



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS  
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER  
ENDED 31 MARCH 2014**

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## CDL HOSPITALITY TRUSTS

A stapled group comprising:

### **CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES**

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

and

### **CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES**

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

## **CDL HOSPITALITY TRUSTS**

## **UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2014**

### **INTRODUCTION**

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited (“**SGX**”) on 19 July 2006.

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

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

As of 31 March 2014, H-REIT portfolio with a total of 4,455 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), all of which are located in Singapore and marketed as “superior” hotels; the Rendezvous Grand Hotel Auckland, a deluxe hotel located in New Zealand’s gateway city of Auckland; the Mercure Brisbane, Ibis Brisbane, Novotel Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”), hotels well-located in key gateway cities of Brisbane and Perth, Australia; the Angsana Velavaru and the Jumeirah Dhevanafushi (collectively, the “**Maldives Resorts**”) resorts located in the Republic of Maldives; as well as the Claymore Link (formerly known as Orchard Hotel Shopping Arcade), the shopping arcade adjoining Orchard Hotel.

Last year, the HBT Trustee-Manager activated the HBT (which was previously dormant). Following the acquisition of Jumeirah Dhevanafushi by H-REIT’s indirect wholly-owned subsidiary in December 2013, HBT, through its indirect wholly-owned subsidiary, CDL HBT Oceanic Maldives Pvt Ltd became the master lessee. In addition to its function as a master lessee, HBT may also undertake certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

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

The quantum of distributions to be made by HBT in 2014 and subsequent years will be determined by the HBT Trustee-Manager Board at its sole discretion.

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

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**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %
Gross revenue	43,755	37,935	15.3
Net property income	36,721	35,283	4.1
Net income	28,654	28,710	-0.2
Income available for distribution to holders of Stapled Securities	29,873	28,991	3.0
Less:			
Income retained for working capital	(2,987)	(2,899)	3.0
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,886	26,092	3.0
<b>Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)</b>			
For the period	3.06	2.99	2.3
Annualised	12.41	12.13	2.3
Annualised distribution yield (%) at closing market price of S\$1.81 as at 24 April 2014	6.86	6.70	2.3
<b>Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)</b>			
For the period	2.75	2.69	2.2
Annualised	11.15	10.91	2.2
Annualised distribution yield (%) at closing market price of S\$1.81 as at 24 April 2014	6.16	6.03	2.2

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

Foot- notes	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts			
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	
	<b>Gross revenue</b>									
	Gross rental revenue	38,409	37,935	1.2	-	-	-	36,886	37,935	-2.8
(a)	Room revenue	-	-	-	4,458	-	N.M	4,458	-	N.M
	Food & beverage revenue	-	-	-	1,544	-	N.M	1,544	-	N.M
	Other income	-	-	-	867	-	N.M	867	-	N.M
		38,409	37,935	1.2	6,869	-	N.M	43,755	37,935	15.3
	<b>Property expenses</b>									
	Operations and maintenance expenses	-	-	-	(2,155)	-	N.M	(2,155)	-	N.M
	Hotel management fee	-	-	-	(463)	-	N.M	(463)	-	N.M
(c)	Property tax	(2,279)	(2,031)	12.2	-	-	-	(2,279)	(2,031)	12.2
(c)	Insurance	(406)	(292)	39.0	-	-	-	(406)	(292)	39.0
	Administrative and general expenses	-	-	-	(513)	-	N.M	(513)	-	N.M
	Sales and marketing expenses	-	-	-	(337)	-	N.M	(337)	-	N.M
	Energy and utility expenses	-	-	-	(450)	-	N.M	(451)	-	N.M
(d)	Rental expenses	-	-	-	(2,730)	-	N.M	-	-	-
(e)	Other property expenses	(430)	(329)	30.7	-	-	N.M	(430)	(329)	30.7
	<b>Net property income</b>	35,294	35,283	-	221	-	N.M	36,721	35,283	4.1
	H-REIT Manager's base fees	(1,427)	(1,344)	6.2	-	-	-	(1,427)	(1,344)	6.2
	H-REIT Manager's performance fees	(1,768)	(1,764)	0.2	-	-	-	(1,768)	(1,764)	0.2
	HBT Trustee-Manager's performance fees	-	-	-	(18)	-	N.M	(18)	-	N.M
	H-REIT Trustee's fees	(65)	(62)	4.8	-	-	-	(65)	(62)	4.8
	Valuation fees	(39)	(46)	-15.2	-	-	-	(39)	(46)	-15.2
(f)	Depreciation and amortisation	-	-	-	-	-	-	(701)	-	N.M
(g)	Other trust expenses	(426)	(341)	24.9	(35)	(1)	N.M	(459)	(342)	34.2
	Finance income	681	863	-21.1	-	-	-	681	863	-21.1
	Finance costs	(4,271)	(3,878)	10.1	-	-	-	(4,271)	(3,878)	10.1
(h)	Net finance costs	(3,590)	(3,015)	19.1	-	-	-	(3,590)	(3,015)	19.1
(i)	<b>Net income</b>	27,979	28,711	-2.5	168	(1)	N.M	28,654	28,710	-0.2
(j)	Income tax expense	(376)	(336)	11.9	(30)	-	N.M	(405)	(336)	20.5
	<b>Total return/Total comprehensive income for the period</b>	27,603	28,375	-2.7	138	(1)	N.M	28,249	28,374	-0.4

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**Footnotes**

N.M – Not Meaningful

- (a) Gross revenue comprises rental income and hotel revenue from H-REIT’s investment properties. Please refer to Section 8 (i), page 21 of H-REIT Group of the Announcement.
- (b) On 31 December 2013, H-REIT, through its indirect wholly-owned subsidiary, acquired the Jumeirah Dhevanafushi, located in Maldives. Correspondingly in the fourth quarter last year, the HBT Trustee-Manager also activated the HBT (which was previously dormant). The activation was required to enable HBT, through its indirect wholly-owned subsidiary, CDL HBT Oceanic Maldives Pvt Ltd, to become the master lessee of Jumeirah Dhevanafushi. Accordingly, the entire operating results of Jumeirah Dhevanafushi for the period 1 January 2014 to 31 March 2014 has been included in the first quarter results of HBT Group. As HBT was only activated at the previous year end, there were no prior period comparatives.
- (c) Additional property tax and insurance expenses were incurred for 1Q 2014 in respect of the properties, Angsana Velavaru and Jumeirah Dhevanafushi (which were acquired on 31 January 2013 and 31 December 2013 respectively).
- (d) The rental expense of HBT Group relates to rent accrued to H-REIT’s indirect wholly-owned subsidiary arising from the resort, Jumeirah Dhevanafushi. For further details, refer to Section 8 (ii) Footnote (d) on page 22 of the Announcement.
- (e) Other property expenses comprise mainly direct operating expenses of the Claymore Link (formerly known as Orchard Hotel Shopping Arcade). Expenses were higher for the quarter ended 31 March 2014 due to lower net reversals of impairment loss on trade receivables of S\$7,400 (31 March 2013: S\$112,000) and additional property related expenses arising from Jumeirah Dhevanafushi.
- (f) With effect from 1 January 2014, CDL Hospitality Trusts commenced depreciating its property, the Jumeirah Dhevanafushi (acquired on 31 December 2013), which is recorded as property, plant and equipment in its financial statements. A depreciation expense of S\$651,000 and an amortisation charge of S\$50,000 relating to the amortisation of its long-term leasehold interests in land was recorded in 1Q 2014.
- (g) Other trust expenses comprise mainly professional fees and administrative costs. The expenses were higher in 1Q 2014 partly due to the inclusion of administrative expenses from HBT Group and additional audit, tax and secretarial fees arising from H-REIT’s subsidiaries (incorporated in December 2013 for the Jumeirah Dhevanafushi’s acquisition).
- (h) Net finance costs comprise the following:

	H-REIT Group			CDL Hospitality Trusts		
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %
Interest income received/ receivable from banks	80	120	-33.3	80	120	-33.3
Exchange gain <sup>(i)</sup>	601	743	-19.1	601	743	-19.1
Finance income	681	863	-21.1	681	863	-21.1
Interest paid/payable to banks <sup>(ii)</sup>	(4,034)	(3,652)	10.5	(4,034)	(3,652)	10.5
Amortisation of transaction costs capitalised <sup>(iii)</sup>	(190)	(181)	5.0	(190)	(181)	5.0
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(47)	(45)	4.4	(47)	(45)	4.4
Finance costs	(4,271)	(3,878)	10.1	(4,271)	(3,878)	10.1
Net finance costs	(3,590)	(3,015)	19.1	(3,590)	(3,015)	19.1

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- (i) The exchange gain for the quarter ended 31 March 2014 was mainly due to revaluation fluctuations on cash and cash equivalents denominated in New Zealand, Australian and United States dollars.
- (ii) The interest paid/payable to banks in 1Q 2014 includes an additional interest expense incurred on borrowings drawn to fund Jumeirah Dhevanafushi (which was acquired on 31 December 2013) and higher funding cost on the Group’s long term US dollar borrowings.
- (iii) The amortisation costs for the quarter ended 31 March 2014 relates to the amortisation of transaction costs arising from the medium term note issuance, revolving credit facility and term loan facility.
- (i) *Net income of CDL Hospitality Trusts is contributed by:*

	CDL Hospitality Trusts	
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000
H-REIT	35,702	31,809
Other H-REIT group entities (including consolidation adjustments)	(7,723)	(3,098)
HBT	(18)	(1)
Other HBT group entities (including consolidation adjustments)	186	-
CDL Hospitality Trusts’ consolidation adjustments	507	-
	28,654	28,710

- (j) *This relates to current and deferred tax in respect of the Australia and Maldives properties.*

	H-REIT Group		HBT Group		CDL Hospitality Group	
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000
Corporate income tax	-	-	(30)	-	(30)	-
Deferred tax	(376)	(335)	-	-	(375)	(335)
Others	-	(1)	-	-	-	(1)
	(376)	(336)	(30)	-	(405)	(336)

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(k) *Income available for distribution<sup>(i)</sup>*

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000
Net income of H-REIT	35,702	31,809
Add/(Less): Non tax deductible/(tax chargeable) items:		
- Amortisation of transaction costs	190	181
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	47	45
- Exchange gain	(8,808)	(5,736)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,556	2,487
- Other items	186	205
Income available for distribution to holders of Stapled Securities (before deducting income retained for working capital)	29,873	28,991
Less :		
Income retained for working capital	(2,987)	(2,899)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital) <sup>(ii)</sup>	26,886	26,092
Comprising :		
- Taxable income	22,384	22,824
- Tax exempt income	4,502	3,268
	26,886	26,092

- (i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT. The distribution of CDL Hospitality Trusts for the period is contributed solely by H-REIT. The income available for distribution of HBT is not presented as HBT Trustee-Manager Board has decided not to make any distribution for the reporting quarter.
- (ii) The total distributable income for the quarter ended 31 March 2014 of S\$26,886,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$2,987,000 for working capital purposes) for the period from 1 January 2014 to 31 March 2014.

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

Footnotes	H-REIT Group		HBT Group <sup>(a)</sup>		CDL Hospitality Trusts	
	31 Mar 2014 S\$'000	31 Dec 2013 S\$'000	31 Mar 2014 S\$'000	31 Dec 2013 S\$'000	31 Mar 2014 S\$'000	31 Dec 2013 S\$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Investment properties (b)	2,259,781	2,238,770	-	-	2,182,514	2,161,693
Property, plant and equipment (c)	-	-	-	-	71,037	71,490
Prepaid land lease	-	-	-	-	5,531	5,587
Rental deposit	76	76	-	-	76	76
	<b>2,259,857</b>	<b>2,238,846</b>	<b>-</b>	<b>-</b>	<b>2,259,158</b>	<b>2,238,846</b>
<b>Current assets</b>						
Inventories	-	-	1,119	-	1,119	-
Trade and other receivables	20,453	15,748	1,188	-	18,967	15,494
Cash and cash equivalents (d)	40,647	68,123	1,735	605	42,381	68,728
	<b>61,100</b>	<b>83,871</b>	<b>4,042</b>	<b>605</b>	<b>62,467</b>	<b>84,222</b>
<b>Total assets</b>	<b>2,320,957</b>	<b>2,322,717</b>	<b>4,042</b>	<b>605</b>	<b>2,321,625</b>	<b>2,323,068</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Financial liabilities (e)	545,859	542,245	-	-	545,859	542,245
Rental deposits (f)	6,873	6,826	-	-	6,873	6,826
Financial derivative liabilities	554	421	-	-	554	421
Deferred tax liabilities	10,496	9,851	-	-	10,496	9,851
	<b>563,782</b>	<b>559,343</b>	<b>-</b>	<b>-</b>	<b>563,782</b>	<b>559,343</b>
<b>Current liabilities</b>						
Financial liabilities (e)	145,922	145,983	-	-	145,922	145,983
Trade and other payables (g)	30,542	22,329	3,527	257	30,190	22,332
Provision for taxation	28	28	29	-	57	28
	<b>176,492</b>	<b>168,340</b>	<b>3,556</b>	<b>257</b>	<b>176,169</b>	<b>168,343</b>
<b>Total liabilities</b>	<b>740,274</b>	<b>727,683</b>	<b>3,556</b>	<b>257</b>	<b>739,951</b>	<b>727,686</b>
<b>Net assets</b>	<b>1,580,683</b>	<b>1,595,034</b>	<b>486</b>	<b>348</b>	<b>1,581,674</b>	<b>1,595,382</b>
Represented by:						
<b>Unitholders' funds</b>						
Unitholders' funds of H-REIT Group (h)	1,580,683	1,595,034	-	-	-	-
Unitholders' funds of HBT Group (h)	-	-	486	348	-	-
Unitholders' funds of Stapled Group (h)	-	-	-	-	1,581,674	1,595,382
	<b>1,580,683</b>	<b>1,595,034</b>	<b>486</b>	<b>348</b>	<b>1,581,674</b>	<b>1,595,382</b>



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**Footnotes**

- (a) *The Statement of Financial Position of HBT Group relates mainly to the resort operations of Jumeirah Dhevanafushi. Accordingly, the assets and liabilities of the operating resort has been included in HBT Group’s results for 1Q 2014. No prior period comparatives are presented as this resort was only acquired on 31 December 2013.*
- (b) *Included in investment properties at H-REIT Group is a net translation gain of S\$13.0 million (31 December 2013: translation loss of S\$23.5 million) relating to its overseas properties.*
- (c) *The property, plant and equipment relates to Jumeirah Dhevanafushi which was acquired on 31 December 2013. It is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary and under FRS 40, this is considered property held for use as owner-occupied property. Hence, the resort is classified as property, plant and equipment instead of investment property in CDL Hospitality Trusts’ financial statements.*
- (d) *Cash and cash equivalents for the H-REIT Group comprise mainly rental income from H-REIT’s investment properties, which are reserved for distribution to unitholders at the next scheduled distribution.*
- (e) *Financial liabilities of the H-REIT Group of S\$691,781,000 (31 December 2013: S\$688,228,000), which are measured at amortised cost, comprise S\$273.6 million notes issued pursuant to the Medium Term Note Programme and S\$419.9 million bank borrowings, as explained under Section 1(b)(ii) Footnotes (i), (ii) and (iii) on pages 10 and 11 of the Announcement.*
- (f) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (g) *Trade and other payables for the H-REIT Group relates mainly to loan interest payable, rental deposits of Claymore Link and accrual for property tax.*
- (h) *The movement in unitholders’ funds are set out in Section 1(d).*

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

		H-REIT Group and CDL Hospitality Trusts	
		31 Mar 2014 S\$'000	31 Dec 2013 S\$'000
	Footnotes		
<b>Amount repayable after one year</b>			
Unsecured medium term notes	(i)	203,600	203,600
Unsecured borrowings	(ii)	343,899	340,401
		547,499	544,001
<b>Amount repayable within one year</b>			
Unsecured medium term notes	(i)	70,000	70,000
Unsecured borrowings	(iii)	76,020	76,092
		146,020	146,092
<b>Total borrowings<sup>(a)</sup></b>		<b>693,519</b>	<b>690,093</b>

<sup>(a)</sup> The borrowings are presented before the deduction of unamortised transaction costs.

**Footnotes**

**i. Unsecured medium term notes**

H-REIT’s wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “Issuer”) has in place a S\$1.0 billion Multi-currency Medium Term Note Programme (the “Programme”). As at reporting date, S\$273.6 million medium term notes has been issued by this subsidiary. These comprise:

- (a) S\$153.6 million medium term notes comprising S\$70.0 million 3-year fixed rate note and S\$83.6 million 5-year floating rate note, which are re-priced every six months.
- (b) S\$120.0 million 5-year fixed rate medium term note. Proceeds from this medium term note issuance were utilised to partially redeem the outgoing S\$260.0 million medium term notes, which expired in August last year.

**ii. Unsecured borrowings, after one year**

H-REIT has in place the following unsecured facilities:

- (a) a S\$100.0 million committed bilateral multi-currency revolving credit facility each from two banks (collectively S\$200.0 million) for a 3-year term (the “RCF Facility”).  
  
H-REIT drew-down S\$140.0 million to partially repay the medium term notes which matured in August last year. Consequently, as at 31 March 2014, S\$60.0 million of the RCF Facility remain unutilised.
- (b) a 3-year A\$93.2 million (S\$108.9 million) bank facility (the “TL1 Facility”). As at the reporting date, there was no unutilised balance as the TL1 Facility was fully drawn down to fund the loan relating to the Australia hotels.
- (c) a 5-year US\$75.0 million (S\$95.0 million) fixed rate term loan facility (the “TL2 Facility”). As at the reporting date, there was no unutilised balance as the TL2 Facility was fully drawn down to fund the loan relating to Angsana Velavaru.

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***iii. Unsecured borrowings, within one year***

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

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

*As at 31 March 2014, US\$60.0 million (S\$76.0 million) was drawn down to fund the acquisition of Jumeirah Dhevanafushi.*

*Approximately S\$224.0 million of the Bridge Loan Facility remains unutilised as at the reporting date.*

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**1(c) Consolidated Statements of Cash Flows**

Foot- notes	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000
<b>Operating activities</b>						
Net income	27,979	28,711	168	(1)	28,654	28,710
Adjustments for:						
H-REIT Manager's fee paid/payable in Stapled Securities	(a) 2,556	2,487	-	-	2,556	2,487
Depreciation of property, plant and equipment	-	-	-	-	651	-
Amortisation of prepaid land lease	-	-	-	-	50	-
Net finance costs	3,590	3,015	-	-	3,590	3,015
<b>Operating income/(loss) before working capital changes</b>	<b>34,125</b>	<b>34,213</b>	<b>168</b>	<b>(1)</b>	<b>35,501</b>	<b>34,212</b>
Changes in working capital:						
Inventories	-	-	(1,119)	-	(1,119)	-
Trade and other receivables	(3,851)	(1,641)	(1,189)	1	(2,621)	(1,641)
Trade and other payables	4,723	(1,034)	3,270	-	4,364	(1,033)
<b>Cash generated from operating activities</b>	<b>34,997</b>	<b>31,538</b>	<b>1,130</b>	<b>-</b>	<b>36,125</b>	<b>31,538</b>
<b>Investing activities</b>						
Acquisition of an investment property	(b) -	(90,051)	-	-	-	(90,051)
Capital expenditure on investment properties	(4,466)	(2,556)	-	-	(4,233)	(2,556)
Addition of property, plant and equipment	-	-	-	-	(232)	-
Interest received	97	159	-	-	97	159
<b>Cash used in investing activities</b>	<b>(4,369)</b>	<b>(92,448)</b>	<b>-</b>	<b>-</b>	<b>(4,368)</b>	<b>(92,448)</b>
<b>Financing activities</b>						
Proceeds from bank loans	(b) -	149,462	-	-	-	149,462
Repayment of medium term notes	(b) -	(60,000)	-	-	-	(60,000)
Payment of transaction costs related to bank loans	(63)	(18)	-	-	(63)	(18)
Finance costs paid	(3,788)	(5,138)	-	-	(3,788)	(5,138)
Distribution to holders of Stapled Securities	(54,253)	(54,516)	-	-	(54,253)	(54,516)
<b>Cash (used in)/generated from financing activities</b>	<b>(58,104)</b>	<b>29,790</b>	<b>-</b>	<b>-</b>	<b>(58,104)</b>	<b>29,790</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27,476)</b>	<b>(31,120)</b>	<b>1,130</b>	<b>-</b>	<b>(26,347)</b>	<b>(31,120)</b>
Cash and cash equivalents at beginning of the period	68,123	74,994	605	380	68,728	75,374
<b>Cash and cash equivalents at end of the period</b>	<b>40,647</b>	<b>43,874</b>	<b>1,735</b>	<b>380</b>	<b>42,381</b>	<b>44,254</b>

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**Footnotes**

- (a) 1,573,105 (Quarter ended 31 March 2013: 1,209,449) Stapled Securities amounting to S\$2,555,983 (Quarter ended 31 March 2013: S\$2,486,749) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 31 March 2014 on 25 April 2014.
- (b) During the quarter ended 31 March 2013, proceeds from bank loans were utilised to fund the acquisition of Angsana Velavaru and to partially redeem the S\$60.0 million 3-year variable rate notes.

**1 (d)(i) Statement of Movements in Unitholders’ funds for the period from 1 January 2014 to 31 March 2014**

Unitholders’ funds of H-REIT Group

	Footnotes	Units in issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>Balance as at 1 January 2014</b>		1,137,803	(23,921)	(16,945)	(421)	498,518	1,595,034
<b>Operations</b>							
Increase in net assets resulting from operations		-	-	-	-	27,603	27,603
<b>Movements in hedging reserve</b>							
Effective portion of changes in fair value of cash flow hedge	(a)	-	-	-	(133)	-	(133)
<b>Movements in foreign currency translation reserve:</b>							
- Translation differences relating to financial statements of foreign subsidiaries		-	-	1,392	-	-	1,392
- Exchange differences on hedge of net investment in a foreign operation		-	-	11,910	-	-	11,910
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	(3,426)	-	-	(3,426)
<b>Unitholders’ transactions</b>							
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(b)	2,556	-	-	-	-	2,556
(ii) Distribution to holders of Stapled Securities	(c)	-	-	-	-	(54,253)	(54,253)
<b>Decrease in net assets resulting from unitholders’ transactions</b>		2,556	-	-	-	(54,253)	(51,697)
<b>Balance as at 31 March 2014</b>		1,140,359	(23,921)	(7,069)	(554)	471,868	1,580,683

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**1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 January 2013 to  
31 March 2013**

		Unitholders’ funds of H-REIT Group				
Footnotes	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	
<b>Balance as at 1 January 2013</b>	1,127,879	(23,921)	(5,395)	465,351	1,563,914	
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	28,375	28,375	
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	2,366	-	2,366	
- Exchange differences on hedge of net investment in a foreign operation	-	-	(4,274)	-	(4,274)	
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	8,898	-	8,898	
<b>Unitholders’ transactions</b>						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(b) 2,487	-	-	-	2,487	
(ii) Distribution to holders of Stapled Securities	(d) -	-	-	(54,516)	(54,516)	
<b>Decrease in net assets resulting from unitholders’ transactions</b>	2,487	-	-	(54,516)	(52,029)	
<b>Balance as at 31 March 2013</b>	1,130,366	(23,921)	1,595	439,210	1,547,250	

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**1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 January 2014 to  
31 March 2014**

Unitholders’ funds of HBT Group					
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
<b>Balance as at 1 January 2014</b>	500	(121)	-	(31)	348
<b>Operations</b> Increase in net assets resulting from operations	-	-	-	138	138
<b>Balance as at 31 March 2014</b>	500	(121)	-	107	486

**1 (d)(iv) Statement of Movements in Unitholders’ funds for the period from 1 January 2013 to  
31 March 2013**

Unitholders’ funds of HBT Group					
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
<b>Balance as at 1 January 2013</b>	500	(121)	-	-	379
<b>Operations</b> Decrease in net assets resulting from operations	-	-	-	(1)	(1)
<b>Balance as at 31 March 2013</b>	500	(121)	-	(1)	378

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**1 (d)(v) Statement of Movements in Unitholders’ funds for the period from 1 January 2014 to  
31 March 2014**

Unitholders’ funds of CDL Hospitality Trusts						
Footnotes	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Hedging Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
<b>Balance as at 1 January 2014</b>	1,138,303	(24,042)	(16,945)	(421)	498,487	1,595,382
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	-	28,249	28,249
<b>Movements in hedging reserve:</b>						
Effective portion of changes in fair value of cash flow hedge (a)	-	-	-	(133)	-	(133)
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	1,389	-	-	1,389
- Exchange differences on hedge of net investment in a foreign operation	-	-	11,910	-	-	11,910
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(3,426)	-	-	(3,426)
<b>Unitholders’ transactions</b>						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees (b)	2,556	-	-	-	-	2,556
(ii) Distribution to holders of Stapled Securities (c)	-	-	-	-	(54,253)	(54,253)
<b>Decrease in net assets resulting from unitholders’ transactions</b>	2,556	-	-	-	(54,253)	(51,697)
<b>Balance as at 31 March 2014</b>	1,140,859	(24,042)	(7,072)	(554)	472,483	1,581,674



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**1 (d)(vi) Statement of Movements in Unitholders’ funds for the period from 1 January 2013 to  
31 March 2013**

		Unitholders’ funds of CDL Hospitality Trusts				
	Footnotes	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
<b>Balance as at 1 January 2013</b>		1,128,379	(24,042)	(5,395)	465,351	1,564,293
<b>Operations</b>						
Increase in net assets resulting from operations		-	-	-	28,374	28,374
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries		-	-	2,366	-	2,366
- Exchange differences on hedge of net investment in a foreign operation		-	-	(4,274)	-	(4,274)
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	8,898	-	8,898
<b>Unitholders’ transactions</b>						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(b)	2,487	-	-	-	2,487
(ii) Distribution to holders of Stapled Securities	(d)	-	-	-	(54,516)	(54,516)
<b>Decrease in net assets resulting from unitholders’ transactions</b>		2,487	-	-	(54,516)	(52,029)
<b>Balance as at 31 March 2013</b>		1,130,866	(24,042)	1,595	439,209	1,547,628

**Footnotes**

- (a) *The hedging reserve relates to the changes in fair value of the interest rate swap entered into to hedge the interest rate risk of A\$93.2 million TL1 Facility which will expire in December 2015.*
- (b) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.*
- (c) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2013 to 31 December 2013.*
- (d) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2012 to 31 December 2012.*

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**1 (e)(i) Details of any changes in the units for the period from 1 January 2014 to 31 March 2014**

	Footnotes	H-REIT Group	HBT Group	CDL Hospitality Trusts
		1 Jan 2014 to 31 Mar 2014	1 Jan 2014 to 31 Mar 2014	1 Jan 2014 to 31 Mar 2014
Issued units at the beginning of the period		974,141,258	974,141,258	974,141,258
Issue of new units				
- as payment of H-REIT Manager’s management fees		1,628,040	1,628,040	1,628,040
Issued units at the end of the period		975,769,298	975,769,298	975,769,298
Units to be issued:				
- as payment of H-REIT Manager’s management fees	(a)	1,573,105	1,573,105	1,573,105
Total issued and issuable units at the end of the period		977,342,403	977,342,403	977,342,403

**1 (e)(ii) Details of any changes in the units for the period from 1 January 2013 to 31 March 2013**

	Footnotes	H-REIT Group	HBT Group	CDL Hospitality Trusts
		1 Jan 2013 to 31 Mar 2013	1 Jan 2013 to 31 Mar 2013	1 Jan 2013 to 31 Mar 2013
Issued units at the beginning of the period		968,738,653	968,738,653	968,738,653
Issue of new units				
- as payment of H-REIT Manager’s management fees		1,303,781	1,303,781	1,303,781
Issued units at the end of the period		970,042,434	970,042,434	970,042,434
Units to be issued:				
- as payment of H-REIT Manager’s management fees	(a)	1,209,449	1,209,449	1,209,449
Total issued and issuable units at the end of the period		971,251,883	971,251,883	971,251,883

**Footnotes**

(a) *These represent the H-REIT units/HBT units/Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters.*

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

The figures have not been audited but have been extracted from financial information for the three months ended 31 March 2014 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2013.

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

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

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

CDL Hospitality Trust

	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013
Weighted average number of Stapled Securities	975,786,777 <sup>(a)</sup>	970,055,872
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)		
- basic and diluted	2.89	2.93
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	2.29	2.35
- Tax exempt income	0.46	0.34
	2.75 <sup>(b)</sup>	2.69

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**Footnotes**

- (a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 March 2014 is 975,786,777. This comprise:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 March 2014 of 975,769,298; and*
  - (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 March 2014 of 17,479.*
- (b) *The computation of DPS for the quarter ended 31 March 2014 is based on the number of Stapled Securities entitled to distribution of 977,342,403. This comprise:*
- (i) *The number of Stapled Securities in issue as at 31 March 2014 of 975,769,298; and*
  - (ii) *The Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 March 2014 of 1,573,105.*

**7 Net asset value (“NAV”) per unit based on issued and issuable units at the end of the period**

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	31 Mar 2014 S\$	31 Dec 2013 S\$	31 Mar 2014 S\$	31 Dec 2013 S\$	31 Mar 2014 S\$	31 Dec 2013 S\$
Net asset value per unit	1.6173 <sup>(a)</sup>	1.6346	0.0005 <sup>(b)</sup>	0.0004	1.6183 <sup>(c)</sup>	1.6350

**Footnotes**

- (a) *The net asset value per H-REIT unit as at 31 March 2014 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,580,683,000; and*
  - *The number of issued and issuable H-REIT units of 977,342,403 (31 December 2013: 975,769,298) (Refer Section 1(e) on page 18 for details).*
- (b) *The net asset value per HBT unit as at 31 March 2014 is computed based on:*
- *Unitholders’ funds of HBT Group of S\$486,000; and*
  - *The number of issued and issuable HBT units of 977,342,403 (31 December 2013: 975,769,298) (Refer Section 1(e) on page 18 for details).*
- (c) *The net asset value per Stapled Security as at 31 March 2014 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 March 2014 of S\$1,581,674,000; and*
  - *The number of issued and issuable Stapled Securities of 977,342,403 (31 December 2013: 975,769,298) (Refer Section 1(e) on page 18 for details).*

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**8 Review of the performance for the quarter ended 31 March 2014**

**8 (i) Breakdown of Total Gross Revenue by Geography**

Footnotes	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %
<b>Singapore</b>									
- Hotels	26,924	26,539	1.5	-	-	-	26,924	26,539	1.5
- Claymore Link (a)	455	1,334	-65.9	-	-	-	455	1,334	-65.9
<b>Maldives</b>									
- Resort with HBT as Master Lessee (b)	1,523	-	N.M	6,869	-	N.M	6,869	-	N.M
- Resort with third party as Master Lessee (c)	1,903	1,235	54.1	-	-	-	1,903	1,235	54.1
<b>Australia</b>	5,038	6,413	-21.4	-	-	-	5,038	6,413	-21.4
<b>New Zealand</b>	2,566	2,414	6.3	-	-	-	2,566	2,414	6.3
<b>Total</b>	<b>38,409</b>	<b>37,935</b>	<b>1.2</b>	<b>6,869</b>	<b>-</b>	<b>N.M</b>	<b>43,755</b>	<b>37,935</b>	<b>15.3</b>

**Footnotes**

(a) The gross revenue and net property income of Claymore Link (formerly known as Orchard Hotel Shopping Arcade) was lower for the quarter ended 31 March 2014 due to closure of the mall for refurbishment, which commenced in December 2013. Rental income and expenses continue to be recorded in 1Q 2014 as the Galleria (which comprise of three tenants) is not part of the mall refurbishment.

(b) Resort with HBT as Master Lessee refers to the lease agreement between H-REIT's indirectly wholly-owned subsidiary and CDL HBT Oceanic Pvt Ltd, HBT's indirect wholly-owned subsidiary. No prior period comparatives are presented by the HBT Group as the Jumeirah Dhevanafushi was only acquired on 31 December 2013.

For H-REIT Group, the gross revenue for the reporting period includes S\$1.5 million (US\$1.2 million) rental income from HBT Group (based on 80% of the gross operating profit of Jumeirah Dhevanafushi, not exceeding US\$6.0 million per annum or US\$1.2 million per quarter (the "threshold")). Any excess rental income above the threshold is expected to be recognised by H-REIT in the second and fourth quarter of the financial year.

For HBT Group, the gross revenue for the reporting period comprises the entire revenue derived from the resort operations of Jumeirah Dhevanafushi.

(c) Resort with third party as Master Lessee refers to lease agreement between H-REIT's indirect wholly-owned subsidiary and Maldives Bay Pvt Ltd, a subsidiary of Banyan Tree Holdings Limited. The gross revenue for the reporting period comprises a minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum). The excess of the income above the minimum rent will only be recognised in the fourth quarter results once the full year performance of Angsana Velavaru is determined.

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

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31 MARCH 2014**

**8 (ii) Breakdown of Net Property Income by Geography**

Footnotes	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %	1 Jan 2014 to 31 Mar 2014 S\$'000	1 Jan 2013 to 31 Mar 2013 S\$'000	Increase/ (Decrease) %
<b>Singapore</b>									
- Hotels	24,648	24,255	1.6	-	-	-	24,648	24,255	1.6
- Claymore Link (a)	188	1,133	-83.4	-	-	-	188	1,133	-83.4
<b>Maldives</b>									
- Resort with HBT as Master Lessee (d), (e)	1,221	-	N.M	221	-	N.M	2,648	-	N.M
- Resort with third party as Master Lessee (e)	1,633	1,068	52.9	-	-	-	1,633	1,068	52.9
<b>Australia</b>	5,038	6,413	-21.4	-	-	-	5,038	6,413	-21.4
<b>New Zealand</b>	2,566	2,414	6.3	-	-	-	2,566	2,414	6.3
<b>Total</b>	35,294	35,283	-	221	-	N.M	36,721	35,283	4.1

**Footnotes**

(d) For HBT Group, the net property income for the reporting period is derived after deducting the resort's operating expenses (S\$3.9 million) and the rental expense of S\$2.7 million accrued to H-REIT. H-REIT Group has only included S\$1.5 million of accrued rent in its gross revenue in 1Q 2014 and the balance of the excess income referred to in Footnote (b) on page 21 on the Announcement is expected to be recognised and distributed in second quarter of 2014.

(e) For H-REIT Group, the net property income is derived after deducting property tax, insurances and other expenses from gross revenue.

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**8 (iii) Review of the Performance**

**First Quarter ended 31 March 2014**

Gross revenue for CDL Hospitality Trusts in 1Q 2014 was S\$43.7 million, an increase of S\$5.8 million or 15.3% over the same period last year. The improvement in the overall gross revenue was mainly attributable to its Maldives resorts. In 1Q 2014, CDL Hospitality Trusts recorded the full hotel revenue of Jumeirah Dhevanafushi (acquired on 31 December 2013) amounting to S\$6.9 million. This was bolstered by a S\$0.7 million revenue boost from Angsana Velavaru due to the recognition of a full quarter's rental revenue contribution in 1Q 2014 as compared to only two months for the same period last year (the resort was acquired on 31 January 2013).

The year-on-year first quarter gross revenue contribution from the Singapore hotels increased by S\$0.4 million. With the return of the biennial Singapore Airshow in February 2014, the revenue per available room ("RevPAR") for the Singapore hotels improved marginally by 0.5% to S\$192 in 1Q 2014 compared to the corresponding period last year. The operating environment in Singapore remains competitive due to continued corporate restraint on travel budgets and the new supply of hotel rooms. The Maldives resorts registered a combined year-on-year RevPAR growth of 10.4%<sup>1</sup> for the three months ended 31 March 2014.

The improvement in gross revenue was however affected by lower contribution from Claymore Link (previously known as Orchard Hotel Shopping Arcade) and the Australia hotels. Claymore Link's revenue fell by S\$0.9 million compared to the same period last year as a substantial part of the mall was closed for asset enhancement works since December last year. The continued weakening of the Australian dollar also led to lower fixed rent contributions from the Australia hotels. On the other hand, the fixed rent contribution from Rendezvous Grand Hotel Auckland was augmented by S\$0.15 million, partially due to the strengthening of the New Zealand dollar. The lower contribution from Australia hotels was also exacerbated by the receipt of lower full year variable income of S\$1.1 million (or A\$1.0 million) from its Australia hotels in 1Q 2014 as compared to S\$2.0 million (A\$ 1.6 million) received the year before. The variable income for FY 2013, which is recognised upon receipt in 1Q 2014, dipped as compared to last year due to the weaker trading performance of its Australia hotels and partial closure of Mercure Brisbane for room refurbishment in the first five months of last year.

Net property income ("NPI") for the reporting quarter of S\$36.7 million exceeded the corresponding quarter last year by S\$1.4 million or 4.1%. However, the year-on-year increase in NPI of 4.1% did not increase in tandem with the 15.3% year-on-year growth in gross revenue. This is mainly attributed to the inclusion of the full quarter's operating expenses of Jumeirah Dhevanafushi in HBT Group and CDL Hospitality Trusts' financial statements. This is necessary as the lease arrangement between H-REIT lessor and HBT lessee is viewed collectively as owner-occupied property under FRS 40.

Net finance costs for the reporting period increased by S\$0.6 million to S\$3.6 million in 1Q 2014. This was mainly due to additional interest expense incurred on borrowings to finance Jumeirah Dhevanafushi and higher funding cost on the Group's long-term US dollar borrowings.

Overall, the total income available for distribution (before deducting income retained for working capital) of S\$29.9 million for 1Q 2014 was S\$0.9 million or 3.0% higher year-on-year. Correspondingly, the income available for distribution per Stapled Security (after deducting the income retained for working capital) of 2.75 cents in 1Q 2014 was higher than the 2.69 cents recorded in the previous corresponding quarter.

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

	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	Increase/(Decline)
Average Occupancy Rate	88.2%	87.0%	1.2pp
Average Daily Rate	S\$218	S\$219	(0.5)%
RevPAR	S\$192	S\$191	0.5%

<sup>1</sup> The year-on-year comparison assumes that H-REIT, through its indirect wholly-owned subsidiaries, Sanctuary Sands Maldives Private Limited and CDLHT Oceanic Maldives Pvt Ltd, owns Angsana Velavaru and Jumeirah Dhevanafushi respectively for the quarter ended 31 March 2013.

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

No forecast has been disclosed.

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

An approximate 2,500 new rooms will open in 2014, compared to the 3,357 new rooms<sup>1</sup> in 2013. An estimated 500 rooms have opened to date<sup>2</sup>. The new rooms supply entering the market is likely to perpetuate the competitive environment as the market seeks to absorb the additional rooms while companies continue to remain cautious about corporate travel expenditure. In the first 23 days of April 2014, the RevPAR for Singapore Hotels declined by 1.2% compared to a year ago, largely due to the Easter holidays falling in April this year compared to March last year.

According to the Singapore Tourism Board (STB), international visitor arrivals grew 7.4% year-on-year to 15.6 million for January to December of 2013. Tourism receipts remained fairly stable at S\$23.5 billion, growing slightly from S\$23.1 billion the year before. STB has forecast visitor arrivals to be between 16.3 million to 16.8 million for 2014.

As part of STB's pursuit of Quality Tourism to help boost tourism numbers and increase spending from each tourist, it has set aside S\$15 million under a new Association Development Fund to build capabilities and improve productivity amid challenges on the domestic labour front and competitive tourism offerings from regional countries. The tourism-related industry and precinct associations representing popular tourist belts like Orchard Road and Chinatown<sup>3</sup> are expected to benefit from this initiative.

The business travel and meetings, incentives, conventions and exhibitions (MICE) industry is another key area of development for the STB. More corporate and sporting events are expected to be held in Singapore this year compared to 2013, which include the return of biennial events such as Food & Hotel Asia in April. Expected to augment the city's MICE infrastructure is the opening of the Singapore Sports Hub in June 2014, which will be the venue for new annual events such as World Club 10s Rugby in June and Women's Tennis Association Championships in October. A host of quality events complemented by world-class attractions and facilities such as Gardens by the Bay, Marine Life Park, River Safari and Marina Bay Cruise Centre Singapore will provide business travellers with ample leisure options while on business visits.

The slower pace of the Australian economy and lower activity levels in the mining sector may continue to affect the performance of the Australia Hotels but its effect will be mitigated by the defensive structure, which provides CDLHT with largely fixed rent. The performance of the Australian dollar is also a determinant of our rental receipts in the Singapore dollar. Looking ahead, Australia is playing host to the Group of Twenty (G20) Leaders Summit this year, which is expected to benefit hotels in Brisbane in the lead up to the summit in November.

Maldives continued to register strong visitor arrivals growth of 11.6% for the first two months of 2014 compared to the same period last year. CDLHT is expected to benefit from growing Asian affluence, underpinned by the growth in Chinese outbound travel, from its exposure to the Maldives tourism market through its two Maldives assets acquired in 2013.

Asset enhancement works at Claymore Link, excluding the Galleria, are currently underway and scheduled for completion end-2014. During this time, there will be no income contribution from this asset apart from rental income received from the three tenants at the Galleria.

With a healthy gearing of 29.9% and ample debt headroom as at 31 March 2014, CDLHT will continue to focus on sourcing for suitable acquisition opportunities in the hospitality sector in the next 12 months.

<sup>1</sup> Singapore Tourism Board, "Tourism Sector Performance 2013", 24 April 2014

<sup>2</sup> Jones Lang LaSalle, "Market Review of Singapore Hotel Property Sector", 1 March 2014

<sup>3</sup> TODAY, "Associations for popular tourist spots get S\$15m boost", 8 April 2014



**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**11 Distributions**

**11 (a) Current financial period**

Any distributions declared for the current financial period?

No

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

Any distributions declared for the corresponding period of the immediately preceding financial period?

No

**11 (c) Book closure date**

Not applicable

**11 (d) Date payable**

Not applicable

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

Not applicable

**13 General mandate relating to Interested Person Transactions**

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

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**14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the quarter ended 31 March 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

25 April 2014

**Disclaimer**

*This release 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, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*

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)

25 April 2014

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)

25 April 2014



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

25 April 2014

Dear Sirs

## **CDL Hospitality Real Estate Investment Trust Group and CDL Hospitality Trusts Review of Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts for the quarter ended 31 March 2014. CDL Hospitality Trusts comprise the H-REIT Group and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:-

- Statements of Financial Position of H-REIT Group and CDL Hospitality Trusts as at 31 March 2014;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 31 March 2014;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 March 2014;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the period ended 31 March 2014;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the period ended 31 March 2014; and
- Certain explanatory notes to the above Interim Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 (2012) *Reporting Framework for Unit Trusts* and relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***Scope of review***

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

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not presented, in all material respects, in accordance with the recommendations of RAP 7 (2012) *Reporting Framework for Unit Trusts* issued by the ISCA.

***Restriction on use***

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

Yours faithfully

*KPMG LLP*

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

Singapore