



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT
AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

TABLE OF CONTENTS

	Page
INTRODUCTION	
SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS	1
1(a) STATEMENTS OF TOTAL RETURN AND STATEMENTS OF COMPREHENSIVE INCOME	2 - 9
1(b)(i) STATEMENTS OF FINANCIAL POSITION	10 - 11
1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES	12 - 14
1(c) STATEMENTS OF CASH FLOWS	15 - 17
1(d) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS	18 - 22
1(e) DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES	23
2 AUDIT STATEMENT	23
3 AUDITORS' REPORT	23
4 ACCOUNTING POLICIES	24
5 CHANGES IN ACCOUNTING POLICIES	24
6 EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY	25
7 NET ASSET VALUE/NET TANGIBLE ASSET PER STAPLED SECURITY	26
8 REVIEW OF PERFORMANCE	27 - 34
9 VARIANCE BETWEEN FORECAST OR PROSPECTUS STATEMENT AND ACTUAL RESULTS	34
10 OUTLOOK AND PROSPECTS	35 - 36
11 DISTRIBUTIONS	37 - 39
12 DISTRIBUTION STATEMENT	39
13 GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS	39
14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL	39
15 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL	39



CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

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INTRODUCTION

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.8 billion. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust (collectively the “Group”). CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 30 June 2019, CDLHT owns 16 hotels and two resorts comprising a total of 5,088 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) three hotels in Brisbane and Perth, Australia comprising Novotel Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”);
- (iii) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- (iv) one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland (the “**New Zealand Hotel**”);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) (the “**UK Hotels**”);
- (vi) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich (the “**Germany Hotel**”);
- (vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Florence, MGallery by Sofitel (the “**Italy Hotel**”); and
- (viii) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo (previously known as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels) (collectively, the “**Maldives Resorts**”).

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

HBT Group owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of H-REIT Group’s Japan Hotels and Raffles Maldives Meradhoo. It will continue its function as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

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

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

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AND SIX MONTHS ENDED 30 JUNE 2019**

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Apr 2019 to 30 Jun 2019 ("2Q 2019") S\$'000	1 Apr 2018 to 30 Jun 2018 ("2Q 2018") S\$'000	Increase/ (Decrease) %	1 Jan 2019 to 30 Jun 2019 ("1H 2019") S\$'000	1 Jan 2018 to 30 Jun 2018 ("1H 2018") S\$'000	Increase/ (Decrease) %
Revenue	47,451	47,713	(0.5)	93,767	99,508	(5.8)
Net property income	33,759	33,598	0.5	67,529	71,416	(5.4)
Total return	12,285	17,262	(28.8)	30,562	45,293	(32.5)
Income available for distribution to Stapled Securityholders (before retention)	23,296	25,065	(7.1)	47,429	53,273	(11.0)
Less:						
Income retained for working capital	(2,330)	(2,506)	(7.0)	(4,743)	(5,327)	(11.0)
Income to be distributed to Stapled Securityholders (after retention)	20,966	22,559	(7.1)	42,686	47,946	(11.0)
Capital distribution ¹	4,134	3,224	28.2	7,698	3,899	97.4
Total distribution to Stapled Securityholders (after retention)	25,100	25,783	(2.6)	50,384	51,845	(2.8)
Total distribution per Stapled Security (before retention)² (cents)						
For the period	2.26	2.35	(3.8)	4.55	4.75	(4.2)
Total distribution per Stapled Security (after retention)² (cents)						
For the period	2.07	2.14	(3.3)	4.16	4.31	(3.5)

¹ Includes partial distribution of proceeds from the sale of Mercure and Ibis Brisbane amounting to S\$1.3 million for 2Q 2019 (2Q 2018: S\$1.9 million) and S\$3.6 million for 1H 2019 (1H 2018: S\$2.6 million).

² This includes capital distribution.

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %
	Revenue								
	35,697	35,088	1.7	-	-	-	33,683	32,797	2.7
	-	-	-	13,768	14,916	(7.7)	13,768	14,916	(7.7)
(a)	35,697	35,088	1.7	13,768	14,916	(7.7)	47,451	47,713	(0.5)
	Property expenses								
	-	-	-	(2,881)	(3,091)	(6.8)	(2,881)	(3,091)	(6.8)
(c)	-	-	-	(4,319)	(3,861)	11.9	(4,319)	(3,861)	11.9
(d)	-	-	-	(994)	(2,461)	(59.6)	(5)	(170)	(97.1)
(e)	(1,667)	(1,949)	(14.5)	(594)	(568)	4.6	(2,261)	(2,517)	(10.2)
(f)	(1,062)	(1,398)	(24.0)	(3,164)	(3,078)	2.8	(4,226)	(4,476)	(5.6)
	(2,729)	(3,347)	(18.5)	(11,952)	(13,059)	(8.5)	(13,692)	(14,115)	(3.0)
	Net property income								
	32,968	31,741	3.9	1,816	1,857	(2.2)	33,759	33,598	0.5
	(3,185)	(3,041)	4.7	-	-	-	(3,185)	(3,041)	4.7
	(97)	(86)	12.8	-	-	-	(97)	(86)	12.8
(g)	-	-	-	(139)	(95)	46.3	(139)	(95)	46.3
	-	-	-	(56)	(58)	(3.4)	(56)	(58)	(3.4)
	(49)	(32)	53.1	(10)	(11)	(9.1)	(59)	(43)	37.2
(h)	(386)	(531)	(27.3)	(2,436)	(1,667)	46.1	(2,919)	(2,930)	(0.4)
(i)	(1,537)	(843)	82.3	(278)	(511)	(45.6)	(1,815)	(1,354)	34.0
	3,487	5,838	(40.3)	477	473	0.8	319	5,909	(94.6)
	(8,335)	(9,473)	(12.0)	(1,456)	(713)	N.M	(9,317)	(12,980)	(28.2)
(l)	(4,848)	(3,635)	33.4	(979)	(240)	N.M	(8,998)	(7,071)	27.3
	Total return/(Net loss) before tax								
	22,866	23,573	(3.0)	(2,082)	(725)	N.M	16,491	18,920	(12.8)
(m)	(3,803)	(438)	N.M	(403)	(1,220)	(67.0)	(4,206)	(1,658)	N.M
(n)	19,063	23,135	(17.6)	(2,485)	(1,945)	27.8	12,285	17,262	(28.8)
	Attributable to:								
	18,912	23,081	(18.1)	(2,485)	(1,945)	27.8	12,134	17,208	(29.5)
(k)	151	54	N.M	-	-	-	151	54	N.M
	Total return/(Net loss)								
	19,063	23,135	(17.6)	(2,485)	(1,945)	27.8	12,285	17,262	(28.8)

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %
	Revenue								
	72,922	73,749	(1.1)	-	-	-	68,713	69,225	(0.7)
	-	-	-	25,054	30,283	(17.3)	25,054	30,283	(17.3)
(a)	72,922	73,749	(1.1)	25,054	30,283	(17.3)	93,767	99,508	(5.8)
	Property expenses								
	-	-	-	(5,338)	(6,506)	(18.0)	(5,338)	(6,506)	(18.0)
(c)	-	-	-	(8,402)	(7,669)	9.6	(8,402)	(7,669)	9.6
(d)	-	-	-	(2,192)	(4,848)	(54.8)	(24)	(324)	(92.6)
(e)	(3,122)	(3,895)	(19.8)	(1,192)	(1,193)	(0.1)	(4,314)	(5,088)	(15.2)
(f)	(2,173)	(2,569)	(15.4)	(5,987)	(5,936)	0.9	(8,160)	(8,505)	(4.1)
	(5,295)	(6,464)	(18.1)	(23,111)	(26,152)	(11.6)	(26,238)	(28,092)	(6.6)
	67,627	67,285	0.5	1,943	4,131	(53.0)	67,529	71,416	(5.4)
	(6,469)	(6,329)	2.2	-	-	-	(6,469)	(6,329)	2.2
	(195)	(157)	24.2	-	-	-	(195)	(157)	24.2
(g)	-	-	-	(280)	(95)	N.M	(280)	(95)	N.M
	-	-	-	(112)	(116)	(3.4)	(112)	(116)	(3.4)
	(102)	(77)	32.5	(21)	(10)	N.M	(123)	(87)	41.4
(h)	(933)	(1,054)	(11.5)	(4,891)	(3,325)	47.1	(6,002)	(5,821)	3.1
(i)	(2,755)	(1,619)	70.2	(534)	(860)	(37.9)	(3,289)	(2,479)	32.7
	962	2,914	(67.0)	202	51	N.M	706	2,965	(76.2)
	(12,812)	(15,094)	(15.1)	(2,876)	(1,441)	99.6	(15,387)	(16,300)	(5.6)
(l)	(11,850)	(12,180)	(2.7)	(2,674)	(1,390)	92.4	(14,681)	(13,335)	10.1
	45,323	45,869	(1.2)	(6,569)	(1,665)	N.M	36,378	42,997	(15.4)
(j)	-	5,367	N.M	-	-	-	-	5,367	N.M
	45,323	51,236	(11.5)	(6,569)	(1,665)	N.M	36,378	48,364	(24.8)
(m)	(5,134)	(1,489)	N.M	(682)	(1,582)	(56.9)	(5,816)	(3,071)	89.4
(n)	40,189	49,747	(19.2)	(7,251)	(3,247)	N.M	30,562	45,293	(32.5)
	Attributable to:								
	39,737	49,672	(20.0)	(7,251)	(3,247)	N.M	30,110	45,218	(33.4)
(k)	452	75	N.M	-	-	-	452	75	N.M
	40,189	49,747	(19.2)	(7,251)	(3,247)	N.M	30,562	45,293	(32.5)

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

	HBT Group			HBT Group		
	2Q 2019	2Q 2018	Increase/ (Decrease)	1H 2019	1H 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net loss for the period	(2,485)	(1,945)	27.8	(7,251)	(3,247)	N.M
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Tax effect on revaluation surplus on property, plant and equipment	10	10	-	(10)	(616)	(98.4)
	10	10	-	(10)	(616)	(98.4)
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(3,350)	(2,979)	12.5	(1,091)	223	N.M
- hedge of net investment in a foreign operation	2,862	2,399	19.3	1,085	(176)	N.M
- monetary items forming part of net investment in a foreign operation	(3,371)	(2,825)	19.3	(1,277)	207	N.M
	(3,859)	(3,405)	13.3	(1,283)	254	N.M
Other comprehensive income for the period, net of tax	(3,849)	(3,395)	13.4	(1,293)	(362)	N.M
Total comprehensive income for the period	(6,334)	(5,340)	18.6	(8,544)	(3,609)	N.M

Footnotes

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 27 to 28 of the Announcement.
- (b) The decrease in revenue and property expenses for HBT Group in 2Q 2019 and 1H 2019 is mainly attributed to the ongoing rebranding works at Raffles Maldives Meradhoo.
- (c) The employee benefit expenses for Raffles Maldives Meradhoo has increased in 2Q 2019 and 1H 2019 due to the hiring of staff in preparation for the resort's phased opening in the later half of 2019. In comparison, these expenses were lower in 2Q 2018 as the resort was in the midst of winding down for its rebranding works in second half of 2018.
- (d) Rental expenses for HBT Group and CDLHT have decreased in 2Q 2019 and 1H 2019 as compared to the corresponding period last year as the Group has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with a depreciation charge on right-of-use ("ROU") assets and interest expense on lease liabilities. Please refer to Section 5, page 24 of the Announcement for more details.
- (e) The decrease in property taxes in 2Q 2019 and 1H 2019 is mainly attributed to tax savings from the Singapore properties following the finalisation of prior year assessments.
- (f) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. In 2Q 2019 and 1H 2019, CDLHT's expenses have decreased year-on-year ("yoy") primarily due to H-REIT Group's adoption of FRS 116/SFRS(I) 16 in relation to its lease of the units at Waterfront Conference Centre.
- Included in other property expenses for 2Q 2019 and 1H 2019 is an impairment loss of S\$82K relating to the rental receivables of Claymore Connect. Conversely, the retail mall recognised a write-back of prior year impairment loss of S\$86K in 1H 2018.
- (g) The increase in HBT Trustee-Manager's management fees is attributed to the alignment of its fee structure to H-REIT Manager which was approved by Stapled Securityholders through an Extraordinary General Meeting held on 27 April 2018. With effect from 1 May 2018, HBT Trustee-Manager's management fees comprises a base fee of 0.25% per annum of the value of HBT's deposited property and a performance fee of 5.0% per annum of HBT's net property income.

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(h) *The depreciation and amortisation for CDLHT mainly relate to property, plant and equipment of the Japan and UK Hotels and Raffles Maldives Meradhoo.*

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment ⁽ⁱ⁾	386	531	2,436	1,667	2,919	2,858
Amortisation of prepaid land lease	-	-	-	-	-	72
	386	531	2,436	1,667	2,919	2,930

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment ⁽ⁱ⁾	933	1,054	4,891	3,325	6,002	5,679
Amortisation of prepaid land lease	-	-	-	-	-	142
	933	1,054	4,891	3,325	6,002	5,821

(i) *Included in depreciation is depreciation charge on ROU assets relating to property, plant and equipment. CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets and interest expense on lease liabilities. Please refer to Section 5, page 24 of the Announcement for more details.*

(i) *Other trust expenses comprise mainly professional fees and administrative expenses. CDLHT incurred higher fees and administrative expenses in 2Q 2019 and 1H 2019 partly due to the inclusion of Hotel Cerretani Florence (acquired on 27 November 2018).*

(j) *On 22 December 2017, CDLHT entered into a sale and purchase agreement to sell Mercure Brisbane and Ibis Brisbane in Australia for a total consideration of A\$77.0 million. The sale was completed on 11 January 2018 and CDLHT recognised a gain on disposal of S\$5.4 million in 1H 2018. There was no such disposal in 1H 2019.*

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

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(l) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	254	404	(37.1)	575	654	(12.1)
Interest income from finance lease ^(v)	64	-	N.M	130	-	N.M
Fair value gain on derivatives ⁽ⁱ⁾	-	5,434	N.M	-	2,260	N.M
Exchange gain	3,169	-	N.M	257	-	N.M
Finance income	3,487	5,838	(40.3)	962	2,914	(67.0)
Exchange loss	-	(4,772)	N.M	-	(6,167)	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,238)	(4,345)	20.6	(10,397)	(8,229)	26.3
Interest expense on lease liabilities ^(v)	(358)	-	N.M	(716)	-	N.M
Fair value loss on derivatives ⁽ⁱ⁾	(2,369)	-	N.M	(948)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(312)	(301)	3.7	(635)	(587)	8.2
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(58)	(55)	5.5	(116)	(111)	4.5
Finance costs	(8,335)	(9,473)	(12.0)	(12,812)	(15,094)	(15.1)
Net finance costs	(4,848)	(3,635)	33.4	(11,850)	(12,180)	(2.7)

	HBT Group			HBT Group		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %
Fair value gain on derivatives ⁽ⁱ⁾	-	71	N.M	-	51	N.M
Exchange gain	477	402	18.7	202	-	N.M
Finance income	477	473	0.8	202	51	N.M
Exchange loss	-	-	-	-	(22)	N.M
Interest paid/payable to banks	(650)	(675)	(3.7)	(1,294)	(1,343)	(3.6)
Interest expense on lease liabilities ^(v)	(733)	-	N.M	(1,469)	-	N.M
Fair value loss on derivatives ⁽ⁱ⁾	(35)	-	N.M	(37)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(38)	(38)	-	(76)	(76)	-
Finance costs	(1,456)	(713)	N.M	(2,876)	(1,441)	99.6
Net finance costs	(979)	(240)	N.M	(2,674)	(1,390)	92.4

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	1H 2019 S\$'000	1H 2018 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	255	404	(36.9)	576	654	(11.9)
Interest income from finance lease ^(v)	64	-	N.M	130	-	N.M
Fair value gain on derivatives ⁽ⁱ⁾	-	5,505	N.M	-	2,311	N.M
Finance income	319	5,909	(94.6)	706	2,965	(76.2)
Exchange loss ⁽ⁱⁱ⁾	(171)	(7,566)	(97.7)	(989)	(5,954)	(83.4)
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,887)	(5,020)	17.3	(11,690)	(9,572)	22.1
Interest expense on lease liabilities ^(v)	(447)	-	N.M	(896)	-	N.M
Fair value loss on derivatives ⁽ⁱ⁾	(2,404)	-	N.M	(985)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(350)	(339)	3.2	(711)	(663)	7.2
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(58)	(55)	5.5	(116)	(111)	4.5
Finance costs	(9,317)	(12,980)	(28.2)	(15,387)	(16,300)	(5.6)
Net finance costs	(8,998)	(7,071)	27.3	(14,681)	(13,335)	10.1

- (i) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT's and HBT's income from overseas as well as a EUR/USD cross-currency interest rate swap contract entered into by H-REIT to partially hedge its interest cost.
- (ii) The exchange loss of CDLHT for 2Q 2019 and 1H 2019 mainly arose from the depreciation of Australian dollar (“AUD”) receivables and cash balances against SGD. During the comparative period in 2Q 2018, the exchange loss arose mainly from the translation losses from the group's United States dollar (“USD”) denominated bank loans as well as the depreciation of AUD.
- (iii) The interest paid/payable to banks for 2Q 2019 and 1H 2019 were higher yoy mainly due to interest incurred on new loans drawdown in FY 2018 for the acquisition of Hotel Cerretani Florence on 27 November 2018 and the rebranding enhancement works of Raffles Maldives Meradhoo as well as higher funding cost on its floating rate loans.
- (iv) The amortisation costs in 2Q 2019 and 1H 2019 relate to the amortisation of transaction costs arising from CDLHT's borrowings.
- (v) CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets related to property, plant and equipment and interest expense on lease liabilities. Additionally, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease, resulting in an interest income from finance lease. Please refer to Section 5, page 24 of the Announcement for more details.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2019 S\$’000	2Q 2018 S\$’000	2Q 2019 S\$’000	2Q 2018 S\$’000	2Q 2019 S\$’000	2Q 2018 S\$’000
Corporate income tax ⁽ⁱ⁾	(3,595)	(889)	(241)	(292)	(3,836)	(1,181)
Deferred tax	(27)	(188)	68	(650)	41	(838)
Withholding tax	(136)	(40)	(230)	(278)	(366)	(318)
(Under)/Overprovision in respect of prior year tax	(45)	679	-	-	(45)	679
	(3,803)	(438)	(403)	(1,220)	(4,206)	(1,658)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2019 S\$’000	1H 2018 S\$’000	1H 2019 S\$’000	1H 2018 S\$’000	1H 2019 S\$’000	1H 2018 S\$’000
Corporate income tax ⁽ⁱ⁾	(4,802)	(1,865)	(326)	(274)	(5,128)	(2,139)
Deferred tax	(212)	(263)	138	(828)	(74)	(1,091)
Withholding tax	(136)	(40)	(494)	(480)	(630)	(520)
Overprovision in respect of prior year tax	16	679	-	-	16	679
	(5,134)	(1,489)	(682)	(1,582)	(5,816)	(3,071)

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

(n) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2019 S\$’000	2Q 2018 S\$’000	1H 2019 S\$’000	1H 2018 S\$’000
H-REIT	18,815	19,446	38,506	44,135
Other H-REIT group entities (including consolidation adjustments)	248	3,689	1,683	5,612
HBT	(991)	472	(443)	1,220
Other HBT group entities (including consolidation adjustments)	(1,494)	(2,417)	(6,808)	(4,467)
CDL Hospitality Trusts’ consolidation adjustments	(4,293)	(3,928)	(2,376)	(1,207)
	12,285	17,262	30,562	45,293

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2019 S\$'000	2Q 2018 S\$'000	1H 2019 S\$'000	1H 2018 S\$'000
Total return of H-REIT	18,815	19,446	38,506	44,135
Total comprehensive income of HBT	(991)	472	(443)	1,220
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	306	304	624	593
- Income in relation to gain on disposal of investment properties	-	-	-	(7,567)
- Fair value loss/(gain) on financial derivatives	2,369	(5,434)	948	(2,260)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	58	55	116	111
- Exchange (gain)/loss	(739)	7,340	1,145	11,107
- H-REIT Manager's fees paid/payable in Stapled Securities	2,549	2,433	5,176	5,063
- H-REIT Trustee's fees	97	86	195	157
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	111	76	224	76
- HBT Trustee-Manager's trustee fees	56	58	112	116
- Other items	665	229	826	522
Income available for distribution to Stapled Securityholders (before retention)	23,296	25,065	47,429	53,273
Less :				
Income retained for working capital	(2,330)	(2,506)	(4,743)	(5,327)
Income to be distributed to Stapled Securityholders (after retention)	20,966	22,559	42,686	47,946
Capital distribution ⁽ⁱⁱ⁾	4,134	3,224	7,698	3,899
Total distribution to Stapled Securityholders (after retention)	25,100	25,783	50,384	51,845
Comprising :				
- Taxable income	15,340	17,072	32,104	36,011
- Tax exempt income	5,626	5,487	10,582	11,935
- Capital distribution	4,134	3,224	7,698	3,899
	25,100	25,783	50,384	51,845

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

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

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

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

	Footnote	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts	
		30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,512,778	2,497,456	-	-	2,437,130	2,428,921
Property, plant and equipment	(c)	84,730	84,186	242,108	202,316	363,958	348,183
Prepaid land lease	(c)	-	-	-	-	-	6,853
Deferred tax assets		510	606	-	-	510	606
Finance lease receivables	(d)	5,144	-	-	-	5,144	-
Financial derivative assets	(e)	3,057	3,960	-	-	3,057	3,960
Other receivables		149	149	-	-	149	149
		2,606,368	2,586,357	242,108	202,316	2,809,948	2,788,672
Current assets							
Inventories		-	-	1,249	889	1,249	889
Trade and other receivables		48,219	39,791	13,686	11,241	35,471	32,828
Finance lease receivables	(d)	726	-	-	-	726	-
Financial derivative assets	(e)	72	124	34	70	106	195
Cash and cash equivalents		116,819	127,077	8,196	12,506	125,015	139,583
		165,836	166,992	23,165	24,706	162,567	173,495
Total assets		2,772,204	2,753,349	265,273	227,022	2,972,515	2,962,167
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(f)	727,271	669,275	92,193	93,418	819,464	762,693
Lease liabilities	(g)	22,150	-	43,424	-	29,547	-
Rental deposits	(h)	9,647	9,530	-	-	9,647	9,530
Other payables	(j)	733	713	-	-	733	713
Deferred tax liabilities	(i)	16,225	16,262	15,029	15,367	31,255	31,629
		776,026	695,780	150,646	108,785	890,646	804,565
Current liabilities							
Loans and borrowings	(f)	210,682	248,675	-	-	210,682	248,675
Lease liabilities	(g)	920	-	1,754	-	1,099	-
Trade and other payables	(j)	28,382	35,152	33,059	24,811	35,005	41,758
Financial derivative liabilities	(e)	31	37	-	-	31	37
Provision for taxation	(k)	12,400	11,237	165	573	12,566	11,810
		252,415	295,101	34,978	25,384	259,383	302,280
Total liabilities		1,028,441	990,881	185,624	134,169	1,150,029	1,106,845
Net assets		1,743,763	1,762,468	79,649	92,853	1,822,486	1,855,322
Represented by:							
Unitholders' funds		1,735,938	1,754,809	79,649	92,853	1,814,661	1,847,663
Non-controlling interests	(l)	7,825	7,659	-	-	7,825	7,659
		1,743,763	1,762,468	79,649	92,853	1,822,486	1,855,322

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

Footnotes

- (a) *The Statement of Financial Position of HBT Group comprises the resort operations of Raffles Maldives Meradhoo, the Japan Hotels and the UK Hotels.*
- (b) *The increase in investment properties as at the reporting date was mainly attributed to the recognition of ROU assets (S\$9.3 million) arising from the adoption of FRS116/SFRS(I) 16 from 1 January 2019 in relation to the Group’s operating leases that qualify as investment properties. Please refer to Section 5, page 24 of the Announcement for more details.*
- Excluding this, the slight decrease in investment properties at CDLHT was mainly attributed to a net translation loss of S\$12.3 million relating to its overseas properties, offset by additional capital expenditure of S\$11.2 million.*
- (c) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the UK Hotels respectively.*
- The property, plant and equipment at CDLHT comprise the Japan Hotels, Raffles Maldives Meradhoo and the UK Hotels. For Raffles Maldives Meradhoo, the property is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT’s indirect wholly-owned subsidiary. As these properties are considered property held for use as owner-occupied properties, they are classified as property, plant and equipment instead of investment property in CDLHT’s financial statements.*
- CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, operating leases that qualify as ROU assets relating to property, plant and equipment has been recognised on CDLHT’s balance sheet and prepaid land lease has been reclassified to property, plant and equipment. Please refer to Section 5, page 24 of the Announcement for more details.*
- The increase in property, plant and equipment at CDLHT is mainly due to the recognition of ROU assets related to property, plant and equipment of S\$22.7 million (as described above) and net additions of S\$1.5 million, offset by a net translation loss of S\$2.4 million and depreciation expenses of S\$6.0 million for the period.*
- (d) *Under FRS 116/SFRS(I) 16 Leases, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease. Please refer to Section 5, page 24 of the Announcement for more details.*
- (e) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts and cross-currency interest rate swap.*
- (f) *Loans and borrowings of CDLHT of S\$1.03 billion (as at 31 December 2018: S\$1.01 billion), which are measured at amortised cost, comprise JPY3.1 billion (S\$39.1 million) TMK bond and S\$994.6 million bank borrowings, as explained under Section 1(b)(ii) on pages 12 to 14 of the Announcement.*
- The net current liabilities position for CDLHT as at 30 June 2019 was mainly attributed to borrowings falling due within one year. Notwithstanding the net current liabilities position, CDLHT has an established S\$1.0 billion Multi-currency Medium Term Note Programme which remains fully available to refinance its borrowings and to meet its current obligations as and when they fall due.*
- (g) *The lease liabilities represent CDLHT’s obligation to make lease payments in relation to the ROU assets recognised in accordance to FRS 116/SFRS(I) 16 which was effective on 1 January 2019. Please refer to Section 5, page 24 of the Announcement for more details.*
- (h) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*
- (i) *The deferred tax liabilities relate to the Australia, UK and Japan properties.*
- (j) *Trade and other payables for the Group relates mainly to payables for operational and trust expenses. Included in HBT Group’s payables are amounts owing to suppliers in respect of the rebranding works on Raffles Maldives Meradhoo.*
- (k) *Provision for taxation has increased mainly due to tax provisions arising from the Group’s overseas properties.*
- (l) *Non-controlling interests relate to the interests owned by the minority shareholder in relation to the Pullman Hotel Munich and the Hotel Cerretani Florence, MGallery by Sofitel (acquired on 27 November 2018).*

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000
Amount repayable after one year						
Secured borrowings	67,762	68,737	-	-	67,762	68,737
Secured TMK bond	39,091	38,471	-	-	39,091	38,471
Unsecured borrowings	623,367	564,357	92,718	94,019	716,085	658,376
	730,220	671,565	92,718	94,019	822,938	765,584
Amount repayable within one year						
Unsecured borrowings	210,727	248,830	-	-	210,727	248,830
	210,727	248,830	-	-	210,727	248,830
Total borrowings^(a)	940,947	920,395	92,718	94,019	1,033,665	1,014,414

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

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

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

Details of borrowings

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

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		30 Jun 2019			30 Jun 2019			30 Jun 2019		
Currency	Type	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000
JPY	TMK bond (¥3.1 billion)	39,091	39,091	-	-	-	-	39,091	39,091	-
JPY	5-year term loan (¥3.27 billion)	41,235	41,235	-	-	-	-	41,235	41,235	-
SGD	Medium term note	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan ⁽ⁱⁱ⁾	300,000	52,658	247,342	200,000	-	200,000	500,000	52,658	447,342
SGD	3 to 3.25-year revolving credit (committed) ⁽ⁱ⁾	250,000	161,163	88,837	-	-	-	250,000	161,163	88,837
SGD	5-year term loans	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US\$141.2 million)	191,257	191,257	-	-	-	-	191,257	191,257	-
EUR	7-year term loan (€44.0 million)	67,762	67,762	-	-	-	-	67,762	67,762	-
GBP	5-year term loans (£120.5 million)	114,181	114,181	-	92,718	92,718	-	206,899	206,899	-
		2,277,126	940,947	1,336,179	292,718	92,718	200,000	2,569,844	1,033,665	1,536,179

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

- (i) During the reporting period, the previous 3-year S\$100 million revolving credit facility (“RCF”) matured and H-REIT refinanced it with a fresh 3-year RCF committed facility.
- (ii) This Bridge Loan Facility was refinanced subsequent to the reporting quarter. For further details, please see Section 1(b)(ii) on page 14 of the Announcement.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$39.1 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“TMK”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

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

Secured borrowing

The secured bank loan relates to a 7-year fixed rate loan of S\$67.8 million (€44.0 million) drawn down by H-REIT’s indirectly-owned subsidiary, NKS Hospitality I B.V..

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

Unsecured medium term note

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

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

Unsecured bridge loan

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

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

As at 30 June 2019, an amount of S\$52.7 million (€34.2 million) has been drawn down by H-REIT to partially fund the acquisition of an interest of 95% in Hotel Cerretani Florence on 27 November 2018. Subsequent to the reporting quarter, the bridge loan of S\$52.7 million was refinanced with a fresh 5-year fixed rate unsecured term loan via a EUR/USD cross currency interest rate swap.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2019	2Q 2018	2Q 2019	2Q 2018	2Q 2019	2Q 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(Net loss) before tax	22,866	23,573	(2,082)	(725)	16,491	18,920
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,549	2,433	111	76	2,660	2,509
Depreciation of property, plant and equipment	386	531	2,436	1,667	2,919	2,858
Amortisation of prepaid land lease	-	-	-	-	-	72
Impairment loss/(Reversal of impairment loss) on trade receivables	82	-	(29)	92	53	92
Net finance costs	4,848	3,635	979	240	8,998	7,071
Operating income before working capital changes	30,731	30,172	1,415	1,350	31,121	31,522
Changes in working capital:						
Inventories	-	-	27	77	27	77
Trade and other receivables	(3,057)	(6,437)	(1,037)	(1,604)	612	(6,918)
Trade and other payables	(4,865)	(9,088)	5,205	3,521	(5,384)	(6,673)
Cash generated from operating activities	22,809	14,647	5,610	3,344	26,376	18,008
Income tax paid	(372)	(405)	(628)	(428)	(1,000)	(833)
Net cash generated from operating activities	22,437	14,242	4,982	2,916	25,376	17,175
Investing activities						
Acquisition of subsidiaries, net of cash acquired	-	(800)	-	-	-	(800)
Capital expenditure on investment properties	(6,001)	(3,076)	-	-	(6,001)	(3,060)
Additions to property, plant and equipment	(21)	(125)	(981)	(906)	(1,002)	(1,063)
Proceeds from disposal of investment properties (net)	-	(407)	-	-	-	(407)
Receipt of finance lease receivable	335	-	-	-	335	-
Interest received	404	325	-	-	404	325
Cash used in investing activities	(5,283)	(4,083)	(981)	(906)	(6,264)	(5,005)
Financing activities						
Payment of transaction costs related to rights issue	-	(30)	-	-	-	(30)
Proceeds from bank loans	4,084	190,550	-	-	4,084	190,550
Repayment of bank loans	-	(187,353)	-	-	-	(187,353)
Payment of transaction costs related to bank loans	(25)	(848)	-	-	(25)	(848)
Payment of lease liabilities	(427)	-	(840)	-	(515)	-
Finance costs paid	(5,395)	(3,994)	(2,124)	(673)	(6,230)	(4,667)
Distribution to non-controlling interests	(67)	(30)	-	-	(67)	(30)
Return of capital to non-controlling interests	(25)	-	-	-	(25)	-
Movement in restricted cash	(403)	(335)	-	-	(403)	(335)
Cash used in financing activities	(2,258)	(2,040)	(2,964)	(673)	(3,181)	(2,713)
Net increase in cash and cash equivalents	14,896	8,119	1,037	1,337	15,931	9,457
Cash and cash equivalents at beginning of the period	101,676	125,230	7,436	13,578	109,112	138,808
Effect of exchange rate changes on cash and cash equivalents	(1,155)	235	(277)	(221)	(1,430)	13
Cash and cash equivalents at end of the period	115,417	133,584	8,196	14,694	123,613	148,278

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		1H 2019 S\$'000	1H 2018 S\$'000	1H 2019 S\$'000	1H 2018 S\$'000	1H 2019 S\$'000	1H 2018 S\$'000
Operating activities							
Net income/(Net loss) before tax		45,323	51,236	(6,569)	(1,665)	36,378	48,364
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	5,176	5,063	224	76	5,400	5,139
Depreciation of property, plant and equipment		933	1,054	4,891	3,325	6,002	5,679
Amortisation of prepaid land lease		-	-	-	-	-	142
Impairment loss/(Reversal of impairment loss) on trade receivables		82	(86)	(19)	78	63	(9)
Gain on disposal of investment properties and related cessation of business of foreign operations		-	(5,367)	-	-	-	(5,367)
Net finance costs		11,850	12,180	2,674	1,390	14,681	13,335
Operating income before working capital changes		63,364	64,080	1,201	3,204	62,524	67,283
Changes in working capital:							
Inventories		-	-	(371)	216	(371)	216
Trade and other receivables		(9,089)	(10,488)	(2,582)	(1,246)	(3,214)	(9,946)
Trade and other payables		(4,142)	(12,896)	8,655	3,517	(3,945)	(11,150)
Cash generated from operating activities		50,133	40,696	6,903	5,691	54,994	46,403
Income tax paid		(3,757)	(576)	(1,229)	(648)	(4,986)	(1,224)
Net cash generated from operating activities		46,376	40,120	5,674	5,043	50,008	45,179
Investing activities							
Acquisition of subsidiaries, net of cash acquired		-	(800)	-	-	-	(800)
Capital expenditure on investment properties		(15,522)	(5,042)	-	-	(15,522)	(5,034)
Addition of property, plant and equipment		(45)	(384)	(1,415)	(1,324)	(1,460)	(1,731)
Proceeds from disposal of investment properties (net)		-	80,149	-	-	-	80,149
Receipt of finance lease receivable		335	-	-	-	335	-
Interest received	(b)	726	569	-	-	726	569
Cash (used in)/generated from investing activities		(14,506)	74,492	(1,415)	(1,324)	(15,921)	73,153
Financing activities							
Payment of transaction costs related to rights issue		-	(30)	-	-	-	(30)
Proceeds from bank loans		78,828	194,350	-	-	78,828	194,350
Proceeds from bond		-	-	-	-	-	-
Repayment of bank loans		(53,620)	(187,353)	-	-	(53,620)	(187,353)
Payment of transaction costs related to bank loans		(1,184)	(873)	-	(29)	(1,184)	(902)
Payment of lease liabilities		(427)	-	(840)	-	(515)	-
Finance costs paid	(b)	(8,956)	(6,480)	(2,769)	(1,350)	(10,436)	(7,830)
Distribution to holders of Stapled Securities		(54,835)	(56,393)	(4,884)	(5,027)	(59,719)	(61,420)
Distribution to non-controlling interests		(134)	(179)	-	-	(134)	(179)
Return of capital to non-controlling interests		(49)	-	-	-	(49)	-
Movement in restricted cash		(16)	137	-	-	(16)	137
Cash used in financing activities		(40,393)	(56,821)	(8,493)	(6,406)	(46,845)	(63,227)
Net (decrease)/increase in cash and cash equivalents		(8,523)	57,791	(4,234)	(2,687)	(12,758)	55,105
Cash and cash equivalents at beginning of the period		125,740	77,370	12,506	17,278	138,246	94,648
Effect of exchange rate changes on cash and cash equivalents		(1,800)	(1,577)	(76)	103	(1,875)	(1,475)
Cash and cash equivalents at end of the period	(c)	115,417	133,584	8,196	14,694	123,613	148,278

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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 MONTHS ENDED 30 JUNE 2019**

Footnotes

(a) Significant non-cash transactions

2Q 2019

1,652,847 (2Q 2018: 1,605,113) Stapled Securities amounting to S\$2.7 million (2Q 2018: S\$2.5 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of the quarter.

1H 2019

3,323,656 (1H 2018: 3,164,172) Stapled Securities amounting to S\$5.4 million (1H 2018: S\$5.1 million) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of 1H 2019.

(b) Interest received and finance costs paid have increased due to the Group’s adoption of FRS 116/SFRS(I) 16 Leases (see Section 5 on page 24 of the Announcement).

(c) Cash and cash equivalents for H-REIT Group and CDLHT as at 30 June 2019 are as follows:

	H-REIT Group S\$’000	CDL Hospitality Trusts S\$’000
Cash and cash equivalents in the Statement of Financial Position	116,819	125,015
Restricted cash ^(a)	(1,402)	(1,402)
Cash and cash equivalents in the Statement of Cash Flows	115,417	123,613

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

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 April 2019 to 30 June 2019

Footnote	H-REIT Group			HBT Group					CDL Hospitality Trusts			
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 April 2019	1,722,455	7,736	1,730,191	114,996	(121)	4,414	10,751	(44,168)	85,872	1,807,875	7,736	1,815,611
Operations												
Increase/ (Decrease) in net assets resulting from operations	18,912	151	19,063	-	-	-	-	(2,485)	(2,485)	12,134	151	12,285
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	(15)	-	(15)	-	-	-	10	-	10	(5)	-	(5)
(Decrease)/ Increase in revaluation reserve	(15)	-	(15)	-	-	-	10	-	10	(5)	-	(5)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(5,272)	67	(5,205)	-	-	(3,350)	-	-	(3,350)	(8,619)	67	(8,552)
- Exchange differences on hedge of net investment in a foreign operation	(1,252)	-	(1,252)	-	-	2,862	-	-	2,862	5,426	-	5,426
- Exchange differences on monetary items forming part of net investment in a foreign operation	(1,439)	-	(1,439)	-	-	(3,371)	-	-	(3,371)	(4,810)	-	(4,810)
(Decrease)/ Increase in foreign currency translation reserve	(7,963)	67	(7,896)	-	-	(3,859)	-	-	(3,859)	(8,003)	67	(7,936)
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities to be issued (a)	2,549	-	2,549	111	-	-	-	-	111	2,660	-	2,660
- Distribution to non-controlling interests (c)	-	(104)	(104)	-	-	-	-	-	-	-	(104)	(104)
- Return of capital to non-controlling interests	-	(25)	(25)	-	-	-	-	-	-	-	(25)	(25)
Increase/ (Decrease) in net assets resulting from transactions with owners	2,549	(129)	2,420	111	-	-	-	-	111	2,660	(129)	2,531
Balance as at 30 June 2019	1,735,938	7,825	1,743,763	115,107	(121)	555	10,761	(46,653)	79,649	1,814,661	7,825	1,822,486

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2019 to 30 June 2019

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 January 2019	1,754,809	7,659	1,762,468	117,863	(121)	1,838	10,771	(37,498)	92,853	1,847,663	7,659	1,855,322
Operations												
Increase/ (Decrease) in net assets resulting from operations	39,737	452	40,189	-	-	-	-	(7,251)	(7,251)	30,110	452	30,562
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	2	-	2	-	-	-	(10)	-	(10)	(8)	-	(8)
Increase/ (Decrease) in revaluation reserve	2	-	2	-	-	-	(10)	-	(10)	(8)	-	(8)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(7,109)	(108)	(7,217)	-	-	(1,091)	-	-	(1,091)	(8,196)	(108)	(8,304)
- Exchange differences on hedge of net investment in a foreign operation	52	-	52	-	-	1,085	-	-	1,085	2,583	-	2,583
- Exchange differences on monetary items forming part of net investment in a foreign operation	(1,894)	-	(1,894)	-	-	(1,277)	-	-	(1,277)	(3,172)	-	(3,172)
Decrease in foreign currency translation reserve	(8,951)	(108)	(9,059)	-	-	(1,283)	-	-	(1,283)	(8,785)	(108)	(8,893)
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities to be issued (a)	5,176	-	5,176	224	-	-	-	-	224	5,400	-	5,400
- Distribution to Stapled Securityholders (b)	(54,835)	-	(54,835)	(2,980)	-	-	-	(1,904)	(4,884)	(59,719)	-	(59,719)
- Distribution to non-controlling interests (c)	-	(129)	(129)	-	-	-	-	-	-	-	(129)	(129)
- Return of capital to non-controlling interests	-	(49)	(49)	-	-	-	-	-	-	-	(49)	(49)
Decrease in net assets resulting from transactions with owners	(49,659)	(178)	(49,837)	(2,756)	-	-	-	(1,904)	(4,660)	(54,319)	(178)	(54,497)
Balance as at 30 June 2019	1,735,938	7,825	1,743,763	115,107	(121)	555	10,761	(46,653)	79,649	1,814,661	7,825	1,822,486

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

1 (d) Statements of Movements in Unitholders’ funds for the period from 1 April 2018 to 30 June 2018

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 April 2018	1,710,411	4,979	1,715,390	117,971	(121)	8,963	6,360	(30,089)	103,084	1,812,791	4,979	1,817,770
Operations												
Increase/ (Decrease) in net assets resulting from operations	23,081	54	23,135	-	-	-	-	(1,945)	(1,945)	17,208	54	17,262
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	16	-	16	-	-	-	10	-	10	26	-	26
Increase in revaluation reserve	16	-	16	-	-	-	10	-	10	26	-	26
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	237	60	297	-	-	(2,979)	-	-	(2,979)	(2,785)	60	(2,725)
- Exchange differences on hedge of net investment in a foreign operation	(2,314)	-	(2,314)	-	-	2,399	-	-	2,399	3,282	-	3,282
- Exchange differences on monetary items forming part of net investment in a foreign operation	(400)	-	(400)	-	-	(2,825)	-	-	(2,825)	(3,226)	-	(3,226)
(Decrease)/ Increase in foreign currency translation reserve	(2,477)	60	(2,417)	-	-	(3,405)	-	-	(3,405)	(2,729)	60	(2,669)
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities to be issued	2,433	-	2,433	76	-	-	-	-	76	2,509	-	2,509
- Issue expenses	(30)	-	(30)	-	-	-	-	-	-	(30)	-	(30)
- Distribution to non-controlling interests	-	(64)	(64)	-	-	-	-	-	-	-	(64)	(64)
Total contributions by and distributions to owners	2,403	(64)	2,339	76	-	-	-	-	76	2,479	(64)	2,415
Ownership interests in subsidiaries												
- Acquisition of subsidiary with non-controlling interest	-	28	28	-	-	-	-	-	-	-	28	28
Changes in ownership interests in subsidiaries	-	28	28	-	-	-	-	-	-	-	28	28
Increase/ (Decrease) in net assets resulting from transactions with owners	2,403	(36)	2,367	76	-	-	-	-	76	2,479	(36)	2,443
Balance as at 30 June 2018	1,733,434	5,057	1,738,491	118,047	(121)	5,558	6,370	(32,034)	97,820	1,829,775	5,057	1,834,832

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2018 to 30 June 2018

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 January 2018	1,733,892	4,990	1,738,882	117,971	(121)	5,304	6,986	(23,760)	106,380	1,840,273	4,990	1,845,263
Operations												
Increase/ (Decrease) in net assets resulting from operations	49,672	75	49,747	-	-	-	-	(3,247)	(3,247)	45,218	75	45,293
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	33	-	33	-	-	-	(616)	-	(616)	(583)	-	(583)
Increase/ (Decrease) in revaluation reserve	33	-	33	-	-	-	(616)	-	(616)	(583)	-	(583)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(1,606)	59	(1,547)	-	-	223	-	-	223	(1,420)	59	(1,361)
- Exchange differences on hedge of net investment in a foreign operation	(2,569)	-	(2,569)	-	-	(176)	-	-	(176)	(2,980)	-	(2,980)
- Exchange differences on monetary items forming part of net investment in a foreign operation	(2,652)	-	(2,652)	-	-	207	-	-	207	(2,446)	-	(2,446)
- Transfer of exchange differences to statement of total return upon repayment of intercompany loan which formed part of net investment in a foreign operation	8,024	-	8,024	-	-	-	-	-	-	8,024	-	8,024
Increase in foreign currency translation reserve	1,197	59	1,256	-	-	254	-	-	254	1,178	59	1,237
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities to be issued (a)	5,063	-	5,063	76	-	-	-	-	76	5,139	-	5,139
- Issue expenses	(30)	-	(30)	-	-	-	-	-	-	(30)	-	(30)
- Distribution to Stapled Securityholders (d)	(56,393)	-	(56,393)	-	-	-	-	(5,027)	(5,027)	(61,420)	-	(61,420)
- Distribution to non-controlling interests (c)	-	(95)	(95)	-	-	-	-	-	-	-	(95)	(95)
Total contributions by and distributions to owners	(51,360)	(95)	(51,455)	76	-	-	-	(5,027)	(4,951)	(56,311)	(95)	(56,406)
Ownership interests in subsidiaries												
- Acquisition of subsidiary with non-controlling interest	-	28	28	-	-	-	-	-	-	-	28	28
Changes in ownership interests in subsidiaries	-	28	28	-	-	-	-	-	-	-	28	28
(Decrease)/ Increase in net assets resulting from transactions with owners	(51,360)	(67)	(51,427)	76	-	-	-	(5,027)	(4,951)	(56,311)	(67)	(56,378)
Balance as at 30 June 2018	1,733,434	5,057	1,738,491	118,047	(121)	5,558	6,370	(32,034)	97,820	1,829,775	5,057	1,834,832

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CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES (“HBT Group”)**

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. The Stapled Securities for H-REIT Manager and HBT Trustee-manager’s base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for H-REIT Manager and HBT Trustee-manager’s performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *Distribution to Stapled Securityholders in respect of the period from 1 July 2018 to 31 December 2018, which includes a capital distribution of S\$9,049,000 in 1Q 2019.*
- (c) *This relates to non-controlling minority shareholders which has an effective interest of less than 5% in Pullman Munich and 5% in Hotel Cerretani Florence (acquired on 27 November 2018).*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2017 to 31 December 2017, which includes a capital distribution of S\$3,479,000 in 1Q 2018.*

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

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

		CDL Hospitality Trusts	
Foot-note		2Q 2019	2Q 2018
	Issued stapled securities at beginning of the period	1,206,437,202	1,199,596,162
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,339,954	4,117,927
	Issued stapled securities at end of the period	1,210,777,156	1,203,714,089
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a) 2,434,670	2,418,757
	Total issued and issuable stapled securities at end of the period	1,213,211,826	1,206,132,846

		CDL Hospitality Trusts	
Foot-note		1H 2019	1H 2018
	Issued stapled securities at beginning of the period	1,205,465,379	1,198,822,685
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	5,311,777	4,891,404
	Issued stapled securities at end of the period	1,210,777,156	1,203,714,089
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a) 2,434,670	2,418,757
	Total issued and issuable stapled securities at end of the period	1,213,211,826	1,206,132,846

Footnotes

(a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for management fee is 1.5 million (1H 2018: 1.6 million) Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

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

The figures have not been audited but have been extracted from the financial information for the six months ended 30 June 2019 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2018, except as disclosed in Section 5 below.

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

On 1 January 2019, H-REIT Group, HBT Group and CDLHT (collectively, the “Group”) adopted FRS 116 / SFRS(I) 16 Leases, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

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

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

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

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

H-REIT Group

ROU assets (recognised under investment properties) of S\$17.2 million, finance lease receivable of S\$6.2 million and lease liabilities of S\$23.4 million, respectively, have been recognised in the Statement of Financial Position as at 1 January 2019. Interest income of S\$0.1 million and interest expense of S\$0.7 million have been recognised in the Statement of Total Return for the six-month period ended 30 June 2019.

HBT Group

ROU assets (recognised under property, plant and equipment) and corresponding lease liabilities of S\$46.1 million have been recognised in the Statement of Financial Position as at 1 January 2019. Depreciation of ROU assets and interest expense of S\$1.4 million and S\$1.5 million, respectively, have been recognised in the Statement of Total Return for the six-month period ended 30 June 2019.

CDLHT

ROU assets (recognised under investment properties) of S\$9.3 million, ROU assets (recognised under property, plant and equipment) of S\$15.9 million, finance lease receivable of S\$6.2 million and lease liabilities of S\$31.4 million, have been recognised in the Statement of Financial Position as at 1 January 2019. In addition, prepaid land lease with a carrying amount of S\$6.8 million as at 1 January 2019 has been reclassified to property, plant and equipment. Interest income of S\$0.1 million, depreciation of ROU assets of S\$0.3 million and interest expense of S\$0.9 million have been recognised in the Statement of Total Return for the six-month period ended 30 June 2019.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2019**

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2019	2Q 2018	1H 2019	1H 2018
EPS				
<u>Basic EPS</u>				
Weighted average number of Stapled Securities	1,210,787,084	1,203,723,370	1,210,345,022	1,203,343,593
Basic EPS ^(a) (cents)	1.00	1.43	2.49	3.76
<u>Diluted EPS</u>				
Weighted average number of Stapled Securities	1,213,211,826	1,206,132,844	1,213,211,826	1,206,132,846
Diluted EPS ^(b) (cents)	1.00	1.43	2.48	3.75

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2019	2Q 2018	1H 2019	1H 2018
DPS				
Number of Stapled Securities entitled to distribution	1,211,680,683	1,204,558,718	1,211,680,683	1,204,558,718
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	1.27	1.41	2.66	2.98
- Tax exempt income	0.46	0.46	0.87	1.00
- Capital distribution	0.34	0.27	0.63	0.33
	2.07	2.14	4.16	4.31

Footnotes

- (a) Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.
- (b) Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
 MONTHS ENDED 30 JUNE 2019**

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

	CDL Hospitality Trusts	
	30 Jun 2019	31 Dec 2018
Net asset value/net tangible asset attributable to unitholders(S\$'000)	1,814,661	1,847,663
Number of Stapled Securities issued and to be issued at end of the period	1,213,211,826	1,209,888,170
Net asset value/net tangible asset per Stapled Security (S\$)	1.4957	1.5271

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

8 Review of the performance for the second quarter and six months ended 30 June 2019

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	19,619	20,509	(4.3)	-	-	-	19,619	20,509	(4.3)
- Claymore Connect	1,897	1,798	5.5	-	-	-	1,897	1,798	5.5
<i>Maldives</i> (a)	2,048	2,010	1.9	-	-	-	2,048	2,010	1.9
<i>Australia</i>	2,299	2,431	(5.4)	-	-	-	2,299	2,431	(5.4)
<i>New Zealand</i>	3,431	3,721	(7.8)	-	-	-	3,431	3,721	(7.8)
<i>Germany</i> (b)	3,312	2,328	42.3	-	-	-	3,312	2,328	42.3
<i>Italy</i> (c)	1,077	-	N.M	-	-	-	1,077	-	N.M
	33,683	32,797	2.7	-	-	-	33,683	32,797	2.7
Managed hotels									
<i>Maldives</i> (a)	1,024	1,005	1.9	34	1,262	(97.3)	34	1,262	(97.3)
<i>Japan</i> (d)	990	1,286	(23.0)	2,513	2,499	0.6	2,513	2,499	0.6
<i>United Kingdom</i> (e)	-	-	-	11,221	11,155	0.6	11,221	11,155	0.6
	2,014	2,291	(12.1)	13,768	14,916	(7.7)	13,768	14,916	(7.7)
Total	35,697	35,088	1.7	13,768	14,916	(7.7)	47,451	47,713	(0.5)

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2019	1H 2018	Increase/ (Decrease)	1H 2019	1H 2018	Increase/ (Decrease)	1H 2019	1H 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master leases									
<i>Singapore</i>									
- Hotels	40,183	42,868	(6.3)	-	-	-	40,183	42,868	(6.3)
- Claymore Connect	3,804	3,717	2.3	-	-	-	3,804	3,717	2.3
<i>Maldives</i>	4,082	3,988	2.4	-	-	-	4,082	3,988	2.4
<i>Australia</i>	4,624	5,056	(8.5)	-	-	-	4,624	5,056	(8.5)
<i>New Zealand</i>	8,477	9,081	(6.7)	-	-	-	8,477	9,081	(6.7)
<i>Germany</i>	5,920	4,515	31.1	-	-	-	5,920	4,515	31.1
<i>Italy</i>	1,623	-	N.M	-	-	-	1,623	-	N.M
	68,713	69,225	(0.7)	-	-	-	68,713	69,225	(0.7)
Managed hotels									
<i>Maldives</i>	2,041	1,994	2.4	34	4,642	(99.3)	34	4,642	(99.3)
<i>Japan</i>	2,168	2,530	(14.3)	4,817	4,638	3.9	4,817	4,638	3.9
<i>United Kingdom</i>	-	-	-	20,203	21,003	(3.8)	20,203	21,003	(3.8)
	4,209	4,524	(7.0)	25,054	30,283	(17.3)	25,054	30,283	(17.3)
Total	72,922	73,749	(1.1)	25,054	30,283	(17.3)	93,767	99,508	(5.8)

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 Leases (see Section 5 on page 24 of the Announcement).

Under H-REIT, the sub-lease of Waterfront Conference Centre was classified as a finance lease receivable to match the head lease of this property with CDL which was capitalised under FRS 116/SFRS(I) 16 as described above. As a result of this change, CDLHT's revenue from the Singapore Hotels declined by S\$0.2 million and S\$0.5 million for 2Q 2019 and 1H 2019 respectively. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the revenue from the Singapore Hotels would have been S\$19.9 million and S\$40.6 million for 2Q 2019 and 1H 2019 respectively.

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2019	2Q 2018	Increase/ (Decrease)	2Q 2019	2Q 2018	Increase/ (Decrease)	2Q 2019	2Q 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- <i>Hotels</i>	18,223	18,740	(2.8)	-	-	-	18,223	18,740	(2.8)
- <i>Claymore Connect</i>	1,210	1,243	(2.7)	-	-	-	1,210	1,243	(2.7)
<i>Maldives</i> (a)	2,866	2,514	14.0	(2,006)	(1,615)	24.2	(165)	899	N.M
<i>Australia</i>	2,299	2,431	(5.4)	-	-	-	2,299	2,431	(5.4)
<i>New Zealand</i>	3,431	3,721	(7.8)	-	-	-	3,431	3,721	(7.8)
<i>Germany</i> (b)	3,058	1,886	62.1	-	-	-	3,058	1,886	62.1
<i>Italy</i> (c)	975	-	N.M	-	-	-	975	-	N.M
<i>Japan</i> (d)	906	1,206	(24.9)	17	37	(54.1)	923	1,243	(25.7)
<i>United Kingdom</i> (e)	-	-	-	3,805	3,435	10.8	3,805	3,435	10.8
Total	32,968	31,741	3.9	1,816	1,857	(2.2)	33,759	33,598	0.5

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2019	1H 2018	Increase/ (Decrease)	1H 2019	1H 2018	Increase/ (Decrease)	1H 2019	1H 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- <i>Hotels</i>	37,391	39,308	(4.9)	-	-	-	37,391	39,308	(4.9)
- <i>Claymore Connect</i>	2,553	2,674	(4.5)	-	-	-	2,553	2,674	(4.5)
<i>Maldives</i> (a)	5,716	4,969	15.0	(4,016)	(1,690)	N.M	(341)	3,279	N.M
<i>Australia</i>	4,624	5,056	(8.5)	-	-	-	4,624	5,056	(8.5)
<i>New Zealand</i>	8,477	9,081	(6.7)	-	-	-	8,477	9,081	(6.7)
<i>Germany</i> (b)	5,422	3,826	41.7	-	-	-	5,422	3,826	41.7
<i>Italy</i> (c)	1,442	-	N.M	-	-	-	1,442	-	N.M
<i>Japan</i> (d)	2,002	2,371	(15.6)	14	8	75.0	2,016	2,379	(15.3)
<i>United Kingdom</i> (e)	-	-	-	5,945	5,813	2.3	5,945	5,813	2.3
Total	67,627	67,285	0.5	1,943	4,131	(53.0)	67,529	71,416	(5.4)

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 *Leases* (see Section 5 on page 24 of the Announcement). This change required existing lease expenses for operating lease arrangements (previously included in NPI) to be replaced by depreciation charge on ROU assets related to property, plant and equipment and/or interest expenses on lease liabilities.

As a result of this change, CDLHT's NPI for 2Q 2019 has increased by S\$0.4 million as lease expenses of S\$0.3 million and S\$0.1 million for Maldives and UK respectively have now been replaced by a depreciation charge on ROU assets on property, plant and equipment and interest expense on lease liabilities. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the NPI for 2Q 2019 would have been S\$(0.5) million and S\$3.7 million for Maldives and UK respectively.

Correspondingly, CDLHT's NPI for 1H 2019 has increased by S\$1.0 million as lease expenses of S\$0.7 million and S\$0.3 million for Maldives and UK respectively have now been replaced by a depreciation charge on ROU assets on property, plant and equipment and interest expense on lease liabilities. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the NPI for 1H 2019 would have been S\$(1.0) million and S\$5.7 million for Maldives and UK respectively.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019**

Footnotes

(a) *The Maldives resorts includes a Master Lease and Managed hotel as follows:*

(i) Master Lease

There is a master lease agreement between H-REIT’s indirect wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited (the “Lessor”) and Maldives Bay Pvt Ltd (the “Lessee”), a subsidiary of Banyan Tree Holdings Limited. The revenue for the reporting period comprises a minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum).

There is a minimum rent top-up cap of US\$6.0 million and there shall be no further minimum rent top-ups payable by Lessee to Lessor after the cumulative top-ups reach US\$6.0 million. In 2Q 2019 and 1H 2019, the Lessee paid the Lessor a top-up amount of US\$0.2 million (2Q 2018/1H 2018: US\$0.8 million). As at 30 June 2019, the Lessee paid the Lessor a cumulative top-up amount of US\$5.1 million to make up for the shortfall in rent below the minimum rent of US\$6.0 million. This cumulative top-up will be adjusted once the full year results for the resort are ascertained at year end.

(ii) Managed hotel

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

In turn, HBT’s indirect wholly owned subsidiary, CDL HBT Oceanic Maldives Private Limited (“CDL HBT Oceanic”) engaged AccorHotels (previously managed by Jumeirah Management Services (Maldives) Private Limited) to operate the resort. The resort initially operated as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, and following enhancements during its closure since 1 June 2018, has been rebranded as Raffles Maldives Meradhoo in May 2019 to join the iconic collection of Raffles Hotels and Resorts.

For the H-REIT Group, the revenue for 2Q 2019 and 1H 2019 includes S\$1.0 million (US\$0.7 million) and S\$2.0 million (US\$1.5 million) rental income from HBT Group respectively. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the resort.

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

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

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

For H-REIT Group, the revenue for 2Q 2019 and 1H 2019 includes S\$1.0 million (JPY79.0 million) and S\$2.2 million (JPY174.8 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S\$0.9 million (JPY69.0 million), after deducting operating expenses, was included in the income available for distribution in 2Q 2019 as the financial results for the fiscal period ended 31 March 2019 has been audited and the income was ascertained. The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(e) *The UK Hotels includes:*

(i) Hilton Cambridge City Centre

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

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

(ii) The Lowry Hotel

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

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

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

8 (iii) Review of the Performance

Second Quarter ended 30 June 2019

CDLHT posted gross revenue of S\$47.5 million in 2Q 2019, marginally lower by 0.5% against the same period last year. A full quarter’s inorganic contribution from the Italy Hotel (S\$1.1 million) (acquired 27 November 2018) and higher contribution from the Munich and UK Hotels (S\$1.1 million) boosted the total portfolio income. However, the revenue growth was offset by the closure of Raffles Maldives Meradhoo as well as lower contribution from the Singapore, New Zealand and Australia hotels, which posted a collective yoy decline of S\$2.5 million.

Singapore Hotels’ RevPAR declined 1.7% yoy primarily due to the absence the biennial Food&HotelAsia this year and overall demand during the quarter was also softer amidst economic uncertainty and elections in nearby regions such as India, Indonesia and Australia. Consequently, there was a slower 1.5% yoy pace of growth in visitor arrivals¹. The Singapore Hotel’s performance was further affected by upgrading works in some of our hotels. Orchard Hotel had room inventory closed during the quarter for guest room refurbishment while M Hotel and Copthorne King’s Hotel similarly had rooms taken out of inventory for pipe works where the associated noise and disruption resulted in some revenue displacement during the quarter. Notwithstanding the rooms taken out of inventory for the affected hotels, the Singapore Hotels performance in 2Q 2019 remained resilient where RevPAR, excluding the out of order room inventory, increased 1.3% yoy.

In the Maldives, total tourist arrivals for the first five months of 2019 showed healthy growth². Accordingly, occupancy increased at Angsana Velavaru with a volume-centric strategy leading to yoy RevPAR gains of 13.9%. Notwithstanding the RevPAR increase, the gross revenue (in local currency terms) remains unchanged due to the largely fixed rental income received during the quarter. As for Raffles Maldives Meradhoo, the land villas have been completed while works are still in progress for the over-water villas. Full opening of the resort is expected later this year.

The Australia Hotels continues to receive fixed rent for 2Q 2019 but overall gross revenue contribution to CDLHT (in SGD terms) was lower due to a weaker AUD.

Rental contribution from the Grand Millennium Auckland was lower due to a dip in RevPAR of 1.4% yoy amidst the increased hotel inventory in the city, higher labour costs as well as the weaker NZD.

The Group’s Japan Hotels posted a yoy RevPAR decrease of 1.9%, due to a softer events calendar and lower average room rates due to competition from vicinity hotels. NPI declined for the Japan Hotels declined mainly due to higher operating costs.

Despite Brexit uncertainty, the RevPAR of the UK Hotels improved by 1.6% yoy in 2Q 2019. At The Lowry Hotel, a strong contribution from sporting events, including the Cricket World Cup in June, boosted RevPAR growth while Hilton Cambridge experienced softer trading conditions due to continued price competition from new hotel supply from last year. In aggregate, there was an improvement in gross revenue despite the weakened GBP against SGD.

Demand was robust for the reporting quarter with the presence of trade events and fairs including the triennial construction machinery trade fair in Munich, bauma 2019, in April. Pullman Hotel Munich successfully captured market demand to record RevPAR growth of 9.6% yoy.

Hotel Cerretani Florence recorded its second full quarter of contribution to CDLHT. The Italy Hotel attained RevPAR growth of 5.1%³ yoy primarily through a strong revenue management focus.

¹ STB

² Ministry of Tourism, Republic of Maldives, Tourism Monthly Updates

³ The yoy RevPAR comparison assumes that CDLHT owned Hotel Cerretani Florence for the corresponding period.

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

In aggregate, CDLHT recorded NPI⁴ of S\$ 33.8 million in 2Q 2019, a slight increase of 0.5% over the same period last year.

Net finance costs⁵ for the reporting quarter was higher mainly due to increased interest expenses incurred on fresh loans drawn to finance the acquisition of the Italy Hotel and for asset enhancements works on the Group’s properties as well as higher funding costs on its floating rate loans.

Total income available for distribution (after deducting income retained for working capital) was S\$25.1 million in 2Q 2019, 2.6% lower yoy. Included therein is a capital distribution of S\$4.1 million from the Group’s properties. Part of this capital distribution arose from the sales proceeds of Mercure and Ibis Brisbane, which has been partially utilised to mitigate the net effect arising from this divestment and the loss of income arising from the closure of Raffles Maldives Meradhoo.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 2Q 2019 was 2.07 cents, 3.3% lower yoy.

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

	2Q 2019	2Q 2018	Increase/(Decline)
Average Occupancy Rate	84.2%	83.5%	0.7pp
Average Daily Rate	S\$179	S\$184	(2.6)%
RevPAR	S\$151	S\$153	(1.7)%

Six months ended 30 June 2019

For 1H 2019, CDLHT posted gross revenue of S\$93.8 million, 5.8% lower than the same period last year. The decrease was mainly attributed to the closure of Raffles Maldives Meradhoo since June last year for rebranding works. In addition, contribution from its Singapore, New Zealand, Australia and UK Hotels were lower. Collectively, contributions from these properties declined by S\$9.1 million year-on-year (“yoy”). This decline was partially mitigated by the recognition of a full six months revenue boost of S\$1.6 million from the Italy Hotel and higher contribution from Pullman Hotel Munich and the Japan Hotels (S\$1.6 million).

Singapore’s economy continues to face strong headwinds due to rising global trade tensions which has affected corporate demand. Regional elections, coupled with the absence of the biennial Singapore Airshow, ASEAN Ministerial Meeting series and Food&HotelAsia collectively also resulted in reduced compression and fewer opportunities to yield room rates. Additionally, several hotels also undertook guest room refurbishment and pipe works resulting in noise disruption, closure of guestrooms and displacement of rooms and food & beverage revenue. Consequently, the Singapore Hotel’s RevPAR in 1H 2019 declined by 2.1% yoy to S\$154. Excluding the out of order room inventory from the affected hotels, RevPAR for the Singapore Hotels in 1H 2019 increased by 0.8% yoy despite the weaker trading environment.

In the Maldives, total tourist arrivals recorded healthy growth for the first five months of 2019⁶. Angsana Velavaru adopted a volume-centric strategy to increase RevPAR by 16.5% yoy. Trading conditions in 1H 2019 were better in the absence of the state of emergency declared on Maldives, which had affected room bookings in the same period last year. As for Raffles Maldives Meradhoo, the transition to a “Raffles” resort is in progress and sub-optimal performance is expected as the resort ramps up for full opening towards the end of the year.

In Australia, CDLHT continues to receive fixed rent from Novotel Brisbane, Ibis Perth & Mercure Perth. While the fixed rental structure ensures that CDLHT is insulated from the weak trading conditions in the markets, the rental contribution (in SGD terms) was lower in 1H2019 due to the weaker AUD.

⁴ CDLHT’s net property income (“NPI”) is derived after deducting the operating expenses of Raffles Maldives Meradhoo, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

⁵ Included in net finance costs is interest expenses on lease liabilities for ROU assets, recognised in accordance to FRS 116/SFRS(I) 16 Leases, which was adopted by the Group from 1 January 2019. For more details, refer to Section 5, page 24 of the Announcement.

⁶ Ministry of Tourism, Republic of Maldives, Tourism Monthly Updates

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

The Auckland market continues to be impacted by price competition as the market continues to absorb the additional supply that opened in 2018. Accordingly, RevPAR dipped 3.3% yoy.

The Group’s Japan Hotels posted a 1H 2019 RevPAR increase of 3.0% yoy, aided by the reduction in Airbnb supply from June 2018. However, NPI contribution from the Japan Hotels was lower due to the recognition of higher operating expenses such as cleaning, utilities and marketing costs.

In the UK, the tepid British economy amidst the Brexit uncertainty impacted travel throughout 1H 2019 leading to a slight RevPAR drop of 1.0% yoy for the UK Hotels. The Lowry was able to improve RevPAR due to demand generated by sporting and entertainment events. However, Hilton Cambridge’s RevPAR declined due to continued price competition from new supply that opened last year. The weaker GBP against SGD also impacted the UK Hotel’s contribution for 1H 2019.

In Munich, a stronger city wide events calendar coupled with robust corporate and group demand propelled Pullman Hotel Munich to a robust yoy RevPAR growth of 15.6% for the reporting period.

Hotel Cerretani Florence performed well, recording its full six months contribution to CDLHT. RevPAR growth of 10.9%⁷ yoy in 1H 2019 was attained primarily through occupancy growth.

In line with the decline in gross revenue, CDLHT group recorded NPI⁸ of S\$ 67.5 million, a decrease of 5.4% yoy.

Net finance costs⁹ for 1H 2019 was higher as compared to the same period last year, mainly the result of higher interest expense incurred on additional loans drawn to finance the acquisition of the Italy Hotel and for some asset enhancements works on the Group’s properties as well as higher funding costs on its floating rate loans.

Total income available for distribution (after deducting income retained for working capital) was S\$50.4 million in 1H 2019, 2.8% lower yoy. Included therein is a capital distribution of S\$7.7 million from the Group’s properties. Part of this capital distribution arose from the sales proceeds of Mercure and Ibis Brisbane, which has been partially utilised to mitigate the net effect arising from this divestment, the loss of income arising from the closure of Raffles Maldives Meradhoo and the sub-optimal performance of Orchard Hotel arising from its extensive renovation works.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 1H 2019 was 4.16 cents, 3.5% lower yoy.

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

	1H 2019	1H 2018	Increase/(Decline)
Average Occupancy Rate	85.7%	85.5%	0.2pp
Average Daily Rate	S\$179	S\$184	(2.3)%
RevPAR	S\$154	S\$157	(2.1)%

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

No forecast has been disclosed.

⁷ The yoy RevPAR comparison assumes that CDLHT owned Hotel Cerretani Florence for the corresponding period.

⁸ CDLHT’s net property income (“NPI”) is derived after deducting the operating expenses of Raffles Maldives Meradhoo, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

⁹ Included in net finance costs is interest expenses on lease liabilities for ROU assets, recognised in accordance to FRS 116/SFRS(I) 16 Leases, which was adopted by the Group from 1 January 2019. For more details, refer to Section 5, page 24 of the Announcement.

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

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

For year-to-date (“YTD”) May 2019, visitor arrivals to Singapore increased 1.5% yoy to 7.8 million and seven of the top 10 source markets recorded growth. Coupled with an increase in the average length of stay in Singapore¹, total visitor days grew 2.5% yoy. For the full year of 2019, visitor arrivals is forecast to grow up to 19.2 million or 4% yoy². While there was lower visitation from a few regional markets such as Indonesia, Thailand and India, this was more than offset by growth from China and developed markets such as Germany, Japan and the USA.

The outlook of the global and Singapore’s economy has weakened on the back of the US-China trade conflict as well as uncertainties in key economies³, which will likely soften demand in the near term, especially from corporates. Nonetheless, STB is focused on attracting MICE travel from key source markets such as China and India and continues to build on Singapore’s future MICE pipeline. In 2020, Singapore will for the first time, host: (1) the 103rd Lions Clubs International Convention, one of the world’s largest non-governmental organisation’s annual convention with an estimated 20,000 foreign attendees⁴; and (2) the inaugural Asian edition of gamescom, the largest international gaming festival with an estimated 30,000 attendees⁵. The recent opening of Jewel Changi Airport has also enhanced the attractiveness of Singapore’s tourism scene and airport infrastructure.

On the supply front, Singapore hotel inventory is estimated to increase by 1,703 net rooms⁶ in 2019 (of which 430 new rooms are in the city centre), representing approximately 2.5% of existing room stock. While the trading environment is likely to remain competitive as newer market entrants continue to build their base, limited future supply growth is supportive of a gradual recovery in the hotel sector. For the first 28 days of July 2019, RevPAR for Singapore Hotels increased by 4.1% as compared to the same period last year.

Visitor arrivals to New Zealand increased 1.5% yoy to 1.7 million for YTD May 2019⁷ and is expected to grow by 3.2% for the full year⁸. While there is increasing competition due to growing supply in Auckland amidst a rising wage environment, the demand outlook remains healthy and the city’s MICE infrastructure will be strengthened by the opening of the New Zealand International Convention Centre (close proximity to Grand Millennium Auckland) in 2020.

In Japan, tourism demand continues to be robust with visitor arrivals growing 4.6% yoy to 16.6 million for YTD June 2019⁹. Major sporting events such as the 2019 Rugby World Cup and the Tokyo 2020 Olympics and Paralympics will likely encourage further growth and mitigate room rate pressure from new supply in the limited-service hotel sector in Tokyo, as well as recovering number of alternative accommodation listings (such as Airbnb)¹⁰.

Overall tourism arrivals to Maldives is healthy with growth observed across its top source markets. However, the hospitality market continues to be challenging due to new resorts supply¹¹.

In UK, Brexit remains a key uncertainty and poses downside risk to overall demand¹². In the near term, the Cambridge and Manchester markets are seeing increased supply, which poses competitive pressure.

In continental Europe, where CDLHT has presence in Germany and Italy, the International Monetary Fund expects a slowdown in the pace of economic growth amidst uncertainties in the macro environment¹³. Tourism demand in Munich remains healthy as reflected by international arrivals growing 7.5% yoy to 1.4 million for YTD May 2019¹⁴. After a robust event calendar for 1H 2019, Munich will see fewer events in 2H 2019 due to the cyclical nature of the city’s fair calendar.

¹ Singapore Tourism Board (“STB”)

² STB, “Third consecutive year of growth for Singapore tourism sector in 2018”, 13 February 2019

³ MTI, “MTI Expects GDP Growth to be “1.5 to 2.5 Per Cent” in 2019”, 21 May 2019

⁴ STB, “Singapore wins bid to host the 103rd Lions Clubs International Convention”, 19 May 2015

⁵ STB, “Singapore to host inaugural Asian edition of gamescom in October 2020”, 29 May 2019

⁶ Based on Horwath data (June 2019) and CDLHT Research

⁷ Statistics – Tourism New Zealand

⁸ Ministry of Business, Innovation & Employment (New Zealand), “2019-2025 International Tourism Forecasts”

⁹ Japan National Tourism Organization

¹⁰ Reuters, “Airbnb touts Japan recovery, bolstered by hotel listings”, 6 June 2019

¹¹ Ministry of Tourism Maldives, Tourism Statistics

¹² 2019 Inbound Tourism Forecast - VisitBritain

¹³ International Monetary Fund, World Economic Outlook, April 2019

¹⁴ München Tourismus

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

CDLHT is committed to improving the quality of its portfolio and enhancing long term value for Stapled Securityholders through suitable asset enhancement initiatives and active asset management. In Singapore, the rejuvenation project for Orchard Hotel is mostly completed. The refurbishment of 260 bedrooms in the Orchard Wing were completed in June 2019 and the remaining 65 Club Floor Rooms are slated to complete in 3Q 2019. Asset enhancement opportunities in other Singapore Hotels are also being evaluated strategically.

For CDLHT's overseas properties, the lease renewal for Grand Millennium Auckland has been confirmed for a second 3-year term from 7 September 2019.

For the major renovation project of Raffles Maldives Meradhoo, the land villas have been completed in May 2019 while the over-water villas will complete later this year whereby the full opening of the resort will occur. Sub-optimal performance is expected to continue during the gestation period after the full opening of the resort. For Angsana Velavaru, progressive enhancement works have commenced during the quarter, which include the addition of a new main public pool and full renovation of 79 land villas, where infinity pools will be incorporated into 24 of these land villas. The majority of the asset enhancement works is expected to complete at the end of this year. This initiative will strengthen the resort's product offering and market positioning.

To fortify The Lowry Hotel's position as the top hotel in Manchester, there are upgrading works taking place. The lobby was renovated during the quarter and the refurbishment of the food and beverage outlets will be completed in 3Q 2019. Five rooms will also be upgraded to corner suites in end 2019.

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

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2019 to 30 June 2019

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	2.66	0.87	0.63	4.16

Tax rate

Taxable income distribution

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

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

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

Tax exempt income distribution

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

Capital distribution

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

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2018 to 30 June 2018

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	2.98	1.00	0.33	4.31

Tax rate

Taxable income distribution

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

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

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

Tax exempt income distribution

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

Capital distribution

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

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SIX MONTHS ENDED 30 JUNE 2019**

11 (c) Book closure date

5.00 p.m. on 7 August 2019.

11 (d) Date payable

28 August 2019.

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

Not applicable.

13 General mandate relating to Interested Person Transactions

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

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

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the second quarter and six months ended 30 June 2019 to be false or misleading in any material respect.

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

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

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SIX MONTHS ENDED 30 JUNE 2019**

On behalf of the Board of Directors

CHAN SOON HEE ERIC
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

30 July 2019

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND
SIX MONTHS ENDED 30 JUNE 2019**

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. 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)

30 July 2019

By Order of the Board

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

30 July 2019



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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

30 July 2019

Dear Sirs

CDL Hospitality Trusts

Report on review of interim financial information

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts ("CDLHT") for the six-month period ended 30 June 2019. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of CDLHT as at 30 June 2019;
- Portfolio statement of CDLHT as at 30 June 2019;
- Statement of total return of CDLHT for the six-month period ended 30 June 2019;
- Statement of movements in unitholders' funds of CDLHT for the six-month period ended 30 June 2019;
- Distribution statement of CDLHT for the six-month period ended 30 June 2019;
- Statement of cash flows of CDLHT for the six-month period ended 30 June 2019; and
- Certain explanatory notes to the above Interim Financial Information.

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



Scope of review

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

Conclusion

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

Restriction on use

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

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

30 July 2019