



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS  
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT  
AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31  
MARCH 2018**

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## CDL HOSPITALITY TRUSTS (“CDLHT”)

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

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

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2018



#### CDL HOSPITALITY TRUSTS

A stapled group comprising:

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

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

#### CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

## CDL HOSPITALITY TRUSTS

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2018

## INTRODUCTION

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.7 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. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 31 March 2018, CDLHT owns 15 hotels and two resorts comprising a total of 5,002 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 (Grand Millennium Auckland, previously known as Rendezvous Hotel Auckland) (the “**New Zealand Hotel**”);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) (the “**UK Hotels**”);
- (vi) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich (the “**German Hotel**”); and
- (vii) two resorts in Maldives, comprising Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi) (collectively, the “**Maldives Resorts**”).

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

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

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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ENDED 31 MARCH 2018**

**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

|   | 1 Jan 2018<br>to<br>31 Mar 2018<br>("1Q 2018")<br>S\$'000 | 1 Jan 2017<br>to<br>31 Mar 2017<br>("1Q 2017")<br>S\$'000 | Increase/<br>(Decrease)<br><br>% |
|---|---|---|----------------------------------|
| Revenue   | 51,795  | 46,411  | 11.6                             |
| Net property income   | 37,818  | 35,872  | 5.4                              |
| Total return for the period   | 28,031  | 17,624  | 59.1                             |
| Income available for distribution to Stapled Securityholders (before retention)       | 28,208  | 26,826  | 5.2                              |
| Less:   |   |   |                                  |
| Income retained for working capital   | (2,821)   | (2,683)   | 5.1                              |
| Income to be distributed to Stapled Securityholders (after retention)                 | 25,387  | 24,143  | 5.2                              |
| Capital distribution  | 675   | -   | N.M                              |
| Total distribution to Stapled Securityholders (after retention)                       | 26,062  | 24,143  | 7.9                              |
| <b>Total distribution per Stapled Security (before retention)<sup>1</sup> (cents)</b> |   |   |                                  |
| For the period  | 2.40  | 2.24 <sup>2</sup>   | 7.1                              |
| <b>Total distribution per Stapled Security (after retention)<sup>1</sup> (cents)</b>  |   |   |                                  |
| For the period  | 2.17  | 2.02 <sup>2</sup>   | 7.4                              |

<sup>1</sup> This includes capital distribution.

<sup>2</sup> On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the Rights Issue. Distribution per Stapled Security ("DPS") before and after retention for the quarter ended 31 March 2017 have been restated to reflect the effect of the Rights Issue.

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**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 <sup>(b)</sup> |                    |                              | CDL Hospitality Trusts |                    |                              |
|-----------|--------------------------|--------------------|------------------------------|--------------------------|--------------------|------------------------------|------------------------|--------------------|------------------------------|
|           | 1Q 2018<br>S\$'000       | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000       | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|           | <b>Revenue</b>           |                    |                              |                          |                    |                              |                        |                    |                              |
|           | 38,661                   | 37,754             | 2.4                          | -                        | -                  | -                            | 36,428                 | 34,668             | 5.1                          |
|           | -                        | -                  | -                            | 15,367                   | 11,743             | 30.9                         | 15,367                 | 11,743             | 30.9                         |
| (a)       | 38,661                   | 37,754             | 2.4                          | 15,367                   | 11,743             | 30.9                         | 51,795                 | 46,411             | 11.6                         |
|           | <b>Property expenses</b> |                    |                              |                          |                    |                              |                        |                    |                              |
|           | -                        | -                  | -                            | (3,415)                  | (2,332)            | 46.4                         | (3,415)                | (2,332)            | 46.4                         |
|           | -                        | -                  | -                            | (3,808)                  | (2,172)            | 75.3                         | (3,808)                | (2,172)            | 75.3                         |
|           | -                        | -                  | -                            | (2,387)                  | (3,169)            | (24.7)                       | (154)                  | (83)               | 85.5                         |
| (c)       | (1,946)                  | (2,063)            | (5.7)                        | (625)                    | (270)              | N.M                          | (2,571)                | (2,333)            | 10.2                         |
| (d)       | (1,171)                  | (1,155)            | 1.4                          | (2,858)                  | (2,464)            | 16.0                         | (4,029)                | (3,619)            | 11.3                         |
|           | (3,117)                  | (3,218)            | (3.1)                        | (13,093)                 | (10,407)           | 25.8                         | (13,977)               | (10,539)           | 32.6                         |
|           | 35,544                   | 34,536             | 2.9                          | 2,274                    | 1,336              | 70.2                         | 37,818                 | 35,872             | 5.4                          |
|           | (1,609)                  | (1,477)            | 8.9                          | -                        | -                  | -                            | (1,609)                | (1,477)            | 8.9                          |
|           | (1,679)                  | (1,727)            | (2.8)                        | -                        | -                  | -                            | (1,679)                | (1,727)            | (2.8)                        |
|           | (71)                     | (67)               | 6.0                          | -                        | -                  | -                            | (71)                   | (67)               | 6.0                          |
|           | -                        | -                  | -                            | -                        | (35)               | N.M                          | -                      | (35)               | N.M                          |
|           | -                        | -                  | -                            | (58)                     | (31)               | 87.1                         | (58)                   | (31)               | 87.1                         |
|           | (45)                     | (49)               | (8.2)                        | 1                        | (7)                | N.M                          | (44)                   | (56)               | (21.4)                       |
| (e)       | (523)                    | (486)              | 7.6                          | (1,658)                  | (883)              | 87.8                         | (2,891)                | (2,143)            | 34.9                         |
| (f)       | (776)                    | (486)              | 59.7                         | (349)                    | (181)              | 92.8                         | (1,125)                | (636)              | 76.9                         |
|           | 250                      | 903                | (72.3)                       | -                        | 23                 | N.M                          | 1,862                  | 302                | N.M                          |
|           | (8,795)                  | (11,300)           | (22.2)                       | (1,150)                  | (601)              | 91.3                         | (8,126)                | (11,277)           | (27.9)                       |
| (i)       | (8,545)                  | (10,397)           | (17.8)                       | (1,150)                  | (578)              | 99.0                         | (6,264)                | (10,975)           | (42.9)                       |
|           | 22,296                   | 19,847             | 12.3                         | (940)                    | (379)              | N.M                          | 24,077                 | 18,725             | 28.6                         |
| (g)       | 5,367                    | -                  | N.M                          | -                        | -                  | -                            | 5,367                  | -                  | N.M                          |
|           | 27,663                   | 19,847             | 39.4                         | (940)                    | (379)              | N.M                          | 29,444                 | 18,725             | 57.2                         |
| (j)       | (1,051)                  | (1,047)            | 0.4                          | (362)                    | (54)               | N.M                          | (1,413)                | (1,101)            | 28.3                         |
| (k)       | 26,612                   | 18,800             | 41.6                         | (1,302)                  | (433)              | N.M                          | 28,031                 | 17,624             | 59.1                         |
|           | <b>Attributable to:</b>  |                    |                              |                          |                    |                              |                        |                    |                              |
|           | 26,591                   | 18,800             | 41.4                         | (1,302)                  | (433)              | N.M                          | 28,010                 | 17,624             | 58.9                         |
| (h)       | 21                       | -                  | N.M                          | -                        | -                  | -                            | 21                     | -                  | N.M                          |
|           | 26,612                   | 18,800             | 41.6                         | (1,302)                  | (433)              | N.M                          | 28,031                 | 17,624             | 59.1                         |

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

|  | HBT Group          |                    |                              |
|--|--------------------|--------------------|------------------------------|
|  | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
| <b>(Net loss)/Total return for the period</b>                                | (1,302)            | (433)              | N.M                          |
| <b>Other comprehensive income</b>  |                    |                    |                              |
| <i>Items that will not be reclassified to profit or loss:</i>                |                    |                    |                              |
| Revaluation surplus on property, plant and equipment                         | -                  | 3,512              | N.M                          |
| Tax effect on revaluation surplus on property, plant and equipment           | (626)              | (597)              | 4.9                          |
|  | (626)              | 2,915              | N.M                          |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> |                    |                    |                              |
| Foreign currency translation differences:                                    |                    |                    |                              |
| - foreign operations   | 3,201              | 237                | N.M                          |
| - hedge of net investment in a foreign operation                             | (2,574)            | -                  | N.M                          |
| - monetary items forming part of net investment in a foreign operation       | 3,032              | -                  | N.M                          |
|  | 3,659              | 237                | N.M                          |
| <b>Other comprehensive income for the period, net of tax</b>                 | 3,033              | 3,152              | (3.8)                        |
| <b>Total comprehensive income for the period</b>                             | 1,731              | 2,719              | (36.3)                       |

**Footnotes**

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 22 to 24 of the Announcement.
- (b) Revenue and property expenses for HBT Group have increased in 1Q 2018 as compared to the corresponding period last year primarily due to the inclusion of the operating results of The Lowry Hotel which was acquired on 4 May 2017.
- (c) Property tax of the H-REIT Group was lower in 1Q 2018 as compared to the corresponding period last year, arising mainly from tax savings from the Singapore Hotels. In contrast, HBT Group's property tax expenses increased year-on-year ("yoy") due to the inclusion of The Lowry Hotel's property tax (which was absent for the same period last year).
- (d) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. These expenses have increased yoy primarily due to the inclusion of expenses for The Lowry Hotel and Pullman Hotel Munich which were acquired last year.

Also included in other property expenses for 1Q 2018 is a write-back of prior year impairment loss of S\$86K relating to the rental receivables of Claymore Connect. In the corresponding reporting period last year, Claymore Connect recognised an impairment loss of S\$76K which was offset by a write-back of S\$26K relating to rental receivables from its tenants.

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

|   | H-REIT Group       |                    | HBT Group          |                    | CDL Hospitality Trusts |                    |
|---|--------------------|--------------------|--------------------|--------------------|------------------------|--------------------|
|   | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 |
| Depreciation of property, plant and equipment | 523                | 486                | 1,658              | 883                | 2,821                  | 2,076              |
| Amortisation of prepaid land lease            | -                  | -                  | -                  | -                  | 70                     | 67                 |
|   | 523                | 486                | 1,658              | 883                | 2,891                  | 2,143              |

- (f) *Other trust expenses comprise mainly professional fees and administrative costs. CDLHT recorded higher fees and administrative expenses in 1Q 2018 due mainly to the inclusion of such expenses from its newly acquired assets, The Lowry Hotel and Pullman Hotel Munich.*
- (g) *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.*
- (h) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to Pullman Hotel Munich.*
- (i) *Net finance costs comprise the following:*

|  | H-REIT Group       |                    |                              |
|--|--------------------|--------------------|------------------------------|
|  | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
| Interest income received/receivable from banks   | 250                | 83                 | N.M                          |
| Interest income received/receivable from HBT Group <sup>(i)</sup>                        | -                  | 587                | N.M                          |
| Fair value gain on derivatives <sup>(ii)</sup>   | -                  | 233                | N.M                          |
| Finance income   | 250                | 903                | (72.3)                       |
| Exchange loss  | (1,395)            | (5,444)            | (74.4)                       |
| Interest paid/payable to banks <sup>(iv)</sup>   | (3,884)            | (5,494)            | (29.3)                       |
| Fair value loss on derivatives <sup>(ii)</sup>   | (3,174)            | -                  | N.M                          |
| Amortisation of transaction costs capitalised <sup>(v)</sup>                             | (286)              | (309)              | (7.4)                        |
| Financial expense arising from remeasuring non-current rental deposits at amortised cost | (56)               | (53)               | 5.7                          |
| Finance costs  | (8,795)            | (11,300)           | (22.2)                       |
| Net finance costs  | (8,545)            | (10,397)           | (17.8)                       |

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|  | HBT Group          |                    |                              |
|--|--------------------|--------------------|------------------------------|
|  | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
| Exchange gain  | -                  | 23                 | N.M                          |
| Finance income   | -                  | 23                 | N.M                          |
| Exchange loss  | (424)              | -                  | N.M                          |
| Interest paid/payable to banks <sup>(iv)</sup>               | (668)              | -                  | N.M                          |
| Interest paid/payable to H-REIT Group <sup>(i)</sup>         | -                  | (587)              | N.M                          |
| Amortisation of transaction costs capitalised <sup>(v)</sup> | (38)               | -                  | N.M                          |
| Fair value loss on derivatives <sup>(ii)</sup>               | (20)               | (14)               | 42.9                         |
| Finance costs  | (1,150)            | (601)              | N.M                          |
| Net finance costs  | (1,150)            | (578)              | N.M                          |

|  | CDL Hospitality Trusts |                    |                              |
|--|------------------------|--------------------|------------------------------|
|  | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
| Interest income received/receivable from banks   | 250                    | 83                 | N.M                          |
| Fair value gain on derivatives <sup>(ii)</sup>   | -                      | 219                | N.M                          |
| Exchange gain <sup>(iii)</sup>   | 1,612                  | -                  | N.M                          |
| Finance income   | 1,862                  | 302                | N.M                          |
| Exchange loss <sup>(iii)</sup>   | -                      | (5,421)            | N.M                          |
| Interest paid/payable to banks <sup>(iv)</sup>   | (4,552)                | (5,494)            | (17.1)                       |
| Fair value loss on derivatives <sup>(ii)</sup>   | (3,194)                | -                  | N.M                          |
| Amortisation of transaction costs capitalised <sup>(v)</sup>                             | (324)                  | (309)              | 4.9                          |
| Financial expense arising from remeasuring non-current rental deposits at amortised cost | (56)                   | (53)               | 5.7                          |
| Finance costs  | (8,126)                | (11,277)           | (27.9)                       |
| Net finance costs  | (6,264)                | (10,975)           | (42.9)                       |

- (i) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the acquisition of Hilton Cambridge City Centre (“Intra-group loan”). At the end of 3Q 2017, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan. Accordingly, no intra-group interest income/expenses were recorded in 1Q 2018.
- (ii) 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 swap contract entered into by H-REIT in 4Q 2017 to partially hedge its interest cost.
- (iii) The exchange gain of CDLHT for Q1 2018 mainly arose from translation gains from the group’s United States dollar (“USD”) denominated bank loans, offset by the depreciation of Australian dollar (“AUD”) receivables and cash balances against SGD. In comparison, the higher exchange loss for 1Q 2017 arose mainly from the foreign currency translation loss of S\$6.5 million from the repayment of a New Zealand dollar (“NZD loan”) intercompany loan which was partially offset by gains from the United States Dollar (“USD”) denominated bank loans. These exchange differences (apart from those which are revenue in nature) do not have an impact on the distributable income of CDLHT.

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- (iv) The interest paid/payable to banks for Q1 2018 were lower yoy mainly due to the lower effective cost of borrowings as a result of the repayment of certain loans arising from proceeds raised from the CDLHT’s rights issue in Q3 2017.
- (v) The amortisation costs in Q1 2018 relate to the amortisation of transaction costs arising from CDLHT’s borrowings.
- (j) *This relates to current and deferred tax in respect of CDLHT’s properties.*

|                             | H-REIT Group       |                    | HBT Group          |                    | CDL Hospitality Trusts |                    |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|--------------------|
|                             | 1Q 2018<br>S\$’000 | 1Q 2017<br>S\$’000 | 1Q 2018<br>S\$’000 | 1Q 2017<br>S\$’000 | 1Q 2018<br>S\$’000     | 1Q 2017<br>S\$’000 |
| Corporate income tax        | (977)              | (954)              | 18                 | (32)               | (959)                  | (986)              |
| Deferred tax <sup>(i)</sup> | (74)               | (93)               | (178)              | 26                 | (252)                  | (67)               |
| Withholding tax             | -                  | -                  | (202)              | (48)               | (202)                  | (48)               |
|                             | (1,051)            | (1,047)            | (362)              | (54)               | (1,413)                | (1,101)            |

- (k) *Total return of CDLHT is contributed by:*

|  | CDL Hospitality Trusts |                    |
|--|------------------------|--------------------|
|  | 1Q 2018<br>S\$’000     | 1Q 2017<br>S\$’000 |
| H-REIT   | 24,689                 | 28,357             |
| Other H-REIT group entities<br>(including consolidation adjustments) | 1,923                  | (9,557)            |
| HBT  | 748                    | 409                |
| Other HBT group entities<br>(including consolidation adjustments)    | (2,050)                | (842)              |
| CDL Hospitality Trusts’ consolidation adjustments                    | 2,721                  | (743)              |
|  | 28,031                 | 17,624             |

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

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MARCH 2018**

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

|  | CDL Hospitality Trusts |                    |
|--|------------------------|--------------------|
|  | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 |
| Total return of H-REIT   | 24,689                 | 28,357             |
| Total comprehensive income of HBT  | 748                    | 409                |
| Add/(Less): Non tax deductible/(tax chargeable) items:                                     |                        |                    |
| - Amortisation of transaction costs  | 289                    | 272                |
| - Income in relation to gain on disposal of investment properties                          | (7,473)                | -                  |
| - Fair value (gain)/ loss on financial derivatives   | 3,174                  | (233)              |
| - Financial expense arising from remeasuring non-current rental deposits at amortised cost | 56                     | 53                 |
| - Exchange (gain)/loss   | 3,767                  | (4,815)            |
| - H-REIT Manager's fees paid/payable in Stapled Securities                                 | 2,630                  | 2,563              |
| - H-REIT Trustee's fees  | 71                     | 67                 |
| - HBT Trustee-Manager's management fees paid/payable in Stapled Securities                 | -                      | 28                 |
| - HBT Trustee-Manager's trustee fees   | 58                     | 31                 |
| - Other items  | 199                    | 94                 |
| Income available for distribution to Stapled Securityholders                               | 28,208                 | 26,826             |
| Less :   |                        |                    |
| Income retained for working capital  | (2,821)                | (2,683)            |
| Income to be distributed to Stapled Securityholders (after retention)                      | 25,387                 | 24,143             |
| Capital distribution <sup>(ii)</sup>   | 675                    | -                  |
| Total distribution to Stapled Securityholders (after retention)                            | 26,062                 | 24,143             |
| Comprising :   |                        |                    |
| - Taxable income   | 18,939                 | 17,986             |
| - Tax exempt income  | 6,448                  | 6,157              |
| - Capital distribution   | 675                    | -                  |
|  | 26,062                 | 24,143             |

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

(ii) The capital distribution comprises CDLHT's partial distribution of proceeds from disposal of Mercure Brisbane and Ibis Brisbane.

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

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

|                                  | Footnote | H-REIT Group           |                        | HBT Group <sup>(a)</sup> |                        | CDL Hospitality Trusts |                        |
|----------------------------------|----------|------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|
|                                  |          | 31 Mar 2018<br>S\$'000 | 31 Dec 2017<br>S\$'000 | 31 Mar 2018<br>S\$'000   | 31 Dec 2017<br>S\$'000 | 31 Mar 2018<br>S\$'000 | 31 Dec 2017<br>S\$'000 |
| <b>ASSETS</b>                    |          |                        |                        |                          |                        |                        |                        |
| <b>Non-current assets</b>        |          |                        |                        |                          |                        |                        |                        |
| Investment properties            | (b)      | 2,384,845              | 2,386,430              | -                        | -                      | 2,331,229              | 2,331,433              |
| Property, plant and equipment    | (c)      | 81,498                 | 78,183                 | 211,254                  | 206,192                | 339,148                | 332,666                |
| Prepaid land lease               |          | -                      | -                      | -                        | -                      | 6,514                  | 6,707                  |
| Deferred tax assets              |          | 304                    | 297                    | -                        | -                      | 304                    | 297                    |
| Other receivables                |          | 149                    | 149                    | -                        | -                      | 149                    | 149                    |
|                                  |          | <b>2,466,796</b>       | <b>2,465,059</b>       | <b>211,254</b>           | <b>206,192</b>         | <b>2,677,344</b>       | <b>2,671,252</b>       |
| <b>Current assets</b>            |          |                        |                        |                          |                        |                        |                        |
| Inventories                      |          | -                      | -                      | 1,014                    | 1,161                  | 1,014                  | 1,161                  |
| Trade and other receivables      |          | 25,210                 | 20,909                 | 7,968                    | 8,297                  | 24,253                 | 20,758                 |
| Financial derivative assets      | (d)      | 161                    | 245                    | -                        | 7                      | 161                    | 252                    |
| Cash and cash equivalents        |          | 126,028                | 78,591                 | 13,578                   | 17,278                 | 139,606                | 95,869                 |
| Assets held for sale             | (b)      | -                      | 72,863                 | -                        | -                      | -                      | 72,863                 |
|                                  |          | <b>151,399</b>         | <b>172,608</b>         | <b>22,560</b>            | <b>26,743</b>          | <b>165,034</b>         | <b>190,903</b>         |
| <b>Total assets</b>              |          | <b>2,618,195</b>       | <b>2,637,667</b>       | <b>233,814</b>           | <b>232,935</b>         | <b>2,842,378</b>       | <b>2,862,155</b>       |
| <b>LIABILITIES</b>               |          |                        |                        |                          |                        |                        |                        |
| <b>Non-current liabilities</b>   |          |                        |                        |                          |                        |                        |                        |
| Loans and borrowings             | (e)      | 538,097                | 547,719                | 99,362                   | 96,264                 | 637,459                | 643,983                |
| Rental deposits                  | (f)      | 9,457                  | 9,397                  | -                        | -                      | 9,457                  | 9,397                  |
| Financial derivative liabilities | (d)      | 3,334                  | -                      | -                        | -                      | 3,334                  | -                      |
| Deferred tax liabilities         | (g)      | 12,091                 | 17,771                 | 14,721                   | 13,481                 | 26,813                 | 31,251                 |
|                                  |          | <b>562,979</b>         | <b>574,887</b>         | <b>114,083</b>           | <b>109,745</b>         | <b>677,063</b>         | <b>684,631</b>         |
| <b>Current liabilities</b>       |          |                        |                        |                          |                        |                        |                        |
| Loans and borrowings             | (e)      | 303,871                | 286,227                | -                        | -                      | 303,871                | 286,227                |
| Trade and other payables         | (h)      | 31,828                 | 34,113                 | 16,119                   | 16,275                 | 39,019                 | 41,941                 |
| Financial derivative liabilities | (d)      | 18                     | 262                    | 27                       | 14                     | 45                     | 276                    |
| Provision for taxation           |          | 4,109                  | 3,296                  | 501                      | 521                    | 4,610                  | 3,817                  |
|                                  |          | <b>339,826</b>         | <b>323,898</b>         | <b>16,647</b>            | <b>16,810</b>          | <b>347,545</b>         | <b>332,261</b>         |
| <b>Total liabilities</b>         |          | <b>902,805</b>         | <b>898,785</b>         | <b>130,730</b>           | <b>126,555</b>         | <b>1,024,608</b>       | <b>1,016,892</b>       |
| <b>Net assets/(liabilities)</b>  |          | <b>1,715,390</b>       | <b>1,738,882</b>       | <b>103,084</b>           | <b>106,380</b>         | <b>1,817,770</b>       | <b>1,845,263</b>       |
| <b>Represented by:</b>           |          |                        |                        |                          |                        |                        |                        |
| Unitholders' funds               |          | 1,710,411              | 1,733,892              | 103,084                  | 106,380                | 1,812,791              | 1,840,273              |
| Non-controlling interests        | (i)      | 4,979                  | 4,990                  | -                        | -                      | 4,979                  | 4,990                  |
|                                  |          | <b>1,715,390</b>       | <b>1,738,882</b>       | <b>103,084</b>           | <b>106,380</b>         | <b>1,817,770</b>       | <b>1,845,263</b>       |

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31  
MARCH 2018**

**Footnotes**

(a) *The Statement of Financial Position of HBT Group comprises the resort operations of Dhevanafushi Maldives Luxury Resort, the Japan Hotels and the UK Hotels (including The Lowry Hotel which was acquired on 4 May 2017).*

(b) *The slight decrease in investment properties at CDLHT was mainly attributed to a net translation loss of S\$1.8 million during the reporting quarter, offset by additional capital expenditure of S\$1.6 million.*

*The assets held for sale recorded a nil balance following the divestment of Mercure Brisbane and Ibis Brisbane on 11 January 2018.*

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

*The property, plant and equipment at CDLHT comprise the Japan Hotels, Dhevanafushi Maldives Luxury Resort and the UK Hotels. For Dhevanafushi Maldives Luxury Resort, the property is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT’s indirect wholly-owned subsidiary. Under FRS 40, these properties are considered property held for use as owner-occupied properties. Accordingly, these properties are classified as property, plant and equipment instead of investment property in CDLHT’s financial statements.*

*The increase in property, plant and equipment at CDLHT is mainly due to a net translation gain of S\$8.9 million and net additions of S\$0.4 million. This was offset by depreciation expenses of S\$2.9 million for the period.*

(d) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts and cross currency swap. In 4Q 2017, H-REIT entered into a EUR/USD cross currency swap in conjunction with a new 5-year floating term loan denominated in USD, to hedge its interest cost.*

(e) *Loans and borrowings of CDLHT of S\$941.3 million (as at 31 December 2017: S\$930.2 million), which are measured at amortised cost, comprise S\$120.0 million notes issued pursuant to the Medium Term Note Programme, JPY 3.1 billion (S\$38.1 million) TMK bond and S\$783.4 million bank borrowings, as explained under Section 1(b)(ii) on pages 11 to 13 of the Announcement.*

*In 4Q 2017, CDLHT refinanced its GBP bridge loan and partially refinanced its EUR bridge loan that was drawn down to finance the acquisition of The Lowry Hotel and Pullman Hotel Munich respectively. Refinancing for the remainder of H-REIT’s Bridge Loan taken to finance Pullman Hotel Munich of €42 million (S\$67.9 million) has been completed in April 2018. Please refer to Section 1(b)(ii) on pages 13 of the Announcement.*

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

(g) *The deferred tax liabilities relate to the Australia, UK and Japan properties. The decrease in liability is mainly due to the divestment of Mercure Brisbane and Ibis Brisbane on 11 January 2018.*

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

(i) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to the Pullman Hotel Munich (acquired on 14 July 2017).*

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**1 (b)(ii) Aggregate amount of group’s borrowings and debt securities**

|   | H-REIT Group           |                        | HBT Group              |                        | CDL Hospitality Trusts |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 31 Mar 2018<br>S\$'000 | 31 Dec 2017<br>S\$'000 | 31 Mar 2018<br>S\$'000 | 31 Dec 2017<br>S\$'000 | 31 Mar 2018<br>S\$'000 | 31 Dec 2017<br>S\$'000 |
| <b>Amount repayable after one year</b>  |                        |                        |                        |                        |                        |                        |
| Secured TMK bond                        | 38,440                 | 36,735                 | -                      | -                      | 38,440                 | 36,735                 |
| Unsecured borrowings                    | 502,016                | 513,525                | 100,078                | 96,989                 | 602,094                | 610,514                |
|   | 540,456                | 550,260                | 100,078                | 96,989                 | 640,534                | 647,249                |
| <b>Amount repayable within one year</b> |                        |                        |                        |                        |                        |                        |
| Unsecured medium term note              | 120,000                | 120,000                | -                      | -                      | 120,000                | 120,000                |
| Unsecured borrowings                    | 184,063                | 166,481                | -                      | -                      | 184,063                | 166,481                |
|   | 304,063                | 286,481                | -                      | -                      | 304,063                | 286,481                |
| <b>Total borrowings<sup>(a)</sup></b>   | 844,519                | 836,741                | 100,078                | 96,989                 | 944,597                | 933,730                |

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

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**1 (b)(ii) Aggregate amount of group’s borrowings and debt securities**

**Details of borrowings**

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

| Facilities |   | H-REIT Group               |                            |                     | HBT Group                  |                            |                     | CDL Hospitality Trusts     |                            |                     |
|------------|---|----------------------------|----------------------------|---------------------|----------------------------|----------------------------|---------------------|----------------------------|----------------------------|---------------------|
|            |   | 31 Mar 2018                |                            |                     | 31 Mar 2018                |                            |                     | 31 Mar 2018                |                            |                     |
| Currency   | Type  | Facility amount<br>S\$'000 | Draw n<br>dow n<br>S\$'000 | Undraw n<br>S\$'000 | Facility amount<br>S\$'000 | Draw n<br>dow n<br>S\$'000 | Undraw n<br>S\$'000 | Facility amount<br>S\$'000 | Draw n<br>dow n<br>S\$'000 | Undraw n<br>S\$'000 |
| JPY        | TMK bond (¥3.1 billion)                     | 38,440                     | 38,440                     | -                   | -                          | -                          | -                   | 38,440                     | 38,440                     | -                   |
| JPY        | 5-year term loan (¥3.27 billion)            | 40,548                     | 40,548                     | -                   | -                          | -                          | -                   | 40,548                     | 40,548                     | -                   |
| SGD        | Medium term note                            | 1,000,000                  | 120,000                    | 880,000             | -                          | -                          | -                   | 1,000,000                  | 120,000                    | 880,000             |
| SGD        | Bridge loan (€41.7 million)                 | 300,000                    | 67,947                     | 232,053             | 200,000                    | -                          | 200,000             | 500,000                    | 67,947                     | 432,053             |
| SGD        | 3 to 3.25-year revolving credit (committed) | 250,000                    | 116,116                    | 133,884             | -                          | -                          | -                   | 250,000                    | 116,116                    | 133,884             |
| SGD        | 5-year term loan                            | 153,600                    | 153,600                    | -                   | -                          | -                          | -                   | 153,600                    | 153,600                    | -                   |
| USD        | 5-year term loan (US\$65.0 million)         | 85,014                     | 85,014                     | -                   | -                          | -                          | -                   | 85,014                     | 85,014                     | -                   |
| USD        | 5-year term loan (US\$76.2 million)         | 99,610                     | 99,610                     | -                   | -                          | -                          | -                   | 99,610                     | 99,610                     | -                   |
| GBP        | 5-year term loan (£120.5 million)           | 123,244                    | 123,244                    | -                   | 100,078                    | 100,078                    | -                   | 223,322                    | 223,322                    | -                   |
|            |   | <b>2,090,456</b>           | <b>844,519</b>             | <b>1,245,937</b>    | <b>300,078</b>             | <b>100,078</b>             | <b>200,000</b>      | <b>2,390,534</b>           | <b>944,597</b>             | <b>1,445,937</b>    |

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**Secured TMK bond**

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$38.4 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.

**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”), out of which S\$120.0 million medium term notes are issued.

**Unsecured bridge loan**

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

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

As at 31 March 2018, the remaining portion of the bridge loan initially taken to fund the acquisition of Pullman Hotel Munich was S\$67.9 million (€41.7 million). This bridge loan has been fully refinanced with a 7-year fixed term loan denominated in EUR in April 2018.

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

| Foot-note   | H-REIT Group    |                 | HBT Group      |                | CDL Hospitality Trusts |                 |
|---|-----------------|-----------------|----------------|----------------|------------------------|-----------------|
|   | 1Q 2018         | 1Q 2017         | 1Q 2018        | 1Q 2017        | 1Q 2018                | 1Q 2017         |
|   | S\$'000         | S\$'000         | S\$'000        | S\$'000        | S\$'000                | S\$'000         |
| <b>Operating activities</b>   |                 |                 |                |                |                        |                 |
| Net income/(loss) before tax  | 27,663          | 19,847          | (940)          | (379)          | 29,444                 | 18,725          |
| Adjustments for:  |                 |                 |                |                |                        |                 |
| H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities                     | 2,630           | 2,563           | -              | 28             | 2,630                  | 2,591           |
| Depreciation of property, plant and equipment   | 523             | 486             | 1,658          | 883            | 2,821                  | 2,075           |
| Amortisation of prepaid land lease  | -               | -               | -              | -              | 70                     | 68              |
| Impairment loss on trade receivables  | (86)            | 51              | (14)           | 15             | (100)                  | 66              |
| Gain on disposal of investment properties and related cessation of business of foreign operations | (5,367)         | -               | -              | -              | (5,367)                | -               |
| Net finance costs   | 8,545           | 10,397          | 1,150          | 578            | 6,264                  | 10,975          |
| <b>Operating income before working capital changes</b>  | <b>33,908</b>   | <b>33,344</b>   | <b>1,854</b>   | <b>1,125</b>   | <b>35,762</b>          | <b>34,500</b>   |
| <b>Changes in working capital:</b>  |                 |                 |                |                |                        |                 |
| Inventories   | -               | -               | 139            | 13             | 139                    | 13              |
| Trade and other receivables   | (4,052)         | 5,322           | 358            | (121)          | (3,028)                | 6,135           |
| Trade and other payables  | (3,807)         | 1,317           | (4)            | (671)          | (4,478)                | (318)           |
| <b>Cash generated from operating activities</b>   | <b>26,049</b>   | <b>39,983</b>   | <b>2,347</b>   | <b>346</b>     | <b>28,395</b>          | <b>40,330</b>   |
| Income tax paid   | (171)           | (42)            | (220)          | (48)           | (391)                  | (90)            |
| <b>Net cash generated from operating activities</b>   | <b>25,878</b>   | <b>39,941</b>   | <b>2,127</b>   | <b>298</b>     | <b>28,004</b>          | <b>40,240</b>   |
| <b>Investing activities</b>   |                 |                 |                |                |                        |                 |
| Capital expenditure on investment properties  | (1,966)         | (2,476)         | -              | -              | (1,974)                | (2,359)         |
| Addition of property, plant and equipment   | (259)           | (216)           | (418)          | (180)          | (668)                  | (514)           |
| Proceeds from disposal of investment properties (net)   | 80,556          | -               | -              | -              | 80,556                 | -               |
| Interest received   | 244             | 570             | -              | -              | 244                    | 80              |
| <b>Cash generated from/(used in) investing activities</b>   | <b>78,575</b>   | <b>(2,122)</b>  | <b>(418)</b>   | <b>(180)</b>   | <b>78,158</b>          | <b>(2,793)</b>  |
| <b>Financing activities</b>   |                 |                 |                |                |                        |                 |
| Proceeds from bank loans  | 3,800           | -               | -              | -              | 3,800                  | -               |
| Repayment of bank loans   | -               | (1,579)         | -              | -              | -                      | (1,579)         |
| Payment of transaction costs related to bank loans  | (25)            | (8)             | (29)           | -              | (54)                   | (8)             |
| Finance costs paid  | (2,486)         | (4,902)         | (677)          | (490)          | (3,163)                | (4,902)         |
| Distribution to holders of Stapled Securities   | (56,393)        | (52,150)        | (5,027)        | (2,944)        | (61,420)               | (55,094)        |
| Distribution to non-controlling interests   | (149)           | -               | -              | -              | (149)                  | -               |
| Movement in restricted cash   | 472             | 468             | -              | -              | 472                    | 468             |
| <b>Cash used in financing activities</b>  | <b>(54,781)</b> | <b>(58,171)</b> | <b>(5,733)</b> | <b>(3,434)</b> | <b>(60,514)</b>        | <b>(61,115)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                       | <b>49,672</b>   | <b>(20,352)</b> | <b>(4,024)</b> | <b>(3,316)</b> | <b>45,648</b>          | <b>(23,668)</b> |
| Cash and cash equivalents at beginning of the period  | 77,370          | 66,471          | 17,278         | 14,301         | 94,648                 | 80,772          |
| Effect of exchange rate changes on cash and cash equivalents                                      | (1,812)         | (114)           | 324            | (325)          | (1,488)                | (439)           |
| <b>Cash and cash equivalents at end of the year</b>   | <b>125,230</b>  | <b>46,005</b>   | <b>13,578</b>  | <b>10,660</b>  | <b>138,808</b>         | <b>56,665</b>   |

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

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 H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31  
 MARCH 2018**

**Footnotes**

(a) 1,559,059 (1Q 2017: 1,847,874) Stapled Securities amounting to S\$2.6 million (1Q 2017: S\$2.6 million) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter.

(b) Cash and cash equivalents for H-REIT Group and CDLHT as at 31 March 2018 are as follows:

|  | H-REIT Group<br>S\$'000 | CDL Hospitality Trusts<br>S\$'000 |
|--|-------------------------|-----------------------------------|
| Cash and cash equivalents in the Statement of Financial Position | 126,028                 | 139,606                           |
| Restricted cash <sup>(a)</sup>                                   | (798)                   | (798)                             |
| Cash and cash equivalents in the Statement of Cash Flow s        | 125,230                 | 138,808                           |

<sup>(a)</sup> Relates to cash reserved by a trust bank in Japan.

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**1 (d)(i) Statement of Movements in Unitholders’ funds for the period from 1 January 2018 to 31 March 2018**

| Footnote  | H-REIT Group           |                        |  |                             |                             |   |                                   |                  | HBT Group              |                        |  |                             |                                      | CDL Hospitality Trusts |   |                                   |                  |
|---|------------------------|------------------------|--|-----------------------------|-----------------------------|---|-----------------------------------|------------------|------------------------|------------------------|--|-----------------------------|--------------------------------------|------------------------|---|-----------------------------------|------------------|
|   | Units in Issue S\$'000 | Issue Expenses S\$'000 | Foreign Currency Translation Reserve S\$'000 | Revaluation Reserve S\$'000 | Accumulated Profits S\$'000 | 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    |
| <b>Balance as at 1 January 2018</b>   | 1,310,316              | (27,976)               | (27,292)                                     | 10,172                      | 468,672                     | 1,733,892                                       | 4,990                             | <b>1,738,882</b> | 117,971                | (121)                  | 5,304  | 6,986                       | (23,760)                             | <b>106,380</b>         | 1,840,273                                       | <b>4,990</b>                      | <b>1,845,263</b> |
| <b>Operations</b>   |                        |                        |  |                             |                             |   |                                   |                  |                        |                        |  |                             |                                      |                        |   |                                   |                  |
| Increase/(decrease) in net assets resulting from operations   | -                      | -                      | -  | -                           | 26,591                      | 26,591  | 21                                | <b>26,612</b>    | -                      | -                      | -  | -                           | (1,302)                              | <b>(1,302)</b>         | 28,010  | 21                                | <b>28,031</b>    |
| <b>Movements in revaluation reserve</b>   |                        |                        |  |                             |                             |   |                                   |                  |                        |                        |  |                             |                                      |                        |   |                                   |                  |
| - Tax effect on revaluation of property, plant and equipment  | -                      | -                      | -  | 17                          | -                           | 17  | -                                 | <b>17</b>        | -                      | -                      | -  | (626)                       | -                                    | <b>(626)</b>           | (609)   | -                                 | <b>(609)</b>     |
| <b>Increase in revaluation reserve</b>  | -                      | -                      | -  | 17                          | -                           | 17  | -                                 | <b>17</b>        | -                      | -                      | -  | (626)                       | -                                    | <b>(626)</b>           | (609)   | -                                 | <b>(609)</b>     |
| <b>Movements in foreign currency translation reserve</b>  |                        |                        |  |                             |                             |   |                                   |                  |                        |                        |  |                             |                                      |                        |   |                                   |                  |
| - Translation differences relating to financial statements of foreign subsidiaries                              | -                      | -                      | (1,843)                                      | -                           | -                           | (1,843)   | -                                 | <b>(1,843)</b>   | -                      | -                      | 3,201  | -                           | -                                    | <b>3,201</b>           | 1,365   | -                                 | <b>1,365</b>     |
| - Exchange differences on hedge of net investment in a foreign operation  | -                      | -                      | (255)  | -                           | -                           | (255)   | -                                 | <b>(255)</b>     | -                      | -                      | (2,574)                                      | -                           | -                                    | <b>(2,574)</b>         | (6,261)   | -                                 | <b>(6,261)</b>   |
| - Exchange differences on monetary items forming part of net investment in a foreign operation                  | -                      | -                      | (2,252)                                      | -                           | -                           | (2,252)   | -                                 | <b>(2,252)</b>   | -                      | -                      | 3,032  | -                           | -                                    | <b>3,032</b>           | 779   | -                                 | <b>779</b>       |
| - Exchange differences reclassified to statement of total return on cessation of business of foreign operations | -                      | -                      | 8,024  | -                           | -                           | 8,024   | -                                 | <b>8,024</b>     | -                      | -                      | -  | -                           | -                                    | -                      | 8,024   | -                                 | <b>8,024</b>     |
| <b>Increase/(decrease) in foreign currency translation reserve</b>  | -                      | -                      | 3,674  | -                           | -                           | 3,674   | -                                 | <b>3,674</b>     | -                      | -                      | 3,659  | -                           | -                                    | <b>3,659</b>           | 3,907   | -                                 | <b>3,907</b>     |
| <b>Transactions with owners</b>   |                        |                        |  |                             |                             |   |                                   |                  |                        |                        |  |                             |                                      |                        |   |                                   |                  |
| - Stapled Securities to be issued (a)   | 2,630                  | -                      | -  | -                           | -                           | 2,630   | -                                 | <b>2,630</b>     | -                      | -                      | -  | -                           | -                                    | -                      | 2,630   | -                                 | <b>2,630</b>     |
| - Distribution to Stapled Securityholders (b)   | (3,479)                | -                      | -  | -                           | (52,914)                    | (56,393)  | -                                 | <b>(56,393)</b>  | -                      | -                      | -  | -                           | (5,027)                              | <b>(5,027)</b>         | (61,420)  | -                                 | <b>(61,420)</b>  |
| - Distribution to non-controlling interests   | -                      | -                      | -  | -                           | -                           | -   | (32)                              | <b>(32)</b>      | -                      | -                      | -  | -                           | -                                    | -                      | -   | (32)                              | <b>(32)</b>      |
| <b>Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions</b>                   | (849)                  | -                      | -  | -                           | (52,914)                    | (53,763)  | (32)                              | <b>(53,795)</b>  | -                      | -                      | -  | -                           | (5,027)                              | <b>(5,027)</b>         | (58,790)  | (32)                              | <b>(58,822)</b>  |
| <b>Balance as at 31 March 2018</b>  | 1,309,467              | (27,976)               | (23,618)                                     | 10,189                      | 442,349                     | 1,710,411                                       | 4,979                             | <b>1,715,390</b> | 117,971                | (121)                  | 8,963  | 6,360                       | (30,089)                             | <b>103,084</b>         | 1,812,791                                       | 4,979                             | <b>1,817,770</b> |

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 January 2017 to 31 March 2017**

| Footnote   | H-REIT Group           |                        |  |                             |                             |                  | HBT Group              |                        |  |                             |                                       | CDL Hospitality Trusts |                  |
|--|------------------------|------------------------|--|-----------------------------|-----------------------------|------------------|------------------------|------------------------|--|-----------------------------|---------------------------------------|------------------------|------------------|
|  | Units in Issue S\$'000 | Issue Expenses S\$'000 | Foreign Currency Translation Reserve S\$'000 | Revaluation Reserve S\$'000 | Accumulated Profits S\$'000 | Total S\$'000    | Units in Issue S\$'000 | Issue Expenses S\$'000 | Foreign Currency Translation Reserve S\$'000 | Revaluation Reserve S\$'000 | Accumulated Profits/ (Losses) S\$'000 | Total S\$'000          | Total S\$'000    |
| <b>Balance as at 1 January 2017</b>  | 1,166,980              | (23,921)               | (16,740)                                     | -                           | 428,146                     | <b>1,554,465</b> | 850                    | (121)                  | 2,216  | -                           | (10,989)                              | <b>(8,044)</b>         | <b>1,546,421</b> |
| <b>Operations</b>  |                        |                        |  |                             |                             |                  |                        |                        |  |                             |                                       |                        |                  |
| Increase/(decrease) in net assets resulting from operations                                    | -                      | -                      | -  | -                           | 18,800                      | <b>18,800</b>    | -                      | -                      | -  | -                           | (433)                                 | <b>(433)</b>           | <b>17,624</b>    |
| Movements in revaluation reserve   | -                      | -                      | -  | 7,935                       | -                           | <b>7,935</b>     | -                      | -                      | -  | 2,915                       | -                                     | <b>2,915</b>           | <b>10,850</b>    |
| <b>Movements in foreign currency translation reserve</b>                                       |                        |                        |  |                             |                             |                  |                        |                        |  |                             |                                       |                        |                  |
| - Translation differences relating to financial statements of foreign subsidiaries             | -                      | -                      | (5,227)                                      | -                           | -                           | <b>(5,227)</b>   | -                      | -                      | 237  | -                           | -                                     | <b>237</b>             | <b>(4,977)</b>   |
| - Exchange differences on hedge of net investment in a foreign operation                       | -                      | -                      | 3,563  | -                           | -                           | <b>3,563</b>     | -                      | -                      | -  | -                           | -                                     | -                      | <b>3,563</b>     |
| - Exchange differences on monetary items forming part of net investment in a foreign operation | -                      | -                      | 6,825  | -                           | -                           | <b>6,825</b>     | -                      | -                      | -  | -                           | -                                     | -                      | <b>6,825</b>     |
| <b>Increase in foreign currency translation reserve</b>  | -                      | -                      | 5,161  | -                           | -                           | <b>5,161</b>     | -                      | -                      | 237  | -                           | -                                     | <b>237</b>             | <b>5,411</b>     |
| <b>Stapled securityholders’</b>  |                        |                        |  |                             |                             |                  |                        |                        |  |                             |                                       |                        |                  |
| - Stapled Securities to be issued as payment of H-REIT Manager’s management fees               | (a) 2,563              | -                      | -  | -                           | -                           | <b>2,563</b>     | -                      | -                      | -  | -                           | -                                     | -                      | <b>2,563</b>     |
| - Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees          | (a) -                  | -                      | -  | -                           | -                           | -                | 28                     | -                      | -  | -                           | -                                     | <b>28</b>              | <b>28</b>        |
| - Distribution to Stapled Securityholders  | (c) (3,375)            | -                      | -  | -                           | (48,775)                    | <b>(52,150)</b>  | -                      | -                      | -  | -                           | (2,944)                               | <b>(2,944)</b>         | <b>(55,094)</b>  |
| <b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>  | (812)                  | -                      | -  | -                           | (48,775)                    | <b>(49,587)</b>  | 28                     | -                      | -  | -                           | (2,944)                               | <b>(2,916)</b>         | <b>(52,503)</b>  |
| <b>Balance as at 31 March 2017</b>   | 1,166,168              | (23,921)               | (11,579)                                     | 7,935                       | 398,171                     | <b>1,536,774</b> | 878                    | (121)                  | 2,453  | 2,915                       | (14,366)                              | <b>(8,241)</b>         | <b>1,527,803</b> |

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**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’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 2017 to 31 December 2017, which includes a capital distribution of S\$3,479,000.*
- (c) *Distribution to Stapled Securityholders in respect of the period from 1 July 2016 to 31 December 2016, which includes a capital distribution of S\$3,375,000.*

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**1 (e) Details of any changes in the stapled securities**

|  |           | CDL Hospitality Trusts |             |
|--|-----------|------------------------|-------------|
|  | Foot-note | 1Q 2018                | 1Q 2017     |
| Issued stapled securities at beginning of the period                       |           | 1,198,822,685          | 991,771,059 |
| Issue of new stapled securities:   |           |                        |             |
| - as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees |           | 773,477                | 925,435     |
| Issued stapled securities at end of the period                             |           | 1,199,596,162          | 992,696,494 |
| Stapled securities to be issued:   |           |                        |             |
| - as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees | (a)       | 4,914,015              | 6,017,398   |
| Total issued and issuable stapled securities at end of the period          |           | 1,204,510,177          | 998,713,892 |

**Footnotes**

(a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for management fee is 0.8 million (1Q 2017: 1.0 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.*

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited but have been extracted from the financial information for the quarter ended 31 March 2018 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2017, 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 2018, HBT Group adopted Singapore Financial Reporting Standards (International) (“SFRS(I)”) which are applicable for listed business trusts in Singapore. HBT Group’s adoption of SFRS(I) did not have a significant impact on its financial statements. The H-REIT Group and CDL Hospitality Trusts continue to prepare their financial statements under Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts*.

In addition to the adoption of SFRS(I) framework by HBT Group as described above, H-REIT Group, HBT Group and CDL Hospitality Trusts adopted various new accounting standards, amendments to and interpretations of standards that are effective for annual periods beginning on or after 1 January 2018. The adoption of those new standards, amendments to and interpretations of standards did not have material impact on their respective financial statements.

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

**EPS**

**Basic EPS**

Weighted average number of Stapled Securities

Basic EPS<sup>(a)</sup> (cents)

**Diluted EPS**

Weighted average number of Stapled Securities

Diluted EPS<sup>(b)</sup> (cents)

| CDL Hospitality Trusts                        |                     |                                |
|---|---------------------|--------------------------------|
| 1Q 2018                                       | 1Q 2017<br>Restated | 1Q 2017<br>Previously reported |
| Weighted average number of Stapled Securities | 1,202,959,595       | 1,035,654,063 <sup>(d)</sup>   |
| Basic EPS <sup>(a)</sup> (cents)              | 2.33                | 1.70                           |
| Weighted average number of Stapled Securities | 1,204,510,177       | 996,875,602                    |
| Diluted EPS <sup>(b)</sup> (cents)            | 2.33                | 1.70                           |
|   |                     | 1.76                           |

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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| CDL Hospitality Trusts   |               |                     |                                   |
|--|---------------|---------------------|-----------------------------------|
|  | 1Q 2018       | 1Q 2017<br>Restated | 1Q 2017<br>Previously<br>reported |
| <b>DPS</b>   |               |                     |                                   |
| Number of Stapled Securities entitled to distribution:   |               |                     |                                   |
| - in issue   | 1,199,596,162 | 992,696,494         | 992,696,494                       |
| - issuable   | 4,117,927     | 5,032,214           | 5,032,214                         |
| - rights issue <sup>(c)</sup>  | -             | 199,545,741         | -                                 |
|  | 1,203,714,089 | 1,197,274,449       | 997,728,708                       |
| DPS for the period based on the total number of<br>Stapled Securities entitled to the distribution (cents) |               |                     |                                   |
| - Taxable income   | 1.57          | 1.50                | 1.80                              |
| - Tax exempt income  | 0.54          | 0.52                | 0.62                              |
| - Capital distribution   | 0.06          | -                   | -                                 |
|  | 2.17          | 2.02                | 2.42                              |

**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.*
- (c) *On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the launch of an underwritten and renounceable rights issue on 27 June 2017 (“Right Issue”). The new Stapled Securities rank pari passu in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution for 1Q 2017. Accordingly, the DPS have been restated to reflect the effect of the Rights Issue.*
- (d) *The number of weighted average number of Stapled Securities has been restated to reflect the effect of bonus element in the Right Issue, arising from exercise price being lower than the market price of the Stapled Securities.*

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

| CDL Hospitality Trusts  |               |               |
|---|---------------|---------------|
|   | 31 Mar 2018   | 31 Dec 2017   |
| Net asset value/net tangible asset attributable to unitholders(S\$'000)   | 1,812,791     | 1,840,273     |
| Number of Stapled Securities issued and to be issued at end of the period | 1,204,510,177 | 1,202,951,118 |
| Net asset value/net tangible asset per Stapled Security (S\$)             | 1.5050        | 1.5298        |

CDL HOSPITALITY TRUSTS (“CDLHT”)  
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8 Review of the performance for the first quarter ended 31 March 2018

8 (i) Breakdown of Total Revenue by Geography

| Footnote | H-REIT Group          |                    |                              | HBT Group          |                    |                              | CDL Hospitality Trusts |                    |                              |        |
|----------|-----------------------|--------------------|------------------------------|--------------------|--------------------|------------------------------|------------------------|--------------------|------------------------------|--------|
|          | 1Q 2018<br>S\$'000    | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |        |
|          | <b>Master leases</b>  |                    |                              |                    |                    |                              |                        |                    |                              |        |
|          | <i>Singapore</i>      |                    |                              |                    |                    |                              |                        |                    |                              |        |
|          |                       |                    |                              |                    |                    |                              |                        |                    |                              |        |
|          | - Hotels              | 22,359             | 21,807                       | 2.5                | -                  | -                            | -                      | 22,359             | 21,807                       | 2.5    |
|          | - Claymore Connect    | 1,919              | 1,660                        | 15.6               | -                  | -                            | -                      | 1,919              | 1,660                        | 15.6   |
| (a)      | <i>Maldives</i>       | 1,978              | 2,126                        | (7.0)              | -                  | -                            | -                      | 1,978              | 2,126                        | (7.0)  |
|          | <i>Australia</i>      | 2,625              | 3,653                        | (28.1)             | -                  | -                            | -                      | 2,625              | 3,653                        | (28.1) |
|          | <i>New Zealand</i>    | 5,360              | 5,422                        | (1.1)              | -                  | -                            | -                      | 5,360              | 5,422                        | (1.1)  |
| (b)      | <i>Germany</i>        | 2,187              | -                            | N.M                | -                  | -                            | -                      | 2,187              | -                            | N.M    |
|          |                       | 36,428             | 34,668                       | 5.1                | -                  | -                            | -                      | 36,428             | 34,668                       | 5.1    |
|          | <b>Managed hotels</b> |                    |                              |                    |                    |                              |                        |                    |                              |        |
| (a)      | <i>Maldives</i>       | 989                | 1,678                        | (41.1)             | 3,380              | 5,132                        | (34.1)                 | 3,380              | 5,132                        | (34.1) |
| (c)      | <i>Japan</i>          | 1,244              | 1,408                        | (11.6)             | 2,139              | 2,360                        | (9.4)                  | 2,139              | 2,360                        | (9.4)  |
| (d)      | <i>United Kingdom</i> | -                  | -                            | -                  | 9,848              | 4,251                        | N.M                    | 9,848              | 4,251                        | N.M    |
|          |                       | 2,233              | 3,086                        | (27.6)             | 15,367             | 11,743                       | 30.9                   | 15,367             | 11,743                       | 30.9   |
|          | <b>Total</b>          | 38,661             | 37,754                       | 2.4                | 15,367             | 11,743                       | 30.9                   | 51,795             | 46,411                       | 11.6   |

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

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

| Footnote           | H-REIT Group       |                    |                              | HBT Group          |                    |                              | CDL Hospitality Trusts |                    |                              |
|--------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|------------------------------|------------------------|--------------------|------------------------------|
|                    | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000 | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1Q 2018<br>S\$'000     | 1Q 2017<br>S\$'000 | Increase/<br>(Decrease)<br>% |
| <i>Singapore</i>   |                    |                    |                              |                    |                    |                              |                        |                    |                              |
| - Hotels           | 20,568             | 19,921             | 3.2                          | -                  | -                  | -                            | 20,568                 | 19,921             | 3.2                          |
| - Claymore Connect | 1,431              | 967                | 48.0                         | -                  | -                  | -                            | 1,431                  | 967                | 48.0                         |
| Maldives (a)       | 2,455              | 3,247              | (24.4)                       | (75)               | 113                | N.M                          | 2,380                  | 3,360              | (29.2)                       |
| Australia          | 2,625              | 3,653              | (28.1)                       | -                  | -                  | -                            | 2,625                  | 3,653              | (28.1)                       |
| New Zealand        | 5,360              | 5,422              | (1.1)                        | -                  | -                  | -                            | 5,360                  | 5,422              | (1.1)                        |
| Germany (b)        | 1,940              | -                  | N.M                          | -                  | -                  | -                            | 1,940                  | -                  | N.M                          |
| Japan (c)          | 1,165              | 1,326              | (12.1)                       | (29)               | (52)               | (44.2)                       | 1,136                  | 1,274              | (10.8)                       |
| United Kingdom (d) | -                  | -                  | -                            | 2,378              | 1,275              | 86.5                         | 2,378                  | 1,275              | 86.5                         |
| <b>Total</b>       | <b>35,544</b>      | <b>34,536</b>      | <b>2.9</b>                   | <b>2,274</b>       | <b>1,336</b>       | <b>70.2</b>                  | <b>37,818</b>          | <b>35,872</b>      | <b>5.4</b>                   |

**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. As at 31 December 2017, the Lessee paid the Lessor a cumulative top-up amount of US\$2.5 million to make up for the shortfall in rent below the minimum rent of US\$6.0 million. No minimum rent top-up was paid by the Lessee for 1Q 2018.

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(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 Property will initially operate as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, and following enhancements in late 2018, will be repositioned to join the iconic collection of Raffles Hotels and Resorts.*

*For the HREIT Group, the revenue for 1Q 2018 includes S\$1.0 million (US\$0.8 million) rental income from HBT Group.*

*For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the resort operations of the Property.*

(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 EUR 3.6 million per annum.*

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

*For H-REIT Group, the revenue for 1Q 2018 includes S\$1.2 million (JPY102.0 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available once the financial results for the fiscal period ended 31 March 2018 are audited and the income 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.*

(d) *The UK Hotels includes:*

(i) Hilton Cambridge City Centre

*Hilton Cambridge City Centre is owned by HBT’s indirectly wholly-owned subsidiary. 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 was acquired on 4 May 2017 and is owned and operated by HBT’s indirectly wholly-owned subsidiary.*

*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.*

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

**First Quarter ended 31 March 2018**

In 1Q 2018, CDLHT recorded gross revenue of S\$51.8 million, S\$5.4 million or 11.6% higher than the same period last year. This was largely supported by inorganic contribution of S\$5.6 million from The Lowry Hotel and another S\$2.2 million from Pullman Hotel Munich, which were absent last year. Contribution from the Singapore portfolio (including Claymore Connect) grew by S\$0.8 million or 3.5% amidst a competitive hospitality and retail landscape. Revenue from Claymore Connect increased S\$0.3 million (or 15.6%) yoy mainly due to higher occupancy and the absence of tenant fit outs, which in 1Q 2017, resulted in lower rentals being recognised. However, the portfolio income growth was moderated by lower gross revenue largely from its Japan, Maldives and Australia properties (due to the divestment of the Mercure Brisbane and Ibis Brisbane on 11 January 2018). Collectively, contributions from these properties declined by S\$3.2 million yoy.

Despite the supply surge registered towards the end of 2017, gross revenue for the Singapore Hotels grew by 2.5% yoy, mainly driven by a slightly higher RevPAR as well as a stronger food and beverage performance. Rooms performance was partially supported by the biennial Singapore Airshow taking place in February this year.

The Maldives market remained competitive due to supply growth, and both properties collectively posted an 18.8% decline yoy in RevPAR. Trading was also impacted by the state of emergency declared on the country in February this year which led to several foreign governments issuing travel advisory, particularly in key markets such as China and India. Furthermore, the Dhevanafushi Maldives Luxury Resort is still affected by the transition branding, which is expected to remain until the renovation works are carried out and the hotel is rebranded as a Raffles resort towards the end of 2018.

In the absence of revenue contribution from Mercure Brisbane and Ibis Brisbane due to its divestment in January this year, the fixed rental received from the Australian portfolio was correspondingly lower.

New Zealand continues to experience rising tourism arrival numbers<sup>1</sup> and the New Zealand hotel achieved a RevPAR growth of 4.3% although the hotel's contribution to CDLHT was affected by the weaker NZD, resulting in a marginal 1.1% decline in SGD terms.

Strong inbound tourism to Japan has led to sustained high occupancies at the Tokyo Hotels, but the heavy concentration of more budget-conscious East Asian visitors<sup>2</sup> along with rising supply of alternative accommodation such as AirBnb listings led to continued pressure on average daily rates (“ADR”). To boost competitive positioning, the Tokyo Hotels carried out soft refurbishment of selected guestrooms in 1Q 2018, thereby resulting in some inventory displacement in January and February this year. Consequently, RevPAR for the Group's Tokyo hotels declined by 8.9%.

Europe experienced extreme weather conditions in 1Q 2018, with the UK experiencing one of the coldest winters on record. Travel disruptions arising from the inclement weather, along with new market supply led to softer trading at the Hilton Cambridge City Centre in 1Q 2018. RevPAR for the quarter dipped by 6.5% yoy but the impact to the lower contribution was mitigated by the stronger GBP against SGD. The Lowry Hotel continued to perform well, particularly in the entertainment sector, registering a healthy yoy RevPAR growth of 6.8%<sup>3</sup> in 1Q 2018.

In Munich, in addition to the extreme cold weather, the absence of a major biennial trade fair for architecture and building materials contributed to a RevPAR drop of 7.6%<sup>3</sup> yoy. The balance of the year will, conversely, see a stronger event calendar than the previous year.

<sup>1</sup> Tourism – Statistics New Zealand

<sup>2</sup> Japan National Tourism Organization – 2018 Foreign Visitors & Japanese Departures

<sup>3</sup> The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the corresponding period.

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In line with the overall higher revenue, CDLHT’s net property income<sup>4</sup> for 1Q 2018 increased S\$1.9 million or 5.4% over the same period last year.

Net finance costs for 1Q 2018 was S\$4.7 million lower than the corresponding period last year, mainly due to savings from lower average funding costs and the absence of foreign exchange loss arising from the repayment of an intercompany loan (which has no impact on the distributable income of CDLHT).

The total income available for distribution (after deducting income retained for working capital) was S\$26.1 million, an increase of S\$2.0 million or 7.9% higher yoy. Included therein is a capital distribution of S\$0.7 million (1Q 2017: S\$ Nil) arising from the partial distribution of proceeds from the sale of Mercure Brisbane and Ibis Brisbane, to mitigate the net effect of the divestment on CDLHT’s distributable income.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 1Q 2018 was 2.17 cents, 7.4% higher yoy.

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

|                        | 1Q 2018 | 1Q 2017 | Increase/(Decline) |
|------------------------|---------|---------|--------------------|
| Average Occupancy Rate | 87.6%   | 88.4%   | (0.8)pp            |
| Average Daily Rate     | S\$183  | S\$180  | 1.7%               |
| RevPAR                 | S\$161  | S\$159  | 0.8%               |

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

No forecast has been disclosed.

<sup>4</sup> CDLHT’s net property income is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

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

Visitor arrivals to Singapore increased 6.2% to a record high of 17.4 million in 2017. The bulk of visitor arrivals growth came from China and India, and all top 10 source markets recorded growth. For 2018, Singapore Tourism Board (“STB”) has forecast visitor arrivals to grow up to 18.1 million or 4% against 2017<sup>1</sup>. In January 2018, visitor arrivals increased 5.4% yoy to 1.6 million and total visitor days grew 1.2% yoy<sup>2</sup>.

Looking ahead, 2018 will feature a stronger event calendar compared to 2017. Singapore is also the ASEAN chairman, where several meetings and events will be hosted across 2018, including the 32<sup>nd</sup> and 33<sup>rd</sup> ASEAN Summit<sup>3</sup>. A favourable global economic outlook and increased air connectivity, in part due to Qantas rebasing its largest transit hub outside of Australia from Dubai to Singapore from March 2018, are expected to be positive demand drivers for the Singapore hospitality market<sup>4</sup>.

On the supply front, Singapore hotel inventory is estimated to increase by 1,691 rooms<sup>5</sup> in 2018, representing approximately 2.5% of existing room stock. While supply growth tapers off from 2018, room rates are likely to remain competitive as new hotels which opened in 2017 continue to build their base. For the first 26 days of April 2018, RevPAR for Singapore Hotels increased by 4.1% as compared to the same period last year.

In New Zealand, the tourism sector remains healthy with visitor arrivals growing 6.2% to 3.7 million in 2017<sup>6</sup>. For the first three months of 2018, total arrivals increased 7.8% to 1.2 million<sup>6</sup>. With high base effect due to new flight routes and major sporting events boosting demand last year, as well as an upcoming increase in hotel supply to ease the shortage of hotel inventory in the city, growth is likely to moderate going forward.

While tourism demand in Japan continues to be on a robust growth trajectory – where total arrivals rose 19.3% to 28.7 million in 2017 and 15.7% to 5.0 million for the first two months of 2018<sup>7</sup>, increased competition in the economy accommodation sector may moderate growth in room rates in the near term<sup>8</sup>.

In the Maldives, total arrivals grew 17.0% to 0.4 million for the first three months of 2018, whereby the European markets saw a revival in growth<sup>9</sup>, in part due to the strength of the Euro against the US dollar. Demand growth is also supported by increased flight capacity from destinations including Europe, Southeast Asia and the Middle East<sup>10</sup>. However, intense competition from the significant increase in new resorts supply and the political situation in Malé (capital city of Maldives) pose near term challenges for the Maldives hospitality market.

In United Kingdom, visitor arrivals increased 3.4% to 38.9 million in 2017 and are forecast to grow 4.4% in 2018, although Brexit-related uncertainties may persist<sup>11</sup>.

Tourism demand for Munich is expected to increase in the medium term and there is a healthy pipeline of trade shows over the next two years<sup>12</sup>. However, trading conditions will become more competitive as the city will see new supply coming to the market in 2018<sup>13</sup>.

1 STB, “Singapore tourism sector performance breaks record for the second year running in 2017”, 12 February 2018

2 STB

3 ASEAN Singapore 2018

4 STB, 2017 Year-In-Review, 12 February 2018

5 Based on Horwath data (January 2018) and CDLHT Research

6 Statistics New Zealand, “International Visitor Arrivals to New Zealand”

7 Japanese National Tourism Organization

8 Savills World Research, Spotlight Japan Hospitality, February 2018

9 Ministry of Tourism, Republic of Maldives

10 Maldives Insider, “Airlines set to increase flight frequency for Maldives peak tourist season”, 16 October 2017

11 2018 Inbound Tourism Forecast – VisitBritain

12 Events Eye

13 JLL Hotel Intelligence Munich, March 2018

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To continuously drive market share and ensure the strong competitive positioning of CDLHT’s assets, various asset enhancement initiatives are being rolled out. The renovation of guest rooms in the Orchard wing and the public spaces incorporating the un-refurbished food and beverage (“F&B”) outlets of Orchard Hotel is likely to commence in 2H 2018. There will be judicious management of the refurbishment works at Orchard Hotel to ensure guest comfort and minimise disruption. A phased room refurbishment exercise is also being planned for 2H 2018 for Grand Copthorne Waterfront Hotel, which completed a makeover of its lobby, F&B outlets and a number of meetings rooms in 2016. The completed exercise will improve overall guest experience. Other asset enhancement opportunities in other hotels are also being evaluated to better position CDLHT for the recovery in the Singapore hotel sector.

For the operator and transition programme of Dhevanafushi Maldives Luxury Resort, the extensive renovation works are set to commence in May 2018, where the resort will be fully closed from June 2018 with planned reopening in 4Q 2018 under the “Raffles Hotels & Resorts” brand. Recognised as a brand leader in the luxury hotel segment, it is one of the world’s iconic hotel brands with 12 hotels globally and an illustrious history dating back to 1887. The relaunch of the resort as a “Raffles” resort will augment its product offerings in the high-end luxury segment of the Maldives market and boost its long term value. For CDLHT’s other Maldives resort, Angsana Velavaru, refurbishment works are also being planned for 28 land villas to commence in 2018 to strengthen the resort’s product offering and market positioning.

CDLHT remains committed to delivering stable returns to Stapled Securityholders. Part of the divestment gains will be used to make distributions to Stapled Securityholders in FY 2018 to mitigate the net effect of the divestment of Mercure Brisbane and Ibis Brisbane in January 2018 on the distributable income. With ample debt headroom and a robust balance sheet, CDLHT will continue to actively pursue suitable acquisitions to diversify and grow its income streams.

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**11 Distributions**

**11 (a) Current financial period**

Any distributions declared for the current financial period?

No.

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

Any distributions declared for the current financial period?

No.

**11 (c) Book closure date**

Not applicable.

**11 (d) Date payable**

Not applicable.

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

Not applicable.

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

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

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

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the first quarter ended 31 March 2018 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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On behalf of the Board of Directors

VINCENT YEO WEE ENG  
Chief Executive Officer

FOO SAY MUI (BILL)  
Director

28 April 2018

**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)

28 April 2018

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)

28 April 2018



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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

28 April 2018

Dear Sirs

## **CDL Hospitality Trusts**

### **Report on review of interim financial information**

#### ***Introduction***

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts ("CDLHT") for the three-month period ended 31 March 2018. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of CDLHT as at 31 March 2018;
- Portfolio statement of CDLHT as at 31 March 2018;
- Statement of total return of CDLHT for the three-month period ended 31 March 2018;
- Statement of movements in unitholders' funds of CDLHT for the three-month period ended 31 March 2018;
- Statement of cash flows of CDLHT for the three-month period ended 31 March 2018; 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**  
28 April 2018