467   | 23.2  | 23.2  |
| Balance carried forward             |                         |                                |                         |                   |              | 1,774,941   | 1,773,467   | 112.2   | 112.2   |

The accompanying notes form an integral part of these condensed interim financial statements.

**Portfolio Statements (cont'd)**  
**As at 30 June 2022**  
**H-REIT Group**

| Description of property            | Tenure of land | Term of lease                | Remaining term of lease | Location                            | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022 % | Percentage of total net assets at 31/12/2021 % |
|------------------------------------|----------------|------------------------------|-------------------------|-------------------------------------|--------------|---|---|--|--|
| Balance brought forward            |                |                              |                         |                                     |              | 1,774,941   | 1,773,467   | 112.2  | 112.2  |
| <i>Germany</i>                     |                |                              |                         |                                     |              |   |   |  |  |
| Pullman Hotel Munich               | Freehold       | –                            | –                       | Theodor-Dombart-Strasse 4, Munich   | Hotel        | 154,065   | 159,591   | 9.7  | 10.1   |
| <i>Italy</i>                       |                |                              |                         |                                     |              |   |   |  |  |
| Hotel Cerretani Firenze – MGallery | Freehold       | –                            | –                       | Via De Cerretani 68, Florence       | Hotel        | 59,807  | 61,782  | 3.8  | 3.9  |
| <i>New Zealand</i>                 |                |                              |                         |                                     |              |   |   |  |  |
| Grand Millennium Auckland          | Freehold       | –                            | –                       | 71 – 87 Mayoral Drive, Auckland     | Hotel        | 201,209   | 212,152   | 12.7   | 13.4   |
| <i>Australia</i>                   |                |                              |                         |                                     |              |   |   |  |  |
| Ibis Perth                         | Freehold       | –                            | –                       | 334 Murray Street, Perth            | Hotel        | 28,429  | 28,429  | 1.8  | 1.8  |
| Mercure Perth                      | Freehold       | –                            | –                       | 10 Irwin Street, Perth              | Hotel        | 43,414  | 42,643  | 2.7  | 2.7  |
| <i>Maldives</i>                    |                |                              |                         |                                     |              |   |   |  |  |
| Angsana Velavaru                   | Leasehold      | 50 years from 26 August 1997 | 25 years                | South Nilandhe Atoll                | Resort       | 83,963  | 81,223  | 5.3  | 5.1  |
| Raffles Maldives Meradhoo          | Leasehold      | 50 years from 15 June 2006   | 33 years                | Gaafu Alifu Atoll                   | Resort       | 62,204  | 60,018  | 3.9  | 3.8  |
| <i>United Kingdom</i>              |                |                              |                         |                                     |              |   |   |  |  |
| Hotel Brooklyn                     | Leasehold      | 197 years from 7 May 2021    | 196 years               | 57 & 59 Portland Street, Manchester | Hotel        | 79,450 <sup>(3)</sup>                                 | –   | 5.0  | –  |
| <b>Investment properties</b>       |                |                              |                         |                                     |              | <b>2,487,482</b>                                      | <b>2,419,305</b>                                      | <b>157.1</b>                                   | <b>153.0</b>                                   |

The accompanying notes form an integral part of these condensed interim financial statements.

**Portfolio Statements (cont'd)**  
**As at 30 June 2022**  
**H-REIT Group**

| Description of property                     | Tenure of land | Term of lease | Remaining term of lease | Location                                      | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022<br>% | Percentage of total net assets at 31/12/2021<br>% |
|---|----------------|---------------|-------------------------|---|--------------|---|---|---|---|
| <b><u>Property, plant and equipment</u></b> |                |               |                         |   |              |   |   |   |   |
| <i>Japan</i>                                |                |               |                         |   |              |   |   |   |   |
| Hotel MyStays Asakusabashi                  | Freehold       | –             | –                       | 1-5-5 Asakusabashi,<br>Taito-ku, Tokyo, Japan | Hotel        | 36,431  | 42,326  | 2.3   | 2.7   |
| Hotel MyStays Kamata                        | Freehold       | –             | –                       | 5-46-5 Kamata,<br>Ota-ku, Tokyo, Japan        | Hotel        | 25,860  | 30,065  | 1.6   | 1.9   |
| Other plant and equipment                   | –              | –             | –                       | –   | –            | 311   | 240   | –   | –   |
| <b>Property, plant and equipment</b>        |                |               |                         |   |              | 62,602  | 72,631  | 3.9   | 4.6   |
| <b>Other assets and liabilities (net)</b>   |                |               |                         |   |              | 2,550,084   | 2,491,936   | 161.0   | 157.6   |
| <b>Net assets of the H-REIT Group</b>       |                |               |                         |   |              | (968,198)   | (910,792)   | (61.0)  | (57.6)  |
|   |                |               |                         |   |              | 1,581,886   | 1,581,144   | 100.0   | 100.0   |

<sup>(1)</sup> The carrying values include right-of-use assets recognised on leases of land.

<sup>(2)</sup> H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.

<sup>(3)</sup> The acquisition of Hotel Brooklyn was completed on 22 February 2022 (Note 20).

The accompanying notes form an integral part of these condensed interim financial statements.

**Portfolio Statements (cont'd)**  
**As at 30 June 2022**  
**Stapled Group**

| Description of property             | Tenure of land          | Term of lease                  | Remaining term of lease | Location          | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022<br>% | Percentage of total net assets at 31/12/2021<br>% |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|-------------------|--------------|---|---|---|---|
| <b><u>Investment properties</u></b> |                         |                                |                         |                   |              |   |   |   |   |
| <i>Singapore</i>                    |                         |                                |                         |                   |              |   |   |   |   |
| Orchard Hotel                       | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 442 Orchard Road  | Hotel        | 443,027   | 443,000   | 27.3  | 27.0  |
| Claymore Connect                    | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 442 Orchard Road  | Retail       | 88,417  | 88,000  | 5.4   | 5.4   |
| Grand Copthorne Waterfront Hotel    | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 392 Havelock Road | Hotel        | 356,417   | 356,000   | 21.9  | 21.7  |
| M Hotel                             | Freehold <sup>(2)</sup> | 75 years                       | 59 years                | 81 Anson Road     | Hotel        | 239,110   | 239,000   | 14.7  | 14.5  |
| Copthorne King's Hotel              | Leasehold               | 99 years from 1 February 1968  | 44 years                | 403 Havelock Road | Hotel        | 114,855   | 115,000   | 7.1   | 7.0   |
| Studio M Hotel                      | Leasehold               | 99 years from 26 February 2007 | 83 years                | 3 Nanson Road     | Hotel        | 166,135   | 166,000   | 10.2  | 10.1  |
| Balance carried forward             |                         |                                |                         |                   |              | 1,407,961   | 1,407,000   | 86.6  | 85.7  |

The accompanying notes form an integral part of these condensed interim financial statements.

**Portfolio Statements (cont'd)**  
**As at 30 June 2022**  
**Stapled Group**

| Description of property                               | Tenure of land | Term of lease                | Remaining term of lease | Location                            | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022 % | Percentage of total net assets at 31/12/2021 % |
|---|----------------|------------------------------|-------------------------|-------------------------------------|--------------|---|---|--|--|
| Balance brought forward                               |                |                              |                         |                                     |              | 1,407,961   | 1,407,000   | 86.6   | 85.7   |
| <i>Germany</i>  |                |                              |                         |                                     |              |   |   |  |  |
| Pullman Hotel Munich                                  | Freehold       | –                            | –                       | Theodor-Dombart-Strasse 4, Munich   | Hotel        | 154,065   | 159,591   | 9.5  | 9.7  |
| <i>Italy</i>  |                |                              |                         |                                     |              |   |   |  |  |
| Hotel Cerretani Firenze – MGallery                    | Freehold       | –                            | –                       | Via De Cerretani 68, Florence       | Hotel        | 59,807  | 61,782  | 3.7  | 3.8  |
| <i>New Zealand</i>                                    |                |                              |                         |                                     |              |   |   |  |  |
| Grand Millennium Auckland                             | Freehold       | –                            | –                       | 71 – 87 Mayoral Drive, Auckland     | Hotel        | 201,208   | 212,152   | 12.4   | 12.9   |
| <i>Maldives</i>                                       |                |                              |                         |                                     |              |   |   |  |  |
| Angsana Velavaru                                      | Leasehold      | 50 years from 26 August 1997 | 25 years                | South Nilandhe Atoll                | Resort       | 83,963  | 81,223  | 5.2  | 4.9  |
| <i>United Kingdom</i>                                 |                |                              |                         |                                     |              |   |   |  |  |
| Hotel Brooklyn  | Leasehold      | 197 years from 7 May 2021    | 196 years               | 57 & 59 Portland Street, Manchester | Hotel        | 79,450 <sup>(4)</sup>                                 | –   | 4.9  | –  |
| <b>Investment properties</b>                          |                |                              |                         |                                     |              | <b>1,986,454</b>                                      | <b>1,921,748</b>                                      | <b>122.3</b>                                   | <b>117.0</b>                                   |
| <i>United Kingdom</i>                                 |                |                              |                         |                                     |              |   |   |  |  |
| Residential build-to-rent (“BTR”) (under development) | Freehold       | –                            | –                       | Heyrod Street, Manchester           | –            | 35,608  | 27,661 <sup>(3)</sup>                                 | 2.2  | 1.7  |
| <b>Investment property under development</b>          |                |                              |                         |                                     |              | <b>35,608</b>   | <b>27,661</b>   | <b>2.2</b>                                     | <b>1.7</b>                                     |

The accompanying notes form an integral part of these condensed interim financial statements.



**Portfolio Statements (cont'd)**  
**As at 30 June 2022**  
**Stapled Group**

| Description of property                     | Tenure of land | Term of lease                   | Remaining term of lease | Location                                   | Existing use | Carrying value at 30/06/2022 <sup>(1)</sup><br>\$'000 | Carrying value at 31/12/2021 <sup>(1)</sup><br>\$'000 | Percentage of total net assets at 30/06/2022<br>% | Percentage of total net assets at 31/12/2021<br>% |
|---|----------------|---------------------------------|-------------------------|--|--------------|---|---|---|---|
| <b><u>Property, plant and equipment</u></b> |                |                                 |                         |  |              |   |   |   |   |
| <i>Singapore</i>                            |                |                                 |                         |  |              |   |   |   |   |
| W Singapore – Sentosa Cove                  | Leasehold      | 99 years from 31 October 2006   | 83 years                | 21 Ocean Way                               | Hotel        | 366,397   | 369,588   | 22.5  | 22.5  |
| <i>Australia</i>                            |                |                                 |                         |  |              |   |   |   |   |
| Ibis Perth                                  | Freehold       | –                               | –                       | 334 Murray Street, Perth                   | Hotel        | 29,454  | 30,389  | 1.8   | 1.8   |
| Mercure Perth                               | Freehold       | –                               | –                       | 10 Irwin Street, Perth                     | Hotel        | 42,603  | 44,114  | 2.6   | 2.7   |
| <i>Maldives</i>                             |                |                                 |                         |  |              |   |   |   |   |
| Raffles Maldives Meradhoo                   | Leasehold      | 50 years from 15 June 2006      | 33 years                | Gaafu Alifu Atoll                          | Resort       | 62,366  | 62,072  | 3.8   | 3.8   |
| <i>Japan</i>                                |                |                                 |                         |  |              |   |   |   |   |
| Hotel MyStays Asakusabashi                  | Freehold       | –                               | –                       | 1-5-5 Asakusabashi, Taito-ku, Tokyo, Japan | Hotel        | 36,431  | 42,326  | 2.2   | 2.6   |
| Hotel MyStays Kamata                        | Freehold       | –                               | –                       | 5-46-5 Kamata, Ota-ku, Tokyo, Japan        | Hotel        | 25,860  | 30,065  | 1.6   | 1.8   |
| <i>United Kingdom</i>                       |                |                                 |                         |  |              |   |   |   |   |
| Hilton Cambridge City Centre                | Leasehold      | 125 years from 25 December 1990 | 93 years                | Downing Street, Cambridge                  | Hotel        | 108,752   | 118,045   | 6.7   | 7.2   |
| The Lowry Hotel                             | Leasehold      | 150 years from 18 March 1997    | 124 years               | Manchester                                 | Hotel        | 90,157  | 95,772  | 5.5   | 5.8   |
| Other plant and equipment                   | –              | –                               | –                       | –  | –            | 671   | 330   | –   | 0.0   |
| <b>Property plant and equipment</b>         |                |                                 |                         |  |              | <b>762,691</b>  | <b>792,701</b>  | <b>46.7</b>                                       | <b>48.2</b>                                       |
| <b>Other assets and liabilities (net)</b>   |                |                                 |                         |  |              | <b>2,784,753</b>                                      | <b>2,742,110</b>                                      | <b>171.2</b>                                      | <b>166.9</b>                                      |
| <b>Net assets of the Stapled Group</b>      |                |                                 |                         |  |              | <b>(1,159,356)</b>                                    | <b>(1,099,484)</b>                                    | <b>(71.2)</b>                                     | <b>(66.9)</b>                                     |
|   |                |                                 |                         |  |              | <b>1,625,397</b>                                      | <b>1,642,626</b>                                      | <b>100.0</b>                                      | <b>100.0</b>                                      |

<sup>(1)</sup> The carrying values include right-of-use assets recognised on leases of land and buildings.

<sup>(2)</sup> H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.

<sup>(3)</sup> The acquisition of the residential BTR (under development) was completed on 31 August 2021 (Note 20).

<sup>(4)</sup> The acquisition of Hotel Brooklyn was completed on 22 February 2022 (Note 20).

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Cash Flows**  
**Six-month period ended 30 June 2022**

|  | HBT Group    |              | H-REIT Group |              | Stapled Group |              |
|--|--------------|--------------|--------------|--------------|---------------|--------------|
|  | Six-month    | Six-month    | Six-month    | Six-month    | Six-month     | Six-month    |
|  | period ended | period ended | period ended | period ended | period ended  | period ended |
| Note   | 30/06/2022   | 30/06/2021   | 30/06/2022   | 30/06/2021   | 30/06/2022    | 30/06/2021   |
|  | \$'000       | \$'000       | \$'000       | \$'000       | \$'000        | \$'000       |
| <b>Cash flows from operating activities</b>  |              |              |              |              |               |              |
| (Loss)/Total return for the period before tax                                      | (2,302)      | (8,951)      | 48,190       | (2,510)      | 33,707        | 10,560       |
| Adjustments for:   |              |              |              |              |               |              |
| H-REIT Manager's and HBT Trustee-Manager's fees paid/payable in Stapled Securities | 386          | 223          | 4,242        | 3,102        | 4,628         | 3,325        |
| Depreciation of property, plant and equipment                                      | 8,941        | 7,162        | 774          | 852          | 11,361        | 10,132       |
| Impairment loss/(Reversal of impairment loss) on trade and other receivables       | 47           | (80)         | –            | 23,422       | 47            | 135          |
| Net fair value gain on investment properties                                       | –            | –            | (2,404)      | –            | (2,404)       | –            |
| Net finance costs/(income)   | 594          | 5,177        | (5,419)      | 10,168       | (503)         | 9,964        |
| Operating income before working capital changes                                    | 7,666        | 3,531        | 45,383       | 35,034       | 46,836        | 34,116       |
| Changes in:  |              |              |              |              |               |              |
| - Inventories  | 127          | 63           | –            | –            | 127           | 63           |
| - Trade and other receivables  | 502          | (1,335)      | (3,197)      | 1,558        | (492)         | 1,791        |
| - Trade and other payables   | 1,073        | (733)        | 222          | (7,710)      | 1,269         | (9,058)      |
| <b>Cash generated from operations</b>  | 9,368        | 1,526        | 42,408       | 28,882       | 47,740        | 26,912       |
| Tax refund/(paid)  | 838          | (182)        | (3,278)      | (4,160)      | (2,440)       | (4,343)      |
| <b>Net cash generated from operating activities</b>                                | 10,206       | 1,344        | 39,130       | 24,722       | 45,300        | 22,569       |
| <b>Cash flows from investing activities</b>  |              |              |              |              |               |              |
| Loan to related entity   | –            | –            | (3,819)      | (8,298)      | –             | –            |
| Acquisition of business, net of cash acquired                                      | –            | 284          | –            | –            | –             | 284          |
| Acquisition of property, net of cash acquired                                      | –            | –            | (43,005)     | –            | (43,005)      | –            |
| Additions to property, plant and equipment   | (2,069)      | (2,040)      | –            | (54)         | –             | (8,792)      |
| Capital expenditure on investment properties                                       | (10,080)     | –            | (4,338)      | (8,930)      | (16,487)      | (2,233)      |
| Receipt of finance lease receivables   | –            | –            | 177          | 410          | 177           | 410          |
| Interest received  | 3            | –            | 72           | 93           | 75            | 93           |
| <b>Net cash used in investing activities</b>                                       | (12,146)     | (1,756)      | (50,913)     | (16,779)     | (59,240)      | (10,238)     |
| <b>Cash flows from financing activities</b>  |              |              |              |              |               |              |
| Loan from related entity   | 3,819        | 8,298        | –            | –            | –             | –            |
| Proceeds from bank loans   | –            | –            | 205,736      | 39,066       | 205,736       | 39,066       |
| Repayment of bank loans  | –            | –            | (175,806)    | (92)         | (175,806)     | (92)         |
| Payment of transaction costs related to bank loans                                 | –            | –            | (2,082)      | –            | (2,082)       | –            |
| Payment of lease liabilities   | (4,474)      | (1,625)      | (2,377)      | (714)        | (2,816)       | (658)        |
| Finance costs paid   | (1,324)      | (3,751)      | (9,675)      | (8,541)      | (10,999)      | (10,475)     |
| Distributions to holders of Stapled Securities                                     | (2,898)      | –            | (34,779)     | (42,123)     | (37,677)      | (42,123)     |
| Movement in restricted cash  | –            | –            | 116          | 97           | 116           | 97           |
| <b>Net cash (used in)/generated from financing activities</b>                      | (4,877)      | 2,922        | (18,867)     | (12,307)     | (23,528)      | (14,185)     |

The accompanying notes form an integral part of these condensed interim financial statements.

**Statements of Cash Flows (cont'd)**  
**Six-month period ended 30 June 2022**

|  | HBT Group     |               | H-REIT Group  |                | Stapled Group |                |
|--|---------------|---------------|---------------|----------------|---------------|----------------|
|  | Six-month     | Six-month     | Six-month     | Six-month      | Six-month     | Six-month      |
|  | period ended  | period ended  | period ended  | period ended   | period ended  | period ended   |
|  | 30/06/2022    | 30/06/2021    | 30/06/2022    | 30/06/2021     | 30/06/2022    | 30/06/2021     |
|  | \$'000        | \$'000        | \$'000        | \$'000         | \$'000        | \$'000         |
| <b>Net (decrease)/increase in cash and cash equivalents</b>  | (6,817)       | 2,510         | (30,650)      | (4,364)        | (37,468)      | (1,854)        |
| Cash and cash equivalents at beginning of the year           | 32,327        | 17,532        | 102,799       | 109,059        | 135,126       | 126,591        |
| Effect of exchange rate changes on cash and cash equivalents | (855)         | 173           | (1,981)       | 315            | (2,835)       | 488            |
| <b>Cash and cash equivalents at end of the period</b>        | <b>24,655</b> | <b>20,215</b> | <b>70,168</b> | <b>105,010</b> | <b>94,823</b> | <b>125,225</b> |

***Cash and cash equivalents at the end of the period***

|  | HBT Group     |               | H-REIT Group  |                | Stapled Group |                |
|--|---------------|---------------|---------------|----------------|---------------|----------------|
|  | Six-month     | Six-month     | Six-month     | Six-month      | Six-month     | Six-month      |
|  | period ended  | period ended  | period ended  | period ended   | period ended  | period ended   |
|  | 30/06/2022    | 30/06/2021    | 30/06/2022    | 30/06/2021     | 30/06/2022    | 30/06/2021     |
|  | \$'000        | \$'000        | \$'000        | \$'000         | \$'000        | \$'000         |
| Cash and cash equivalents in the statement of financial position | 24,655        | 20,215        | 74,267        | 109,326        | 98,922        | 129,541        |
| Restricted cash  | –             | –             | (4,099)       | (4,316)        | (4,099)       | (4,316)        |
| Cash and cash equivalents in the statement of cash flows         | <b>24,655</b> | <b>20,215</b> | <b>70,168</b> | <b>105,010</b> | <b>94,823</b> | <b>125,225</b> |

***Significant non-cash transactions***

There were the following non-cash transactions:

- (i) 4,303,143 (30/06/2021: 5,928,555) Stapled Securities amounting to \$5.0 million (30/06/2021: \$7.6 million) were issued to the H-REIT Manager as satisfaction of the management fee payable in Stapled Securities.
- (ii) 400,301 (30/06/2021: 162,276) Stapled Securities amounting to \$0.5 million (30/06/2021: \$0.2 million) were issued to the HBT Trustee-Manager as satisfaction of the management fee payable in Stapled Securities.

The accompanying notes form an integral part of these condensed interim financial statements.

## **Notes to the Condensed Interim Financial Statements**

### **1 General**

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiaries (the “H-REIT Group”) and CDL Hospitality Business Trust (“HBT”) and its subsidiaries (the “HBT Group”) (collectively, the “Stapled Group”). H-REIT is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 June 2006 (as amended) (the “H-REIT Trust Deed”) between M&C REIT Management Limited (the “H-REIT Manager”) and DBS Trustee Limited (the “H-REIT Trustee”). The H-REIT Trust Deed is governed by the laws of the Republic of Singapore. The H-REIT Trustee is under a duty to take into custody and hold the assets of H-REIT held by it or through its subsidiaries in trust for the holders of units in H-REIT. HBT is a business trust constituted by a trust deed dated 12 June 2006 (as amended) (the “HBT Trust Deed”) and is managed by M&C Business Trust Management Limited (the “HBT Trustee-Manager”). The securities in each of H-REIT and HBT are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between the H-REIT Manager, the H-REIT Trustee and the HBT Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in CDL Hospitality Trusts (the “Stapled Security”) comprises a unit in H-REIT (the “H-REIT Unit”) and a unit in HBT (the “HBT Unit”).

CDL Hospitality Trusts was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 July 2006.

The principal activity of H-REIT and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or primarily used for hospitality, hospitality related and other accommodation and/or lodging purposes globally.

The principal activity of HBT and its subsidiaries is to invest in diversified portfolio of real estate or development projects and real estate related assets, which are used or primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally, and shall also include the operation and management of the real estate assets.

The consolidated financial statements of the H-REIT Group relate to H-REIT and its subsidiaries. The consolidated financial statements of the HBT Group relate to HBT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the HBT Group and the H-REIT Group.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The condensed interim financial statements of the HBT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements of the H-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”). RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards (“FRS”).

The condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with FRS/SFRS(I) Standards and should be read in conjunction with the Stapled Group’s annual consolidated financial statements as at and for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial positions and performances of the H-REIT Group, the HBT Group and the Stapled Group since the last annual financial statements.

These condensed interim financial statements are presented in Singapore dollars (“\$”), which is the functional currency of HBT and H-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

There are no new or amended standards which have become effective for the current period. The accounting policies applied in these condensed interim financial statements are the same as those applied in the Stapled Group’s consolidated financial statements as at and for the year ended 31 December 2021.

## 2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 3 – Valuation of investment properties
- Note 4 – Valuation of investment property under development
- Note 5 – Valuation of property, plant and equipment

### **Measurement of fair values**

A number of the Stapled Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The H-REIT Manager and the HBT Trustee-Manager have an established control framework with respect to the measurement of fair values. This includes a team that regularly reviews significant unobservable inputs and reports directly to the Chief Financial Officer, who has overall responsibility for all significant fair value measurements.

The H-REIT Manager and the HBT Trustee-Manager regularly review significant unobservable inputs and valuation adjustments included in the fair value measurements. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the H-REIT Manager and the HBT Trustee-Manager assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS/SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

When measuring the fair value of an asset or a liability, the H-REIT Manager and the HBT Trustee-Manager use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Transfers between levels of the fair value hierarchy are recognised as of the end of the financial period during which the change has occurred.

### 2.3 Seasonal operations

The businesses of the HBT Group, H-REIT Group and the Stapled Group are not affected significantly by seasonal or cyclical factors during the financial period.

### 3 Investment properties

|  | <b>HBT Group</b>  |                   | <b>H-REIT Group</b> |                   | <b>Stapled Group</b> |                   |
|--|-------------------|-------------------|---------------------|-------------------|----------------------|-------------------|
|  | <b>30/06/2022</b> | <b>31/12/2021</b> | <b>30/06/2022</b>   | <b>31/12/2021</b> | <b>30/06/2022</b>    | <b>31/12/2021</b> |
|  | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>        | <b>\$'000</b>     |
| At 1 January   | –                 | –                 | 2,419,305           | 2,403,183         | 1,921,748            | 1,978,356         |
| Acquisition of property, including acquisition costs       | –                 | –                 | 80,859              | –                 | 80,859               | –                 |
| Acquisition of assets                                      | –                 | –                 | –                   | 5,883             | –                    | –                 |
| Straight-line rental adjustments                           | –                 | –                 | 4,112               | 7,726             | 2,066                | 4,095             |
| Remeasurement of right-of-use assets                       | –                 | –                 | 1,895               | (2,186)           | 1,895                | –                 |
| Capital expenditure  | –                 | –                 | 3,517               | 4,639             | 2,121                | 2,281             |
| Fair value changes (unrealised)                            | –                 | –                 | 2,404               | 18,237            | 2,404                | 30,071            |
| Reclassification to property, plant and equipment (Note 5) | –                 | –                 | –                   | –                 | –                    | (75,863)          |
| Translation differences                                    | –                 | –                 | (24,610)            | (18,177)          | (24,639)             | (17,192)          |
| At 30 June 2022/31 December 2021                           | –                 | –                 | 2,487,482           | 2,419,305         | 1,986,454            | 1,921,748         |

The straight-line rental adjustments represent the effect of recognising rental income on a straight-line basis over the lease term of the investment properties.

#### Security

At 30 June 2022, an investment property of the H-REIT Group and the Stapled Group with a carrying amount of \$154.1 million (31/12/2021: \$159.6 million) is pledged as security to secure a bank loan (Note 6).

#### Measurement of fair value

|   | <b>H-REIT Group</b> |                   | <b>Stapled Group</b> |                   |
|---|---------------------|-------------------|----------------------|-------------------|
|   | <b>30/06/2022</b>   | <b>31/12/2021</b> | <b>30/06/2022</b>    | <b>31/12/2021</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>        | <b>\$'000</b>     |
| Fair value of investment properties       | 2,377,772           | 2,347,201         | 1,939,203            | 1,911,630         |
| Add: Carrying amount of lease liabilities | 109,710             | 72,104            | 47,251               | 10,118            |
| Carrying amount of investment properties  | 2,487,482           | 2,419,305         | 1,986,454            | 1,921,748         |

The H-REIT Manager is of the view that the valuations of the investment properties as at 30 June 2022 remain substantially unchanged from those as at 31 December 2021 except to the extent of capital expenditure incurred during the six-month period ended 30 June 2022.

The carrying amounts of the investment properties as at 31 December 2021 were based on independent valuations undertaken by CBRE Pte. Ltd. for the Singapore and Maldives properties, Jones Lang LaSalle Incorporated for the New Zealand property, CIVAS (NSW) Pty Ltd (trading as Colliers International) for the Australia properties, CBRE GmbH for the German property, CBRE Valuation S.p.A. for the Italian property, as at that date. The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flows and capitalisation methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield and capitalisation rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the reporting date.

Certain valuers have highlighted in the valuation reports that as a result of the COVID-19 pandemic, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the uncertain future impact that the COVID-19 pandemic might have on the real estate market, the values might change more rapidly and significantly than during standard market condition. The valuers have also recommended to keep the valuation of these properties under frequent review. Accordingly, the carrying amounts of the investment properties were current as at 31 December 2021 only.

#### ***Fair value hierarchy***

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.2).

#### ***Reclassification – transfer to property, plant and equipment***

##### For the financial year ended 31 December 2021

During the financial year, subsidiaries of the HBT Group became the master lessees and operators of the Australia properties held by the H-REIT Group that were previously leased to external lessees. On the date of transfer, the carrying amount of Australia properties of \$75,863,000 has been reclassified from investment properties to property, plant and equipment at the Stapled Group.



## 4 Investment property under development

|  | <b>HBT Group</b>  |                   | <b>H-REIT Group</b> |                   | <b>Stapled Group</b> |                   |
|--|-------------------|-------------------|---------------------|-------------------|----------------------|-------------------|
|  | <b>30/06/2022</b> | <b>31/12/2021</b> | <b>30/06/2022</b>   | <b>31/12/2021</b> | <b>30/06/2022</b>    | <b>31/12/2021</b> |
|  | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>        | <b>\$'000</b>     |
| At 1 January   | 27,661            | –                 | –                   | –                 | 27,661               | –                 |
| Acquisition of property,<br>including acquisition<br>costs (Note 20) | –                 | 17,542            | –                   | –                 | –                    | 17,542            |
| Capital expenditure  | 10,080            | 10,087            | –                   | –                 | 10,080               | 10,087            |
| Fair value changes<br>(unrealised)                                   | –                 | 438               | –                   | –                 | –                    | 438               |
| Translation differences  | (2,133)           | (406)             | –                   | –                 | (2,133)              | (406)             |
| At 30 June 2022/31<br>December 2021                                  | <u>35,608</u>     | <u>27,661</u>     | <u>–</u>            | <u>–</u>          | <u>35,608</u>        | <u>27,661</u>     |

### Measurement of fair value

The carrying amount of the investment property under development as at 31 December 2021 was based on an independent valuation undertaken by Savills (UK) Limited, as at that date. The independent valuer has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The valuation was based on the gross development investment value method. The valuation method used in determining the fair value involves certain estimates including those relating to capitalisation rate and percentage of completion. The specific risks inherent in the property are taken into consideration in arriving at the property valuation. In relying on the valuation report, the HBT Trustee-Manager has exercised its judgement and is satisfied that the valuation method and estimates used are reflective of market conditions prevailing at the end of the financial year.

### *Fair value hierarchy*

The fair value measurement for investment property under development has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2.2).

### *Inter-relationship between key unobservable inputs and fair value measurement*

The significant unobservable inputs used in the fair value measurement of investment property under development are capitalisation rate and percentage of completion. An increase in capitalisation rate/a decrease in percentage of completion in isolation would result in a lower fair value.

## 5 Property, plant and equipment

|  | HBT Group      |                | H-REIT Group  |               | Stapled Group  |                |
|--|----------------|----------------|---------------|---------------|----------------|----------------|
|  | 30/06/2022     | 31/12/2021     | 30/06/2022    | 31/12/2021    | 30/06/2022     | 31/12/2021     |
|  | \$'000         | \$'000         | \$'000        | \$'000        | \$'000         | \$'000         |
| <b>At valuation/cost</b>   |                |                |               |               |                |                |
| At 1 January   | 355,948        | 296,802        | 78,705        | 86,370        | 834,830        | 741,097        |
| Additions  | 2,398          | 54,350         | 134           | 114           | 3,928          | 7,844          |
| Acquisition of assets (Note 20)  | –              | –              | –             | –             | –              | 5,883          |
| Disposal   | (372)          | (150)          | –             | –             | (372)          | (150)          |
| Adjustment to right-of-use assets  | (1,438)        | 2,938          | –             | –             | –              | 752            |
| Reclassification from investment properties (Note 3)                                   | –              | –              | –             | –             | –              | 75,863         |
| Translation differences  | (14,613)       | 1,347          | (10,004)      | (6,845)       | (24,463)       | (5,916)        |
| Revaluation surplus/(deficit) recognised in unitholders' funds/OCI                     | –              | 7,642          | –             | (1,058)       | –              | 7,246          |
| Reversal of revaluation deficit recognised in statement of total return/profit or loss | –              | 4,460          | –             | 911           | –              | 13,337         |
| Elimination of accumulated depreciation on revaluation                                 | (6,120)        | (11,441)       | (374)         | (787)         | (5,374)        | (11,126)       |
| At 30 June 2022/31 December 2021   | <u>335,803</u> | <u>355,948</u> | <u>68,461</u> | <u>78,705</u> | <u>808,549</u> | <u>834,830</u> |
| <b>Accumulated depreciation</b>  |                |                |               |               |                |                |
| At 1 January   | 21,664         | 17,197         | 6,074         | 5,548         | 42,129         | 32,058         |
| Depreciation   | 8,941          | 15,942         | 774           | 1,671         | 11,361         | 21,453         |
| Disposal   | (372)          | (150)          | –             | –             | (372)          | (150)          |
| Translation differences  | (1,454)        | 116            | (615)         | (358)         | (1,886)        | (106)          |
| Elimination of accumulated depreciation on revaluation                                 | (6,120)        | (11,441)       | (374)         | (787)         | (5,374)        | (11,126)       |
| At 30 June 2022/31 December 2021   | <u>22,659</u>  | <u>21,664</u>  | <u>5,859</u>  | <u>6,074</u>  | <u>45,858</u>  | <u>42,129</u>  |
| <b>Carrying amounts</b>  | <u>313,144</u> | <u>334,284</u> | <u>62,602</u> | <u>72,631</u> | <u>762,691</u> | <u>792,701</u> |
| <b>At valuation</b>  |                |                |               |               |                |                |
| Land and buildings   | <u>291,797</u> | <u>311,489</u> | <u>60,366</u> | <u>69,825</u> | <u>699,186</u> | <u>724,767</u> |

## **Measurement of fair value**

Freehold land, leasehold land and buildings included as part of property, plant and equipment are stated at their revalued amounts less accumulated depreciation and impairment losses. The land and buildings were last revalued as at 31 December 2021.

The carrying amounts of the properties as at 31 December 2021 were based on independent valuations undertaken by JLL Morii Valuation & Advisory K.K. for the Japan properties, CBRE Hotels Limited for the United Kingdom properties, CBRE Pte. Ltd. for the Maldives property and Singapore property and CIVAS (NSW) Pty Ltd (trading as Colliers International) for Australia properties. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flow and capitalisation methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield and capitalisation rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager and HBT Trustee-Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the reporting date.

Certain valuers have highlighted in the valuation reports that as a result of the COVID-19 pandemic, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the uncertain future impact that the COVID-19 pandemic might have on the real estate market, the values might change more rapidly and significantly than during standard market condition. The valuers have also recommended to keep the valuation of these properties under frequent review. Accordingly, the carrying amounts of the properties were current as at 31 December 2021 only.

### ***Fair value hierarchy***

The fair value measurement for property, plant and equipment has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.2).

## 6 Loans and borrowings

|                          | <b>HBT Group</b>  |                   | <b>H-REIT Group</b> |                   | <b>Stapled Group</b> |                   |
|--------------------------|-------------------|-------------------|---------------------|-------------------|----------------------|-------------------|
|                          | <b>30/06/2022</b> | <b>31/12/2021</b> | <b>30/06/2022</b>   | <b>31/12/2021</b> | <b>30/06/2022</b>    | <b>31/12/2021</b> |
|                          | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>        | <b>\$'000</b>     |
| At amortised cost:       |                   |                   |                     |                   |                      |                   |
| <b>Non-current</b>       |                   |                   |                     |                   |                      |                   |
| Secured TMK bond         | –                 | –                 | 31,267              | 35,874            | 31,267               | 35,874            |
| Secured bank loan        | –                 | –                 | 64,430              | 67,350            | 64,430               | 67,350            |
| Unsecured bank loans     | –                 | –                 | 566,584             | 573,653           | 566,584              | 573,653           |
| Lease liabilities        | 134,052           | 139,600           | 109,898             | 73,382            | 126,926              | 91,407            |
|                          | <u>134,052</u>    | <u>139,600</u>    | <u>772,179</u>      | <u>750,259</u>    | <u>789,207</u>       | <u>768,284</u>    |
| <b>Current</b>           |                   |                   |                     |                   |                      |                   |
| Unsecured bank loans     | 92,053            | 98,128            | 349,966             | 323,714           | 442,019              | 421,842           |
| Lease liabilities        | 7,119             | 5,995             | 556                 | 941               | 670                  | 1,046             |
| Loan from related entity | 74,249            | 72,696            | –                   | –                 | –                    | –                 |
|                          | <u>173,421</u>    | <u>176,819</u>    | <u>350,522</u>      | <u>324,655</u>    | <u>442,689</u>       | <u>422,888</u>    |
|                          | <u>307,473</u>    | <u>316,419</u>    | <u>1,122,701</u>    | <u>1,074,914</u>  | <u>1,231,896</u>     | <u>1,191,172</u>  |

### Secured TMK Bond

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

### Secured bank loan

As at the reporting date, an investment property (Note 3) and certain bank accounts in NKS Hospitality I B.V. (“NKS”), together with the Stapled Group’s shares in NKS, representing a 94.9% equity interest in NKS, are pledged as security for bank facilities granted to NKS.

### Loan covenant

As of 30 June 2022, the Stapled Group has complied with the debt covenants with exception of two debt covenant ratios where the Stapled Group has received waiver to defer.

## 7 Units/Stapled Securities in issue and to be issued

|   | <b>HBT Group</b>  |                   | <b>H-REIT Group</b> |                   | <b>Stapled Group</b> |                   |
|---|-------------------|-------------------|---------------------|-------------------|----------------------|-------------------|
|   | <b>30/06/2022</b> | <b>31/12/2021</b> | <b>30/06/2022</b>   | <b>31/12/2021</b> | <b>30/06/2022</b>    | <b>31/12/2021</b> |
|   | <b>'000</b>       | <b>'000</b>       | <b>'000</b>         | <b>'000</b>       | <b>'000</b>          | <b>'000</b>       |
| <b>Units/Stapled Securities in issue:</b>                           |                   |                   |                     |                   |                      |                   |
| At 1 January  | 1,230,012         | 1,221,499         | 1,230,012           | 1,221,499         | 1,230,012            | 1,221,499         |
| Creation of Units/Stapled Securities:                               |                   |                   |                     |                   |                      |                   |
| - H-REIT Manager's management fee paid in Stapled Securities        | 4,303             | 8,143             | 4,303               | 8,143             | 4,303                | 8,143             |
| - HBT Trustee-Manager's management fee paid in Stapled Securities   | 400               | 370               | 400                 | 370               | 400                  | 370               |
| At 30 June 2022/31 December 2021                                    | <u>1,234,715</u>  | <u>1,230,012</u>  | <u>1,234,715</u>    | <u>1,230,012</u>  | <u>1,234,715</u>     | <u>1,230,012</u>  |
| <b>Units/Stapled Securities to be issued:</b>                       |                   |                   |                     |                   |                      |                   |
| H-REIT Manager's management fees payable in Stapled Securities      | 2,280             | 3,279             | 2,280               | 3,279             | 2,280                | 3,279             |
| HBT Trustee-Manager's management fees payable in Stapled Securities | 192               | 291               | 192                 | 291               | 192                  | 291               |
| At 30 June 2022/31 December 2021                                    | <u>2,472</u>      | <u>3,570</u>      | <u>2,472</u>        | <u>3,570</u>      | <u>2,472</u>         | <u>3,570</u>      |
| <b>Units/Stapled Securities, in issue and to be issued</b>          | <u>1,237,187</u>  | <u>1,233,582</u>  | <u>1,237,187</u>    | <u>1,233,582</u>  | <u>1,237,187</u>     | <u>1,233,582</u>  |

## 8 Net asset value/Net tangible asset per Unit/Stapled Security

|   | Note | HBT Group            |                      | H-REIT Group         |                      | Stapled Group        |                      |
|---|------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   |      | 30/06/2022<br>\$'000 | 31/12/2021<br>\$'000 | 30/06/2022<br>\$'000 | 31/12/2021<br>\$'000 | 30/06/2022<br>\$'000 | 31/12/2021<br>\$'000 |
| Net asset value/Net tangible asset per Unit/Stapled Security is based on: |      |                      |                      |                      |                      |                      |                      |
| Net assets attributable to holders of Stapled Securities                  |      | 26,565               | 38,984               | 1,574,793            | 1,573,852            | 1,618,304            | 1,635,334            |
| Total issued and to be issued Units/Stapled Securities                    | 7    | 1,237,187            | 1,233,582            | 1,237,187            | 1,233,582            | 1,237,187            | 1,233,582            |

## 9 Revenue

|                                      | HBT Group              |                        | H-REIT Group           |                        | Stapled Group          |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended |
|                                      | 30/06/2022<br>\$'000   | 30/06/2021<br>\$'000   | 30/06/2022<br>\$'000   | 30/06/2021<br>\$'000   | 30/06/2022<br>\$'000   | 30/06/2021<br>\$'000   |
| Revenue from contract with customers |                        |                        |                        |                        |                        |                        |
| - Hotel revenue                      | 56,320                 | 28,527                 | –                      | –                      | 56,320                 | 28,527                 |
| Rental income                        |                        |                        |                        |                        |                        |                        |
| - Fixed rent                         | –                      | –                      | 32,950                 | 31,395                 | 21,990                 | 26,948                 |
| - Variable rent                      | –                      | –                      | 20,698                 | 12,926                 | 20,335                 | 10,750                 |
|                                      | 56,320                 | 28,527                 | 53,648                 | 44,321                 | 98,645                 | 66,225                 |

### *Hotel revenue*

Hotel revenue is recognised at a point in time when the accommodation and related services are rendered.

### *Rental income*

Rental revenue for the H-REIT Group includes rental income from the HBT Group and related corporations of the H-REIT Manager of \$11,322,000 (30/06/2021: \$6,623,000) and \$28,522,000 (30/06/2021: \$26,727,000) respectively. Such revenue is attributable to the Maldives segment, New Zealand segment, Singapore segment, Japan segment and Australia segment.

Under the terms of the master lease agreements for the properties, the H-REIT Group is generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue and/or gross operating profit.

## 10 Management fees

|   | HBT Group              |                        | H-REIT Group           |                        | Stapled Group          |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended |
|   | 30/06/2022             | 30/06/2021             | 30/06/2022             | 30/06/2021             | 30/06/2022             | 30/06/2021             |
|   | \$'000                 | \$'000                 | \$'000                 | \$'000                 | \$'000                 | \$'000                 |
| <b>H-REIT Manager's management fee</b>      |                        |                        |                        |                        |                        |                        |
| - Base fee                                  | –                      | –                      | 3,232                  | 3,174                  | 3,232                  | 3,174                  |
| - Performance fee                           | –                      | –                      | 2,071                  | 703                    | 2,071                  | 703                    |
|   | –                      | –                      | 5,303                  | 3,877                  | 5,303                  | 3,877                  |
| <b>HBT Trustee-Manager's management fee</b> |                        |                        |                        |                        |                        |                        |
| - Base fee                                  | 338                    | 279                    | –                      | –                      | 338                    | 279                    |
| - Performance fee                           | 144                    | –                      | –                      | –                      | 144                    | –                      |
|   | 482                    | 279                    | –                      | –                      | 482                    | 279                    |

## 11 Finance income and finance costs

|   | HBT Group              |                        | H-REIT Group           |                        | Stapled Group          |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended | Six-month period ended |
|   | 30/06/2022             | 30/06/2021             | 30/06/2022             | 30/06/2021             | 30/06/2022             | 30/06/2021             |
|   | \$'000                 | \$'000                 | \$'000                 | \$'000                 | \$'000                 | \$'000                 |
| <b>Finance income</b>   |                        |                        |                        |                        |                        |                        |
| Interest income under the effective interest method on:                                   |                        |                        |                        |                        |                        |                        |
| - cash and cash equivalents   | 3                      | –                      | 40                     | 20                     | 43                     | 20                     |
| - finance lease receivables   | –                      | –                      | 33                     | 73                     | 33                     | 73                     |
| - loan to related entity  | –                      | –                      | 691                    | 100                    | –                      | –                      |
|   | 3                      | –                      | 764                    | 193                    | 76                     | 93                     |
| Fair value gains on financial derivatives designated at fair value through profit or loss | –                      | –                      | 23,507                 | 7,579                  | 23,507                 | 7,579                  |
| Net foreign exchange gain   | 4,017                  | –                      | –                      | –                      | –                      | –                      |
|   | 4,020                  | –                      | 24,271                 | 7,772                  | 23,583                 | 7,672                  |
| <b>Finance costs</b>  |                        |                        |                        |                        |                        |                        |
| Financial liabilities measured at amortised cost:   |                        |                        |                        |                        |                        |                        |
| - interest expense on:  |                        |                        |                        |                        |                        |                        |
| - loans and borrowings  | (1,323)                | (1,343)                | (10,264)               | (8,201)                | (11,587)               | (9,544)                |
| - lease liabilities   | (2,524)                | (2,395)                | (1,845)                | (1,476)                | (2,199)                | (2,054)                |
| - loan from related entity  | (691)                  | (100)                  | –                      | –                      | –                      | –                      |
| - amortisation of transaction costs on loans and borrowings                               | (76)                   | (76)                   | (1,106)                | (765)                  | (1,182)                | (841)                  |
| - financial expense arising from accretion of non-current rental deposits                 | –                      | –                      | (130)                  | (125)                  | (130)                  | (125)                  |
|   | (4,614)                | (3,914)                | (13,345)               | (10,567)               | (15,098)               | (12,564)               |
| Net foreign exchange losses   | –                      | (1,263)                | (5,507)                | (7,373)                | (7,982)                | (5,072)                |
|   | (4,614)                | (5,177)                | (18,852)               | (17,940)               | (23,080)               | (17,636)               |
| <b>Net finance (costs)/income</b>   | (594)                  | (5,177)                | 5,419                  | (10,168)               | 503                    | (9,964)                |

## 12 Tax (credit)/expense

|   | <b>HBT Group</b>                         |  | <b>H-REIT Group</b>                      |  | <b>Stapled Group</b>                     |  |
|---|--|--|--|--|--|--|
|   | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> |
|   | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            |
| <b>Current tax expense</b>                        |  |  |  |  |  |  |
| Current period                                    | 199                                      | 199                                      | 1,258                                    | 3,553                                    | 1,457                                    | 3,752                                    |
| (Over)/Under provision in prior periods           | (661)                                    | (1,109)                                  | –  | 350                                      | (661)                                    | (759)                                    |
|   | <u>(462)</u>                             | <u>(910)</u>                             | <u>1,258</u>                             | <u>3,903</u>                             | <u>796</u>                               | <u>2,993</u>                             |
| <b>Withholding tax</b>                            | <u>(92)</u>                              | <u>181</u>                               | <u>731</u>                               | <u>630</u>                               | <u>639</u>                               | <u>811</u>                               |
| <b>Deferred tax expense</b>                       |  |  |  |  |  |  |
| Origination and reversal of temporary differences | (927)                                    | 1,142                                    | 1,210                                    | (1,884)                                  | 283                                      | (742)                                    |
|   | <u>(927)</u>                             | <u>1,142</u>                             | <u>1,210</u>                             | <u>(1,884)</u>                           | <u>283</u>                               | <u>(742)</u>                             |
| <b>Tax (credit)/expense</b>                       | <u><u>(1,481)</u></u>                    | <u><u>413</u></u>                        | <u><u>3,199</u></u>                      | <u><u>2,649</u></u>                      | <u><u>1,718</u></u>                      | <u><u>3,062</u></u>                      |



## 13 Loss/Total return

- (i) Loss/Total return for the period is arrived at after charging/(crediting) the following items:

|  | <b>HBT Group</b>                         |  | <b>H-REIT Group</b>                      |  | <b>Stapled Group</b>                     |  |
|--|--|--|--|--|--|--|
|  | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> |
|  | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            |
| Audit fees   | 288                                      | 214                                      | 367                                      | 308                                      | 655                                      | 522                                      |
| Impairment loss/(Reversal of impairment loss) on trade and other receivables | 47                                       | (80)                                     | –  | 23,422                                   | 47                                       | 135                                      |
| Operating expenses arising from rental of investment properties              | –  | –  | 4,781                                    | 22,615                                   | 3,025                                    | 6,240                                    |

- (ii) Loss/Total return comprises loss/total return of

|   | <b>HBT Group</b>                         |  | <b>H-REIT Group</b>                      |  | <b>Stapled Group</b>                     |  |
|---|--|--|--|--|--|--|
|   | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> | <b>Six-month period ended 30/06/2022</b> | <b>Six-month period ended 30/06/2021</b> |
|   | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            | <b>\$'000</b>                            |
| - H-REIT                                    | –  | –  | 41,059                                   | 14,514                                   | 41,059                                   | 14,514                                   |
| - Other H-REIT Group entities*              | –  | –  | 3,932                                    | (19,673)                                 | 3,932                                    | (19,673)                                 |
| - HBT                                       | (463)                                    | (1,965)                                  | –  | –  | (463)                                    | (1,965)                                  |
| - Other HBT Group entities*                 | (358)                                    | (7,399)                                  | –  | –  | (358)                                    | (7,399)                                  |
| - Stapled Group's consolidation adjustments | –  | –  | –  | –  | (12,181)                                 | 22,021                                   |
|   | <b>(821)</b>                             | <b>(9,364)</b>                           | <b>44,991</b>                            | <b>(5,159)</b>                           | <b>31,989</b>                            | <b>7,498</b>                             |

\* including consolidation adjustments

## 14 Earnings per Stapled Security

Earnings per Stapled Security is based on:

|  | <b>Stapled Group</b>  |   |
|--|---|---|
|  | <b>Six-month<br/>period ended<br/>30/06/2022<br/>\$'000</b> | <b>Six-month<br/>period ended<br/>30/06/2021<br/>\$'000</b> |
| Total return for the period attributable to holders of Stapled Securities  | 31,868  | 7,415   |
|  | <b>Number of Stapled Securities</b>                         |   |
|  | <b>Six-month<br/>period ended<br/>30/06/2022<br/>'000</b>   | <b>Six-month<br/>period ended<br/>30/06/2021<br/>'000</b>   |
| Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security:                   |   |   |
| - outstanding during the period  | 1,233,582   | 1,226,494   |
| - to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities | 582   | 563   |
|  | 1,234,164   | 1,227,057   |
| Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security:                 |   |   |
| - weighted average number of Stapled Securities (basic)  | 1,234,164   | 1,227,057   |
| - to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities | 3,023   | 2,104   |
|  | 1,237,187   | 1,229,161   |
| <b>Earnings per Stapled Security (cents)</b>   |   |   |
| Basic  | 2.58  | 0.60  |
| Diluted  | 2.58  | 0.60  |

## 15 Operating segments

### Information about reportable segments

All the segments relate to properties operated as hotels and/or resorts.

|   | ----- HBT Group ----- |                     |                    |                 |              |                 |
|---|-----------------------|---------------------|--------------------|-----------------|--------------|-----------------|
|   | Singapore<br>\$'000   | Australia<br>\$'000 | Maldives<br>\$'000 | Japan<br>\$'000 | UK<br>\$'000 | Total<br>\$'000 |
| <b>Six-month period ended 30 June 2022</b>    |                       |                     |                    |                 |              |                 |
| Hotel revenue – external                      | 21,402                | 6,438               | 8,865              | 1,878           | 17,737       | 56,320          |
| Reportable segment net property income/(loss) | 1,734                 | 528                 | 1,925              | (21)            | 4,298        | 8,464           |
| Depreciation of property, plant and equipment | (1,215)               | (2,301)             | (1,437)            | –               | (3,988)      | (8,941)         |
| Unallocated items:                            |                       |                     |                    |                 |              |                 |
| - HBT Trustee-Manager's base fee              |                       |                     |                    |                 |              | (338)           |
| - HBT Trustee-Manager's performance fee       |                       |                     |                    |                 |              | (144)           |
| - HBT Trustee-Manager's trustee fee           |                       |                     |                    |                 |              | (135)           |
| - Valuation fee                               |                       |                     |                    |                 |              | (23)            |
| - Other expenses                              |                       |                     |                    |                 |              | (591)           |
| - Finance income                              |                       |                     |                    |                 |              | 4,020           |
| - Finance costs                               |                       |                     |                    |                 |              | (4,614)         |
| - Tax credit                                  |                       |                     |                    |                 |              | 1,481           |
| <b>Loss for the period</b>                    |                       |                     |                    |                 |              | <u>(821)</u>    |
| <b>Other material non-cash items</b>          |                       |                     |                    |                 |              |                 |
| Impairment loss on trade receivables          | (24)                  | –                   | –                  | –               | (23)         | (47)            |
| <b>Reportable segment assets</b>              |                       |                     |                    |                 |              |                 |
| Capital expenditure:                          |                       |                     |                    |                 |              |                 |
| - Property, plant and equipment               | –                     | –                   | –                  | –               | 2,416        | 2,416           |
| - Investment property under development       | –                     | –                   | –                  | –               | 10,080       | 10,080          |
| Non-current assets <sup>^</sup>               | 40,795                | 39,828              | 33,611             | –               | 234,518      | 348,752         |

|  | ----- HBT Group ----- |                     |                    |                 |              |                 |
|--|-----------------------|---------------------|--------------------|-----------------|--------------|-----------------|
|  | Singapore<br>\$'000   | Australia<br>\$'000 | Maldives<br>\$'000 | Japan<br>\$'000 | UK<br>\$'000 | Total<br>\$'000 |
| <b>Six-month period ended 30<br/>June 2021</b>   |                       |                     |                    |                 |              |                 |
| Hotel revenue – external   | 12,291                | 2,418               | 6,710              | 1,638           | 5,470        | 28,527          |
| Reportable segment net property<br>income/(loss)   | 1,525                 | (8)                 | 1,354              | (23)            | 1,277        | 4,125           |
| Depreciation of property, plant<br>and equipment   | (1,219)               | (830)               | (1,404)            | –               | (3,709)      | (7,162)         |
| Unallocated items:   |                       |                     |                    |                 |              |                 |
| - HBT Trustee-Manager's<br>management fee  |                       |                     |                    |                 |              | (279)           |
| - HBT Trustee-Manager's<br>trustee fee   |                       |                     |                    |                 |              | (112)           |
| - Valuation fee  |                       |                     |                    |                 |              | (14)            |
| - Other expenses   |                       |                     |                    |                 |              | (332)           |
| - Finance costs  |                       |                     |                    |                 |              | (5,177)         |
| - Tax expense  |                       |                     |                    |                 |              | (413)           |
| <b>Loss for the period</b>   |                       |                     |                    |                 |              | <u>(9,364)</u>  |
| <b>Other material non-cash items</b><br>(Impairment loss)/Reversal of<br>impairment loss on trade<br>receivables | (10)                  | –                   | –                  | –               | 90           | 80              |
| <b>Reportable segment assets</b>   |                       |                     |                    |                 |              |                 |
| Capital expenditure on property,<br>plant and equipment  | –                     | –                   | –                  | –               | 2,040        | 2,040           |
| Non-current assets ^   | 42,968                | 48,606              | 35,363             | –               | 207,415      | 334,352         |

^ Excluding deferred tax assets and other receivables.

|  | ----- H-REIT Group ----- |                          |                     |                   |                    |                 |                 |              |   |                  |                 |
|--|--------------------------|--------------------------|---------------------|-------------------|--------------------|-----------------|-----------------|--------------|---|------------------|-----------------|
|  | Singapore<br>\$'000      | New<br>Zealand<br>\$'000 | Australia<br>\$'000 | Germany<br>\$'000 | Maldives<br>\$'000 | Japan<br>\$'000 | Italy<br>\$'000 | UK<br>\$'000 | Total<br>reportable<br>segments<br>\$'000 | Others<br>\$'000 | Total<br>\$'000 |
| <b>Six-month period ended 30 June 2022</b>                                     |                          |                          |                     |                   |                    |                 |                 |              |   |                  |                 |
| Rental revenue – external  | 27,267                   | 7,005                    | 3,167               | 3,744             | 7,281              | 362             | 938             | 1,497        | 51,261                                    | 2,387            | 53,648          |
| Reportable segment net property income   | 25,412                   | 7,005                    | 2,490               | 3,168             | 6,701              | 210             | 773             | 1,500        | 47,259                                    | 1,457            | 48,716          |
| Depreciation of property, plant and equipment                                  | –                        | –                        | –                   | –                 | (60)               | (714)           | –               | –            | (774)                                     | –                | (774)           |
| Net fair value gain on investment properties                                   | –                        | –                        | –                   | –                 | –                  | –               | –               | 2,404        | 2,404                                     | –                | 2,404           |
| Unallocated items:   |                          |                          |                     |                   |                    |                 |                 |              |   |                  |                 |
| - H-REIT Manager's base fee  |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (3,232)         |
| - H-REIT Manager's performance fee   |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (2,071)         |
| - H-REIT Trustee's fee   |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (184)           |
| - Valuation fee  |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (83)            |
| - Other expenses   |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (2,005)         |
| - Finance income   |                          |                          |                     |                   |                    |                 |                 |              |   |                  | 24,271          |
| - Finance costs  |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (18,852)        |
| - Tax expense  |                          |                          |                     |                   |                    |                 |                 |              |   |                  | (3,199)         |
| <b>Total return for the period</b>   |                          |                          |                     |                   |                    |                 |                 |              |   |                  | <u>44,991</u>   |
| <b>Reportable segment assets</b>   |                          |                          |                     |                   |                    |                 |                 |              |   |                  |                 |
| Capital expenditure on investment properties and property, plant and equipment | 1,475                    | 149                      | 66                  | 14                | 1,830              | –               | 108             | –            | 3,642                                     | –                | 3,642           |
| Non-current assets ^   | 1,686,524                | 201,209                  | 71,843              | 154,065           | 146,479            | 62,291          | 59,807          | 79,450       | 2,461,668                                 | 88,417           | 2,550,085       |

|  | -----H-REIT Group----- |                          |                     |                   |                    |                 |                 |   |                  |                  |
|--|------------------------|--------------------------|---------------------|-------------------|--------------------|-----------------|-----------------|---|------------------|------------------|
|  | Singapore<br>\$'000    | New<br>Zealand<br>\$'000 | Australia<br>\$'000 | Germany<br>\$'000 | Maldives<br>\$'000 | Japan<br>\$'000 | Italy<br>\$'000 | Total<br>reportable<br>segments<br>\$'000 | Others<br>\$'000 | Total<br>\$'000  |
| <b>Six-month period ended 30 June 2021</b>                                     |                        |                          |                     |                   |                    |                 |                 |   |                  |                  |
| Rental revenue – external  | 19,451                 | 9,798                    | 3,373               | 4,270             | 4,548              | 328             | 864             | 42,632                                    | 1,689            | 44,321           |
| Reportable segment net property income/(loss)                                  | 16,382                 | 9,798                    | 3,288               | 2,361             | (11,665)           | 166             | 716             | 21,046                                    | 498              | 21,544           |
| Depreciation of property, plant and equipment                                  | –                      | –                        | –                   | –                 | (79)               | (773)           | –               | (852)                                     | –                | (852)            |
| Unallocated items:   |                        |                          |                     |                   |                    |                 |                 |   |                  |                  |
| - H-REIT Manager's base fee  |                        |                          |                     |                   |                    |                 |                 |   |                  | (3,173)          |
| - H-REIT Manager's performance fee   |                        |                          |                     |                   |                    |                 |                 |   |                  | (704)            |
| - H-REIT Trustee's fee   |                        |                          |                     |                   |                    |                 |                 |   |                  | (180)            |
| - Valuation fee  |                        |                          |                     |                   |                    |                 |                 |   |                  | (87)             |
| - Other expenses   |                        |                          |                     |                   |                    |                 |                 |   |                  | (8,890)          |
| - Finance income   |                        |                          |                     |                   |                    |                 |                 |   |                  | 7,772            |
| - Finance costs  |                        |                          |                     |                   |                    |                 |                 |   |                  | (17,940)         |
| - Tax expense  |                        |                          |                     |                   |                    |                 |                 |   |                  | (2,649)          |
| <b>Total return for the period</b>   |                        |                          |                     |                   |                    |                 |                 |   |                  | <u>(5,159)</u>   |
| <b>Other material non-cash items</b>   |                        |                          |                     |                   |                    |                 |                 |   |                  |                  |
| Impairment loss on trade and other receivables                                 | –                      | –                        | –                   | –                 | (23,207)           | –               | –               | (23,207)                                  | (215)            | (23,422)         |
| <b>Reportable segment assets</b>   |                        |                          |                     |                   |                    |                 |                 |   |                  |                  |
| Capital expenditure on investment properties and property, plant and equipment | 2,550                  | 44                       | 5,921               | –                 | 448                | –               | 21              | 8,984                                     | –                | 8,984            |
| Non-current assets ^   | <u>1,682,073</u>       | <u>187,076</u>           | <u>83,247</u>       | <u>170,147</u>    | <u>135,764</u>     | <u>75,295</u>   | <u>65,508</u>   | <u>2,399,110</u>                          | <u>88,059</u>    | <u>2,487,169</u> |

^ Excluding deferred tax assets, finance lease receivables and other receivables.

|   | ----- Stapled Group ----- |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
|---|---------------------------|--------------------------|---------------------|-------------------|--------------------|-----------------|--------------|-----------------|---|------------------|-----------------|
|   | Singapore<br>\$'000       | New<br>Zealand<br>\$'000 | Australia<br>\$'000 | Germany<br>\$'000 | Maldives<br>\$'000 | Japan<br>\$'000 | UK<br>\$'000 | Italy<br>\$'000 | Total<br>reportable<br>segments<br>\$'000 | Others<br>\$'000 | Total<br>\$'000 |
| <b>Six-month period ended 30 June 2022</b>                |                           |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
| Rental revenue  | 21,517                    | 7,005                    | –                   | 3,744             | 5,237              | –               | 1,497        | 938             | 39,938                                    | 2,387            | 42,325          |
| Hotel revenue   | 21,402                    | –                        | 6,438               | –                 | 8,865              | 1,878           | 17,737       | –               | 56,320                                    | –                | 56,320          |
| Revenue – external  | 42,919                    | 7,005                    | 6,438               | 3,744             | 14,102             | 1,878           | 19,234       | 938             | 96,258                                    | 2,387            | 98,645          |
| Reportable segment net property income                    | 25,646                    | 7,005                    | 348                 | 3,168             | 6,582              | 189             | 5,798        | 773             | 49,509                                    | 1,457            | 50,966          |
| Depreciation of property, plant and equipment             | (3,680)                   | –                        | (1,035)             | –                 | (1,944)            | (714)           | (3,988)      | –               | (11,361)                                  | –                | (11,361)        |
| Net fair value gain on investment properties              | –                         | –                        | –                   | –                 | –                  | –               | 2,404        | –               | 2,404                                     | –                | 2,404           |
| Unallocated items:  |                           |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
| - H-REIT Manager's base fee                               |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (3,232)         |
| - H-REIT Manager's performance fee                        |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (2,071)         |
| - H-REIT Trustee's fee                                    |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (184)           |
| - HBT Trustee-Manager's base fee                          |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (338)           |
| - HBT Trustee-Manager's performance fee                   |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (144)           |
| - HBT Trustee-Manager's trustee fee                       |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (135)           |
| - Valuation fee   |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (106)           |
| - Other expenses  |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (2,595)         |
| - Finance income  |                           |                          |                     |                   |                    |                 |              |                 |   |                  | 23,583          |
| - Finance costs   |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (23,080)        |
| - Tax expense   |                           |                          |                     |                   |                    |                 |              |                 |   |                  | (1,718)         |
| <b>Total return for the period</b>                        |                           |                          |                     |                   |                    |                 |              |                 |   |                  | <u>31,989</u>   |
| <b>Other material non-cash items</b>                      |                           |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
| Impairment loss on trade and other receivables            | (24)                      | –                        | –                   | –                 | –                  | –               | (23)         | –               | (47)                                      | –                | (47)            |
| <b>Reportable segment assets</b>                          |                           |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
| Capital expenditure:                                      |                           |                          |                     |                   |                    |                 |              |                 |   |                  |                 |
| - Investment properties and property, plant and equipment | 1,475                     | 149                      | 66                  | 14                | 1,830              | –               | 2,416        | 108             | 6,058                                     | –                | 6,058           |
| - Investment property under development                   | –                         | –                        | –                   | –                 | –                  | –               | 10,080       | –               | 10,080                                    | –                | 10,080          |
| Non-current assets ^                                      | 1,686,298                 | 201,209                  | 72,057              | 154,065           | 146,641            | 62,291          | 313,968      | 59,807          | 2,696,336                                 | 88,417           | 2,784,753       |

|  | ----- Staped Group ----- |             |           |         |          |        |         |        |                           |        |              |
|--|--------------------------|-------------|-----------|---------|----------|--------|---------|--------|---------------------------|--------|--------------|
|  | Singapore                | New Zealand | Australia | Germany | Maldives | Japan  | UK      | Italy  | Total reportable segments | Others | Total        |
|  | \$'000                   | \$'000      | \$'000    | \$'000  | \$'000   | \$'000 | \$'000  | \$'000 | \$'000                    | \$'000 | \$'000       |
| <b>Six-month period ended 30 June 2021</b>                                     |                          |             |           |         |          |        |         |        |                           |        |              |
| Rental revenue   | 16,929                   | 9,798       | 1,597     | 4,270   | 2,551    | –      | –       | 864    | 36,009                    | 1,689  | 37,698       |
| Hotel revenue  | 12,291                   | –           | 2,418     | –       | 6,710    | 1,638  | 5,470   | –      | 28,527                    | –      | 28,527       |
| Revenue – external   | 29,220                   | 9,798       | 4,015     | 4,270   | 9,261    | 1,638  | 5,470   | 864    | 64,536                    | 1,689  | 66,225       |
| Reportable segment net property income   | 16,407                   | 9,798       | 2,329     | 2,361   | 3,448    | 143    | 1,277   | 716    | 36,479                    | 498    | 36,977       |
| Depreciation of property, plant and equipment                                  | (3,570)                  | –           | (317)     | –       | (1,763)  | (773)  | (3,709) | –      | (10,132)                  | –      | (10,132)     |
| Unallocated items:   |                          |             |           |         |          |        |         |        |                           |        |              |
| - H-REIT Manager's base fee  |                          |             |           |         |          |        |         |        |                           |        | (3,173)      |
| - H-REIT Manager's performance fee   |                          |             |           |         |          |        |         |        |                           |        | (704)        |
| - H-REIT Trustee's fee   |                          |             |           |         |          |        |         |        |                           |        | (180)        |
| - HBT Trustee-Manager's management fee   |                          |             |           |         |          |        |         |        |                           |        | (279)        |
| - HBT Trustee-Manager's trustee fee  |                          |             |           |         |          |        |         |        |                           |        | (112)        |
| - Valuation fee  |                          |             |           |         |          |        |         |        |                           |        | (101)        |
| - Other expenses   |                          |             |           |         |          |        |         |        |                           |        | (1,772)      |
| - Finance income   |                          |             |           |         |          |        |         |        |                           |        | 7,672        |
| - Finance costs  |                          |             |           |         |          |        |         |        |                           |        | (17,636)     |
| - Tax expense  |                          |             |           |         |          |        |         |        |                           |        | (3,062)      |
| <b>Total return for the period</b>   |                          |             |           |         |          |        |         |        |                           |        | <u>7,498</u> |
| <b>Other material non-cash items</b>   |                          |             |           |         |          |        |         |        |                           |        |              |
| (Impairment loss)/Reversal of impairment on trade and other receivables        | (10)                     | –           | –         | –       | –        | –      | 90      | –      | 80                        | (215)  | (135)        |
| <b>Reportable segment assets</b>   |                          |             |           |         |          |        |         |        |                           |        |              |
| Capital expenditure on investment properties and property, plant and equipment | 2,550                    | 44          | 5,921     | –       | 449      | –      | 2,040   | 21     | 11,025                    | –      | 11,025       |
| Non-current assets <sup>^</sup>  | 1,682,899                | 187,076     | 81,988    | 170,147 | 134,068  | 75,295 | 207,415 | 65,508 | 2,604,396                 | 88,059 | 2,692,455    |

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.



## 16 Fair value of assets and liabilities

### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are detailed below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

|   | Carrying amount          |  |                                       |                  | Fair value        |                   |                   |                 |
|---|--------------------------|--|---------------------------------------|------------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised cost<br>\$'000 | Fair value – hedging instruments<br>\$'000 | Other financial liabilities<br>\$'000 | Total<br>\$'000  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>HBT Group</b>  |                          |  |                                       |                  |                   |                   |                   |                 |
| <b>At 30 June 2022</b>                                  |                          |  |                                       |                  |                   |                   |                   |                 |
| <b>Financial assets not measured at fair value</b>      |                          |  |                                       |                  |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>              | 19,725                   | –  | –                                     | 19,725           |                   |                   |                   |                 |
| Cash and cash equivalents                               | 24,655                   | –  | –                                     | 24,655           |                   |                   |                   |                 |
|   | <u>44,380</u>            | <u>–</u>                                   | <u>–</u>                              | <u>44,380</u>    |                   |                   |                   |                 |
| <b>Financial liabilities not measured at fair value</b> |                          |  |                                       |                  |                   |                   |                   |                 |
| Trade and other payables <sup>(2)</sup>                 | –                        | –  | (50,402)                              | (50,402)         |                   |                   |                   |                 |
| Unsecured bank loans                                    | –                        | –  | (92,053)                              | (92,053)         | –                 | (91,536)          | –                 | (91,536)        |
| Loan from related entity                                | –                        | –  | (74,249)                              | (74,249)         |                   |                   |                   |                 |
| Lease liabilities                                       | –                        | –  | (141,171)                             | (141,171)        |                   |                   |                   |                 |
|   | <u>–</u>                 | <u>–</u>                                   | <u>(357,875)</u>                      | <u>(357,875)</u> |                   |                   |                   |                 |

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

|   | Carrying amount             |  |   | Fair value       |                   |                   |                   |                 |
|---|-----------------------------|--|---|------------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised<br>cost<br>\$'000 | Fair value –<br>hedging<br>instruments<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 | Total<br>\$'000  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>HBT Group</b>  |                             |  |   |                  |                   |                   |                   |                 |
| <b>At 31 December 2021</b>                              |                             |  |   |                  |                   |                   |                   |                 |
| <b>Financial assets not measured at fair value</b>      |                             |  |   |                  |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>              | 21,554                      | –  | –   | 21,554           |                   |                   |                   |                 |
| Cash and cash equivalents                               | 32,327                      | –  | –   | 32,327           |                   |                   |                   |                 |
|   | <u>53,881</u>               | <u>–</u>   | <u>–</u>                                    | <u>53,881</u>    |                   |                   |                   |                 |
| <b>Financial liabilities not measured at fair value</b> |                             |  |   |                  |                   |                   |                   |                 |
| Trade and other payables <sup>(2)</sup>                 | –                           | –  | (49,049)                                    | (49,049)         |                   |                   |                   |                 |
| Unsecured bank loans                                    | –                           | –  | (98,128)                                    | (98,128)         | –                 | (97,754)          | –                 | (97,754)        |
| Loan from related entity                                | –                           | –  | (72,696)                                    | (72,696)         |                   |                   |                   |                 |
|   | <u>–</u>                    | <u>–</u>   | <u>(219,873)</u>                            | <u>(219,873)</u> |                   |                   |                   |                 |

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

|   | Carrying amount             |  |   |                    | Fair value        |                   |                   |                 |
|---|-----------------------------|--|---|--------------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised<br>cost<br>\$'000 | Fair value –<br>hedging<br>instruments<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 | Total<br>\$'000    | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>H-REIT Group</b>   |                             |  |   |                    |                   |                   |                   |                 |
| <b>At 30 June 2022</b>                                      |                             |  |   |                    |                   |                   |                   |                 |
| <b>Financial assets not<br/>measured at fair value</b>      |                             |  |   |                    |                   |                   |                   |                 |
| Finance lease receivables                                   | 2,022                       | –  | –   | 2,022              |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>                  | 105,376                     | –  | –   | 105,376            |                   |                   |                   |                 |
| Cash and cash equivalents                                   | 74,267                      | –  | –   | 74,267             |                   |                   |                   |                 |
|   | <u>181,665</u>              | <u>–</u>   | <u>–</u>                                    | <u>181,665</u>     |                   |                   |                   |                 |
| <b>Financial assets measured at<br/>fair value</b>          |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative assets                                 | –                           | 27,412   | –   | 27,412             | –                 | 27,412            | –                 | 27,412          |
| <b>Financial liabilities<br/>measured at fair value</b>     |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative liabilities                            | –                           | (19)   | –   | (19)               | –                 | (19)              | –                 | (19)            |
| <b>Financial liabilities not<br/>measured at fair value</b> |                             |  |   |                    |                   |                   |                   |                 |
| Secured TMK bond  | –                           | –  | (31,267)                                    | (31,267)           | –                 | (30,996)          | –                 | (30,996)        |
| Secured bank loan   | –                           | –  | (64,430)                                    | (64,430)           | –                 | (61,762)          | –                 | (61,762)        |
| Unsecured bank loans  | –                           | –  | (916,550)                                   | (916,550)          | –                 | (908,217)         | –                 | (908,217)       |
| Lease liabilities   | –                           | –  | (110,454)                                   | (110,454)          |                   |                   |                   |                 |
| Trade and other payables <sup>(2)</sup>                     | –                           | –  | (33,053)                                    | (33,053)           |                   |                   |                   |                 |
| Rental deposits   | –                           | –  | (10,691)                                    | (10,691)           | –                 | –                 | (10,727)          | (10,727)        |
|   | <u>–</u>                    | <u>–</u>   | <u>(1,166,445)</u>                          | <u>(1,166,445)</u> |                   |                   |                   |                 |

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

|   | Carrying amount             |  |   | Fair value         |                   |                   |                   |                 |
|---|-----------------------------|--|---|--------------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised<br>cost<br>\$'000 | Fair value –<br>hedging<br>instruments<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 | Total<br>\$'000    | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>H-REIT Group</b>                                     |                             |  |   |                    |                   |                   |                   |                 |
| <b>At 31 December 2021</b>                              |                             |  |   |                    |                   |                   |                   |                 |
| <b>Financial assets not measured at fair value</b>      |                             |  |   |                    |                   |                   |                   |                 |
| Finance lease receivables                               | 2,198                       | –  | –   | 2,198              |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>              | 105,803                     | –  | –   | 105,803            |                   |                   |                   |                 |
| Cash and cash equivalents                               | 107,137                     | –  | –   | 107,137            |                   |                   |                   |                 |
|   | <u>215,138</u>              | <u>–</u>   | <u>–</u>                                    | <u>215,138</u>     |                   |                   |                   |                 |
| <b>Financial assets measured at fair value</b>          |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative assets                             | –                           | 4,762  | –   | 4,762              | –                 | 4,762             | –                 | 4,762           |
| <b>Financial liabilities measured at fair value</b>     |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative liabilities                        | –                           | (948)  | –   | (948)              | –                 | (948)             | –                 | (948)           |
| <b>Financial liabilities not measured at fair value</b> |                             |  |   |                    |                   |                   |                   |                 |
| Secured TMK bond  | –                           | –  | (35,874)                                    | (35,874)           | –                 | (36,531)          | –                 | (36,531)        |
| Secured bank loan                                       | –                           | –  | (67,350)                                    | (67,350)           | –                 | (69,949)          | –                 | (69,949)        |
| Unsecured bank loans                                    | –                           | –  | (897,367)                                   | (897,367)          | –                 | (875,400)         | –                 | (875,400)       |
| Trade and other payables                                | –                           | –  | (31,939)                                    | (31,939)           |                   |                   |                   |                 |
| Rental deposits   | –                           | –  | (10,738)                                    | (10,738)           | –                 | –                 | (10,900)          | (10,900)        |
|   | <u>–</u>                    | <u>–</u>   | <u>(1,043,268)</u>                          | <u>(1,043,268)</u> |                   |                   |                   |                 |

<sup>(1)</sup> Excluding prepayments

|   | Carrying amount             |  |   |                 | Fair value        |                   |                   |                 |
|---|-----------------------------|--|---|-----------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised<br>cost<br>\$'000 | Fair value –<br>hedging<br>instruments<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 | Total<br>\$'000 | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>Stapled Group</b>                                    |                             |  |   |                 |                   |                   |                   |                 |
| <b>At 30 June 2022</b>                                  |                             |  |   |                 |                   |                   |                   |                 |
| <b>Financial assets not measured at fair value</b>      |                             |  |   |                 |                   |                   |                   |                 |
| Finance lease receivables                               | 2,022                       | –  | –   | 2,022           |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>              | 19,837                      | –  | –   | 19,837          |                   |                   |                   |                 |
| Cash and cash equivalents                               | 98,922                      | –  | –   | 98,922          |                   |                   |                   |                 |
|   | 120,781                     | –  | –   | 120,781         |                   |                   |                   |                 |
| <b>Financial assets measured at fair value</b>          |                             |  |   |                 |                   |                   |                   |                 |
| Financial derivative assets                             | –                           | 27,412   | –   | 27,412          | –                 | 27,412            | –                 | 27,412          |
|   | –                           | 27,412   | –   | 27,412          | –                 | 27,412            | –                 | 27,412          |
| <b>Financial liabilities measured at fair value</b>     |                             |  |   |                 |                   |                   |                   |                 |
| Financial derivative liabilities                        | –                           | (19)   | –   | (19)            | –                 | (19)              | –                 | (19)            |
|   | –                           | (19)   | –   | (19)            | –                 | (19)              | –                 | (19)            |
| <b>Financial liabilities not measured at fair value</b> |                             |  |   |                 |                   |                   |                   |                 |
| Secured TMK bond  | –                           | –  | (31,267)                                    | (31,267)        | –                 | (30,996)          | –                 | (30,996)        |
| Secured bank loan                                       | –                           | –  | (64,430)                                    | (64,430)        | –                 | (61,762)          | –                 | (61,762)        |
| Unsecured bank loans                                    | –                           | –  | (1,008,603)                                 | (1,008,603)     | –                 | (999,753)         | –                 | (999,753)       |
| Lease liabilities                                       | –                           | –  | (127,596)                                   | (127,596)       |                   |                   |                   |                 |
| Trade and other payables <sup>(2)</sup>                 | –                           | –  | (44,431)                                    | (44,431)        |                   |                   |                   |                 |
| Rental deposits   | –                           | –  | (10,691)                                    | (10,691)        | –                 | –                 | (10,727)          | (10,727)        |
|   | –                           | –  | (1,287,018)                                 | (1,287,018)     | –                 | –                 | (10,727)          | (10,727)        |

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

|   | Carrying amount             |  |   | Fair value         |                   |                   |                   |                 |
|---|-----------------------------|--|---|--------------------|-------------------|-------------------|-------------------|-----------------|
|   | Amortised<br>cost<br>\$'000 | Fair value –<br>hedging<br>instruments<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 | Total<br>\$'000    | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>Stapled Group</b>                                    |                             |  |   |                    |                   |                   |                   |                 |
| <b>At 31 December 2021</b>                              |                             |  |   |                    |                   |                   |                   |                 |
| <b>Financial assets not measured at fair value</b>      |                             |  |   |                    |                   |                   |                   |                 |
| Finance lease receivables                               | 2,198                       | –  | –   | 2,198              |                   |                   |                   |                 |
| Trade and other receivables <sup>(1)</sup>              | 26,049                      | –  | –   | 26,049             |                   |                   |                   |                 |
| Cash and cash equivalents                               | 139,464                     | –  | –   | 139,464            |                   |                   |                   |                 |
|   | <u>167,711</u>              | <u>–</u>   | <u>–</u>                                    | <u>167,711</u>     |                   |                   |                   |                 |
| <b>Financial assets measured at fair value</b>          |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative assets                             | –                           | 4,762  | –   | 4,762              | –                 | 4,762             | –                 | 4,762           |
| <b>Financial liabilities measured at fair value</b>     |                             |  |   |                    |                   |                   |                   |                 |
| Financial derivative liabilities                        | –                           | (948)  | –   | (948)              | –                 | (948)             | –                 | (948)           |
| <b>Financial liabilities not measured at fair value</b> |                             |  |   |                    |                   |                   |                   |                 |
| Secured TMK bond  | –                           | –  | (35,874)                                    | (35,874)           | –                 | (36,531)          | –                 | (36,531)        |
| Secured bank loan                                       | –                           | –  | (67,350)                                    | (67,350)           | –                 | (69,949)          | –                 | (69,949)        |
| Unsecured bank loans                                    | –                           | –  | (995,495)                                   | (995,495)          | –                 | (973,154)         | –                 | (973,154)       |
| Trade and other payables <sup>(2)</sup>                 | –                           | –  | (44,542)                                    | (44,542)           |                   |                   |                   |                 |
| Rental deposits   | –                           | –  | (10,738)                                    | (10,738)           | –                 | –                 | (10,900)          | (10,900)        |
|   | <u>–</u>                    | <u>–</u>   | <u>(1,153,999)</u>                          | <u>(1,153,999)</u> |                   |                   |                   |                 |

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

## 17 Commitments

|   | HBT Group  |            | H-REIT Group |            | Stapled Group |            |
|---|------------|------------|--------------|------------|---------------|------------|
|   | 30/06/2022 | 31/12/2021 | 30/06/2022   | 31/12/2021 | 30/06/2022    | 31/12/2021 |
|   | \$'000     | \$'000     | \$'000       | \$'000     | \$'000        | \$'000     |
| (a) Capital expenditure contracted but not provided for | 92,597     | 108,693    | 9,457        | 9,641      | 102,054       | 118,334    |

In 2021, HBT's subsidiary, CDL HBT Investments (I) Property Limited, entered into a Development Funding Agreement with an external party to redevelop a plot of land in Manchester, United Kingdom into a residential BTR for a development sum of \$118.4 million (£63.8 million). The development is expected to be completed in 2024.

- (b) Under the terms of the lease agreements for certain properties, the H-REIT Group and the Stapled Group are required to incur expenditure equivalent to 2.5% to 4.0% of the gross revenue to maintain and improve the hotel's or resort's furniture and fixtures, equipment and its environment. As at 30 June 2022, the H-REIT Group and the Stapled Group are committed to incur capital expenditure of \$7,179,000 (31/12/2021: \$4,428,000) under the terms of the lease agreements.
- (c) HBT's subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd, holds a leasehold land, with a 125-year lease granted by the Cambridge City Council commencing on 25 December 1990 (the "Head Lease"). The lease term may be extended for a further term of 50 years pursuant to the lessee's option to renew under the Head Lease. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value that is itself a function of the aggregate rent paid over the previous 3 years.

Lease liabilities and a corresponding ROU asset were recognised in the financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statement of total return (as the case may be). For the six-month ended 30 June 2022, the Stapled Group recorded variable lease payments of nil (31/12/2021: nil).

- (d) H-REIT holds a leasehold building, with a remaining 99 years lease granted by Sentosa Development Corporation commencing on 31 October 2006. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value.

Lease liabilities and a corresponding ROU asset were recognised in the financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statement of total return (as the case may be). For the six-month ended 30 June 2022, the Stapled Group recorded variable lease payments of \$284,000 (31/12/2021: nil).

- (e) The Stapled Group has entered into several agreements in 2020, including:
- a development and sale agreement to acquire a brand new lifestyle hotel from a related corporation for a purchase price equal to the lower of the fixed price of \$475.0 million or 110% of the vendor's actual development cost. The transaction is expected to be completed in 2025.
  - a sale and purchase agreement to acquire 100% of shares in a hotel operating company from a related corporation for a consideration equal to the acquiree's net asset value at acquisition date plus partial reimbursement of pre-opening costs incurred, subject to a maximum of \$3.1 million. The transaction is expected to be completed in 2025.

## 18 Related party transactions

In the normal course of the operations of HBT, the HBT Trustee-Manager's trustee, management and acquisition fees have been paid or are payable to the HBT Trustee-Manager.

In the normal course of the operations of H-REIT, the H-REIT Manager's management and acquisition fees and H-REIT Trustee's fee have been paid or are payable to the H-REIT Manager and H-REIT Trustee respectively.

During the financial period, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

|   | <b>HBT Group</b>              |                               | <b>H-REIT Group</b>           |                               | <b>Stapled Group</b>          |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | <b>Six-month period ended</b> | <b>Six-month period ended</b> | <b>Six-month period ended</b> | <b>Six-month period ended</b> | <b>Six-month period ended</b> | <b>Six-month period ended</b> |
|   | <b>30/06/2022</b>             | <b>30/06/2021</b>             | <b>30/06/2022</b>             | <b>30/06/2021</b>             | <b>30/06/2022</b>             | <b>30/06/2021</b>             |
|   | <b>\$'000</b>                 | <b>\$'000</b>                 | <b>\$'000</b>                 | <b>\$'000</b>                 | <b>\$'000</b>                 | <b>\$'000</b>                 |
| <b>Related corporations of the H-REIT Manager and HBT Trustee-Manager</b> |                               |                               |                               |                               |                               |                               |
| Acquisition fee paid/payable  | –                             | –                             | 414                           | –                             | 414                           | –                             |
| Rental income received/receivable   | –                             | –                             | 28,732                        | 27,210                        | 28,732                        | 27,210                        |
| Rental expense paid/payable   | 56                            | 67                            | 217                           | 483                           | 273                           | 550                           |
| Shared service expenses paid/payable                                      | 60                            | –                             | 124                           | 150                           | 184                           | 150                           |
| Corporate secretarial services fee paid/payable                           | 32                            | 5                             | 80                            | 36                            | 112                           | 41                            |
| Advisory fee paid/payable   | 34                            | –                             | –                             | –                             | 34                            | –                             |



## 19 Financial ratios

|   | <b>H-REIT Group</b>                                  |  | <b>Stapled Group</b>                                 |  |
|---|--|--|--|--|
|   | <b>Six-month<br/>period<br/>ended<br/>30/06/2022</b> | <b>Six-month<br/>period<br/>ended<br/>30/06/2021</b> | <b>Six-month<br/>period<br/>ended<br/>30/06/2022</b> | <b>Six-month<br/>period<br/>ended<br/>30/06/2021</b> |
|   | %  | %  | %  | %  |
| Expenses to weighted average net assets <sup>1</sup>                                  |  |  |  |  |
| - including performance component of H-REIT<br>Manager's management fees <sup>2</sup> | 0.97   | 1.69   | 1.10   | 0.81   |
| - excluding performance component of H-REIT<br>Manager's management fees <sup>2</sup> | 0.71   | 1.52   | 0.83   | 0.65   |
| Portfolio turnover rate <sup>3</sup>  | 5.26   | –  | 5.09   | –  |

<sup>1</sup> The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the H-REIT Group and the Stapled Group, excluding property expenses, interest expense and income tax expense of each entity, where applicable.

<sup>2</sup> Excluding acquisition fee and costs associated with the acquisition of a property.

<sup>3</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the H-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

## 20 Acquisitions

### H-REIT Group

#### Acquisition of property

For the six-month ended 30 June 2022

On 22 February 2022, the H-REIT Group entered into a share purchase agreement to acquire 100% of the shares and voting interest in Roundapple Hotel Partners III Limited (renamed to CDL HREIT Investments (II) Property Limited) which owns Hotel Brooklyn in Manchester, United Kingdom, for a total consideration of \$41.0 million (£22.4 million). The acquisition was accounted for as an acquisition of assets.

#### *Identifiable assets acquired and liabilities assumed*

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

|                               | <b>\$'000</b> |
|-------------------------------|---------------|
| Investment property           | 78,764        |
| Other receivables             | 286           |
| Other payables                | (1,039)       |
| Lease liabilities             | (37,005)      |
| Total identifiable net assets | <u>41,006</u> |

#### *Consideration transferred*

|           | <b>\$'000</b> |
|-----------|---------------|
| Cash paid | <u>41,006</u> |

#### Effect of the acquisition on cash flows

|   |               |
|---|---------------|
| Total consideration for 100% equity interest acquired | 41,006        |
| Add: Acquisition-related costs                        | 2,341         |
| Less: Acquisition-related costs not yet paid          | (342)         |
| Net cash outflow on acquisition                       | <u>43,005</u> |

#### Acquisition of assets

For the financial year ended 31 December 2021

On 1 May 2021, the H-REIT Group acquired the furniture, fittings and equipment of Ibis Perth and Mercure Perth for a total consideration of \$5.9 million.

## **HBT Group**

### **Acquisition of business**

#### **For the financial year ended 31 December 2021**

On 1 May 2021, CDL HBT Sun Three Pty Ltd and CDL HBT Sun Four Pty Ltd., subsidiaries of the HBT Group acquired the business and business assets of the hotels operated as Ibis Perth and Mercure Perth (the “Perth Hotels”) (the “Business Acquisition”) for a total consideration of \$0.3 million. The purpose of the Business Acquisition is for the HBT Group to manage the Perth Hotels which are leased from the H-REIT Group. The acquisition was accounted for as a business combination as the HBT Group had acquired various operational processes.

From the date of acquisition to 31 December 2021, the Business Acquisition contributed revenue of \$7,192,000 and net loss before tax of \$4,521,000 to the HBT Group’s results. If the acquisition had occurred on 1 January 2021, the HBT Trustee-Manager estimates that the HBT Group’s revenue would have been \$85,731,000 and the HBT Group’s net loss before tax for the year would have been \$9,880,000. In determining these amounts, the HBT Trustee-Manager has assumed that the agreement to lease the Perth Hotels from the H-REIT Group would commence on 1 January 2021.

### **Acquisition of property**

#### **For the financial year ended 31 December 2021**

On 31 August 2021, the HBT Group entered into a land purchase agreement to acquire a plot of land in Manchester, United Kingdom for a total consideration of \$17.6 million (£9.5 million) from a third party. The land will be developed into a residential BTR. The acquisition was accounted for as an acquisition of assets.

## **21 Subsequent events**

Subsequent to the reporting date, there were the following events:

- (i) the HBT Trustee-Manager and the H-REIT Manager declared a distribution of 2.04 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 January 2022 to 30 June 2022.
- (ii) 1,000,946 Stapled Securities, amounting to \$1,296,826, were issued as satisfaction of the H-REIT Manager’s base fee for the period from 1 April 2022 to 30 June 2022.
- (iii) 103,528 Stapled Securities, amounting to \$134,131, were issued as satisfaction of the HBT Trustee-Manager’s base fee for the period from 1 April 2022 to 30 June 2022.

## **Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed interim financial statements of CDL Hospitality Business Trust (“HBT”) and its subsidiaries (the “HBT Group”) which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the HBT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiaries (the “H-REIT Group”) which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2022, the Statement of Total Return, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the H-REIT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Trusts (“CDLHT”) which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2022, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of CDL Hospitality Trusts for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

Please refer to “First Half 2022 Summary of Group Performance” Section 2, page 10 to 17 of CDL Hospitality Trusts for the six-month period ended 30 June 2022.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Please refer to “First Half 2022 Summary of Group Performance” Section 3, page 17 of CDL Hospitality Trusts for the six-month period ended 30 June 2022.

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Please refer to “First Half 2022 Summary of Group Performance” Section 4, page 17 to 19 of CDL Hospitality Trusts for the six-month period ended 30 June 2022.

**5. Distributions**

**5(a) Current financial period**

Any distributions declared for the current financial period?      Yes  
 Period of distribution: Distribution for 1 January 2022 to 30 June 2022

| <b>Distribution Type</b> | <b>Amount<br/>(cents per Stapled Security)</b> |
|--------------------------|--|
| Taxable Income           | 1.58   |
| Tax Exempt Income        | 0.36   |
| Capital                  | 0.10   |
| <b>Total</b>             | <b>2.04</b>                                    |

**5(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period?      Yes  
 Period of distribution: Distribution for 1 January 2021 to 30 June 2021

| <b>Distribution Type</b> | <b>Amount<br/>(cents per Stapled Security)</b> |
|--------------------------|--|
| Taxable Income           | 0.84   |
| Tax Exempt Income        | 0.38   |
| Capital                  | 0.00   |
| <b>Total</b>             | <b>1.22</b>                                    |

**5(c) Tax rate**

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will 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 will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive 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.

**5(d) Book closure date**

5.00 p.m. on 8 August 2022

**5(e) Date payable**

30 August 2022

**6. General mandate for Interested Person Transactions**

CDL Hospitality Trusts has not obtained a general mandate from Stapled Securityholders for Interested Person Transactions.

**7. Confirmation pursuant to Rule 705(5) of the Listing Manual**

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the six months ended 30 June 2022 to be false or misleading in any material respect.

That said, in this regard, we would like to highlight that the carrying amounts of CDLHT’s investment properties (“**IP**”) and property, plant and equipment (“**PPE**”) as at 30 June 2022 are based on the independent valuations as at 31 December 2021. The board is of the view that the valuations of the CDLHT’s properties as at 30 June 2022 remain substantially unchanged from those as at 31 December 2021 except to the extent of capital expenditure incurred during the six-month period ended 30 June 2022.

The unprecedented market uncertainty caused by the COVID-19 pandemic, particularly in the short term, has resulted in challenges in providing accurate valuations for the properties as there is a lack of visibility regarding future cash flows and insufficient market transactions available for benchmarking to adopt meaningful capitalisation rates in the current market. After due consideration, the Boards of Directors of the H-REIT Manager and HBT Trustee-Manager are of the view that it may be inaccurate to quantify any impact on the carrying amounts as the assumptions used to derive valuations currently would be very subjective and arbitrary given that the situation is still highly fluid and evolving (for example, developments on the easing of government restrictions on travel and social distancing measures are ongoing and the consequential impact on travel and business demand remains uncertain).

*Sensitivity analysis*

For illustration purposes, a decline of between 5% to 30% (at increments of 5%) in the carrying amounts of CDLHT's properties as at 30 June 2022 would have the following estimated impact on the net asset value/ net tangible asset and gearing of CDLHT by the amounts as shown below. This sensitivity analysis assumes that all other variables remain constant.

| Carrying Amount of IP & PPE        | As at<br>30 Jun 2022 | Decreased by |           |           |           |         |         |
|------------------------------------|----------------------|--------------|-----------|-----------|-----------|---------|---------|
|                                    |                      | 5%           | 10%       | 15%       | 20%       | 25%     | 30%     |
| Aggregate leverage ratio (%)       | 39.5                 | 41.5         | 43.6      | 46.0      | 48.7      | 51.7    | 55.1    |
| NAV/NTA (S\$'000)                  | 1,618,304            | 1,486,150    | 1,353,996 | 1,221,842 | 1,089,688 | 957,534 | 825,380 |
| NAV/NTA per Stapled Security (S\$) | 1.3081               | 1.2012       | 1.0944    | 0.9876    | 0.8808    | 0.7740  | 0.6671  |

**8. Confirmation pursuant to Rule 720(1) of the Listing Manual**

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

On behalf of the Board of Directors

CHAN SOON HEE ERIC  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

29 July 2022

**IMPORTANT NOTICE**

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

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

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

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

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

By Order of the Board

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

29 July 2022

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)

29 July 2022