



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 FOURTH
QUARTER AND YEAR ENDED 31 DECEMBER 2017**

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

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 December 2017, CDLHT owns 17 hotels and two resorts comprising a total of 5,414 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) five hotels in Brisbane and Perth, Australia comprising Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”);
- (iii) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- (iv) one hotel in New Zealand’s gateway city of Auckland (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**”).

In December 2013, the HBT Trustee-Manager activated HBT. As at 31 December 2017, it owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of the Japan Hotels and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi) (“Dhevanafushi Maldives Luxury Resort”), both of which are owned by the H-REIT Group. It will continue its functions as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

On 4 May 2017, HBT through its indirectly wholly-owned subsidiary, CDL HBT North Ltd, completed the acquisition of The Lowry Hotel through the acquisition of 100% of the issued share capital of The Lowry Hotel Limited.

On 14 July 2017, H-REIT through its wholly-owned subsidiary, CDLHT Munich One Pte. Ltd., completed the acquisition of an effective interest of 94.5% in Pullman Hotel Munich and its office, retail components and the fixture, furniture and equipment used by the German Hotel.

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On 27 June 2017, CDLHT launched an underwritten and renounceable rights issue (“Rights Issue”) and on 2 August 2017, issued 199,545,741 new Stapled Securities to raise total gross proceeds of S\$255.4 million. The new Stapled Securities rank pari passu with the existing Stapled Securities issued and issuable as at the date of issue of the rights Stapled Securities, including the right to any distributions.

On 22 December 2017, CDLHT announced its proposed divestment of Mercure Brisbane and Ibis Brisbane for A\$77.0 million to an independent party. Accordingly, these investment properties have been reclassified as assets held for sale. The sale was completed on 11 January 2018 and following this divestment, CDLHT owns 15 hotels and 2 resorts, comprising a total 5,002 rooms as well as a retail mall.

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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SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Oct 2017 to 31 Dec 2017 ("4Q 2017") S\$'000	1 Oct 2016 to 31 Dec 2016 ("4Q 2016") S\$'000	Increase/ (Decrease) %	1 Jan 2017 to 31 Dec 2017 ("FY 2017") S\$'000	1 Jan 2016 to 31 Dec 2016 ("FY 2016") S\$'000	Increase/ (Decrease) %
Revenue	55,240	48,326	14.3	204,315	180,857	13.0
Net property income	40,624	37,694	7.8	151,760	137,560	10.3
Total return before fair value adjustment	19,437	17,668	10.0	75,795	79,035	(4.1)
Income available for distribution to Stapled Securityholders (before retention)	33,817	30,570	10.6	116,254	105,530	10.2
Less:						
Income retained for working capital	(3,382)	(3,057)	10.6	(11,625)	(10,553)	10.2
Income to be distributed to Stapled Securityholders (after retention)	30,435	27,513	10.6	104,629	94,977	10.2
Capital distribution	3,502	3,409	2.7	5,717	4,147	37.9
Total distribution to Stapled Securityholders (after retention)	33,937	30,922	9.8	110,346	99,124	11.3
Total distribution per Stapled Security (before retention)¹ (cents)						
For the period	3.11	3.29 ²	(5.5)	10.18	10.65 ²	(4.4)
Total distribution per Stapled Security (after retention)¹ (cents)						
For the period	2.83	3.00 ²	(5.7)	9.22	9.63 ²	(4.3)
For information only Total distribution per Stapled Security (after retention and excluding the effect of the Rights Issue)¹ (cents)						
For the period	3.39	3.11	9.0	11.04	10.00	10.4

¹ This includes capital distribution.

² 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 and year ended 31 December 2016 have been restated to reflect the effect of bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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

	Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
		4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		40,246	38,062	5.7	-	-	-	37,833	35,673	6.1
Hotel revenue		-	-	-	17,407	12,653	37.6	17,407	12,653	37.6
	(a)	40,246	38,062	5.7	17,407	12,653	37.6	55,240	48,326	14.3
Property expenses	(c)									
Operation and maintenance expenses		-	-	-	(3,988)	(2,712)	47.1	(3,988)	(2,712)	47.1
Employee benefits expenses		-	-	-	(3,935)	(2,454)	60.4	(3,935)	(2,454)	60.4
Rental expenses		-	-	-	(2,574)	(2,537)	1.5	(161)	(148)	8.8
Property tax	(d)	(1,698)	(1,948)	(12.8)	(567)	(226)	N.M	(2,265)	(2,174)	4.2
Other property expenses	(e)	(1,206)	(556)	N.M	(3,061)	(2,588)	18.3	(4,267)	(3,144)	35.7
		(2,904)	(2,504)	16.0	(14,125)	(10,517)	34.3	(14,616)	(10,632)	37.5
Net property income		37,342	35,558	5.0	3,282	2,136	53.7	40,624	37,694	7.8
H-REIT Manager's base fees		(1,614)	(1,512)	6.7	-	-	-	(1,614)	(1,512)	6.7
H-REIT Manager's performance fees		(1,866)	(1,778)	4.9	-	-	-	(1,866)	(1,778)	4.9
H-REIT Trustee's fees		(72)	(69)	4.3	-	-	-	(72)	(69)	4.3
HBT Trustee-Manager's management fees		-	-	-	-	(113)	N.M	-	(113)	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(58)	(33)	75.8	(58)	(33)	75.8
Valuation fees		(48)	(10)	N.M	(53)	(6)	N.M	(101)	(16)	N.M
Depreciation, amortisation and impairment losses	(f)	(790)	(469)	68.4	(1,827)	(885)	N.M	(3,407)	(2,204)	54.6
Other trust expenses	(g)	(516)	(627)	(17.7)	(519)	(28)	N.M	(1,033)	(655)	57.7
Finance income		558	668	(16.5)	102	(93)	N.M	59	25	N.M
Finance costs		(4,164)	(14,564)	(71.4)	(856)	(643)	33.1	(4,632)	(14,657)	(68.4)
Net finance costs	(k)	(3,606)	(13,896)	(74.1)	(754)	(736)	2.4	(4,573)	(14,632)	(68.7)
Net income before fair value adjustment		28,830	17,197	67.6	71	335	(78.8)	27,900	16,682	67.2
Impairment loss on property, plant and equipment and prepaid land lease	(h)	(955)	-	N.M	-	-	-	(11,106)	(8,080)	37.5
Net fair value gain/(loss) on investment properties	(i)	51,174	(33,018)	N.M	-	-	-	64,435	(21,623)	N.M
Net income before tax		79,049	(15,821)	N.M	71	335	(78.8)	81,229	(13,021)	N.M
Income tax expense	(l)	(8,099)	1,025	N.M	(364)	(39)	N.M	(8,463)	986	N.M
Total return/(Net loss)	(m)	70,950	(14,796)	N.M	(293)	296	N.M	72,766	(12,035)	N.M
Attributable to:										
Unitholders		70,909	(14,796)	N.M	(293)	296	N.M	72,725	(12,035)	N.M
Non-controlling interests	(j)	41	-	N.M	-	-	-	41	-	N.M
Total return/(Net loss)		70,950	(14,796)	N.M	(293)	296	N.M	72,766	(12,035)	N.M

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

	Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
		FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		152,535	141,868	7.5	-	-	-	143,486	131,386	9.2
Hotel revenue		-	-	-	60,829	49,471	23.0	60,829	49,471	23.0
	(a)	152,535	141,868	7.5	60,829	49,471	23.0	204,315	180,857	13.0
Property expenses	(c)									
Operation and maintenance expenses		-	-	-	(12,836)	(9,583)	33.9	(12,836)	(9,583)	33.9
Employee benefits expenses		-	-	-	(13,235)	(9,161)	44.5	(13,235)	(9,161)	44.5
Rental expenses		-	-	-	(9,608)	(10,917)	(12.0)	(559)	(435)	28.5
Property tax	(d)	(7,810)	(8,938)	(12.6)	(1,839)	(977)	88.2	(9,649)	(9,915)	(2.7)
Other property expenses	(e)	(4,705)	(4,155)	13.2	(11,571)	(10,048)	15.2	(16,276)	(14,203)	14.6
		(12,515)	(13,093)	(4.4)	(49,089)	(40,686)	20.7	(52,555)	(43,297)	21.4
Net property income		140,020	128,775	8.7	11,740	8,785	33.6	151,760	137,560	10.3
H-REIT Manager's base fees		(6,178)	(5,975)	3.4	-	-	-	(6,178)	(5,975)	3.4
H-REIT Manager's performance fees		(7,001)	(6,439)	8.7	-	-	-	(7,001)	(6,439)	8.7
H-REIT Trustee's fees		(278)	(272)	2.2	-	-	-	(278)	(272)	2.2
HBT Trustee-Manager's management fees		-	-	-	(35)	(438)	(92.0)	(35)	(438)	(92.0)
HBT Trustee-Manager's trustee fees		-	-	-	(196)	(134)	46.3	(196)	(134)	46.3
HBT Trustee-Manager's acquisition fee		-	-	-	(94)	-	N.M	(94)	-	N.M
Valuation fees		(200)	(157)	27.4	(73)	(28)	N.M	(273)	(185)	47.6
Depreciation, amortisation and impairment losses	(f)	(2,093)	(1,774)	18.0	(12,288)	(3,769)	N.M	(17,524)	(8,858)	97.8
Other trust expenses	(g)	(2,151)	(2,107)	2.1	(2,643)	(187)	N.M	(4,760)	(2,294)	N.M
Finance income		2,121	2,367	(10.4)	1	13	(92.3)	367	141	N.M
Finance costs		(29,040)	(32,633)	(11.0)	(2,928)	(2,663)	10.0	(27,633)	(33,057)	(16.4)
Net finance costs	(k)	(26,919)	(30,266)	(11.1)	(2,927)	(2,650)	10.5	(27,266)	(32,916)	(17.2)
Net income/(loss) before fair value adjustment		95,200	81,785	16.4	(6,516)	1,579	N.M	88,155	80,049	10.1
Impairment loss on property, plant and equipment and prepaid land lease	(h)	(955)	-	N.M	-	-	-	(11,106)	(8,080)	37.5
Net fair value gain/(loss) on investment properties	(i)	51,174	(33,018)	N.M	-	-	-	64,435	(21,623)	N.M
Net income/(loss) before tax		145,419	48,767	N.M	(6,516)	1,579	N.M	141,484	50,346	N.M
Income tax expense	(l)	(11,069)	(380)	N.M	(1,291)	(634)	N.M	(12,360)	(1,014)	N.M
Total return/(Net loss)	(m)	134,350	48,387	N.M	(7,807)	945	N.M	129,124	49,332	N.M
Attributable to:										
Unitholders		134,244	48,387	N.M	(7,807)	945	N.M	129,018	49,332	N.M
Non-controlling interests	(j)	106	-	N.M	-	-	-	106	-	N.M
Total return/(Net loss)		134,350	48,387	N.M	(7,807)	945	N.M	129,124	49,332	N.M

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

	HBT Group			HBT Group		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Total return for the period	(293)	296	N.M	(7,807)	945	N.M
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation surplus on property, plant and equipment	4,177	-	N.M	7,691	-	N.M
Tax effect on revaluation surplus on property, plant and equipment	(99)	-	N.M	(705)	-	N.M
	4,078	-	N.M	6,986	-	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(1,196)	1,221	N.M	2,721	1,221	N.M
- hedge of net investment in a foreign operation	(868)	-	N.M	(868)	-	N.M
- monetary items forming part of net investment in a foreign operation	1,235	-	N.M	1,235	-	N.M
	(829)	1,221	N.M	3,088	1,221	N.M
Other comprehensive income for the period, net of tax	3,249	1,221	N.M	10,074	1,221	N.M
Total comprehensive income for the period	2,956	1,517	94.9	2,267	2,166	4.7

Footnotes

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 30 to 34 of the Announcement.
- (b) Revenue and property expenses for HBT Group have increased in 4Q 2017 and FY 2017 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) The breakdown of property expenses has been revised in the current period to present the significant components included in this caption so as to provide users with a more meaningful analysis of such expenses. Accordingly, certain comparatives have been reclassified to conform with the current period's presentation.
- (d) Property tax of the H-REIT Group was lower in 4Q 2017 and FY 2017 as compared to the corresponding period last year, as FY 2016 property tax included additional property tax of the prior years following finalisation of the tax assessment for 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).
- (e) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses of Claymore Connect, the German, Japan and UK Hotels and Dhevanafushi Maldives Luxury Resort. These expenses have increased yoy primarily due to the inclusion of the two newly acquired hotels this year.

Also included in other property expenses is a bad debt provision of S\$76K and made in 4Q 2017 (4Q 2016: S\$68K) and S\$130K for FY 2017 (FY 2016: S\$153K) in relation to Claymore Connect's trade receivables. During the year, an amount of S\$271K (FY 2016: nil) in relation to these receivables were written off.

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- (f) *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.*

In accordance with FRS 103 Business Combinations, CDLHT performed a purchase price allocation (“PPA”) exercise for its investment in The Lowry Hotel, which resulted in a goodwill impairment. The PPA exercise was completed in 4Q 2017 and an additional S\$0.2 million impairment was recognised in the reporting quarter, giving rise to a year-to-date goodwill impairment of S\$6.9 million for FY 2017. Coupled with the inclusion of depreciation expenses from The Lowry Hotel, higher expenses were recorded in 4Q 2017 and FY 2017.

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	4Q 2017	4Q 2016	4Q 2017	4Q 2016	4Q 2017	4Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	790	469	1,601	885	3,116	2,134
Amortisation of prepaid land lease	-	-	-	-	65	70
Goodwill impairment	-	-	226	-	226	-
	790	469	1,827	885	3,407	2,204

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,093	1,774	5,414	3,769	10,386	8,586
Amortisation of prepaid land lease	-	-	-	-	264	272
Goodwill impairment	-	-	6,874	-	6,874	-
	2,093	1,774	12,288	3,769	17,524	8,858

- (g) *Other trust expenses comprise mainly professional fees and administrative costs. CDLHT recorded higher fees and administrative expenses in 4Q 2017 due to the inclusion of such expenses from its newly acquired assets, The Lowry Hotel and Pullman Hotel Munich.*

In particular, CDLHT recorded higher other trust expenses for FY 2017 primarily due to the inclusion of a one-off transaction costs of £0.9 million (S\$1.5 million) incurred in relation to the UK acquisition. This treatment is in accordance with FRS 103 Business Combinations, which requires such expenses to be written off.

For FY 2016, expenses for HBT Group was lower due to a write back of accruals for expenses no longer required and a reversal of an accrual for transaction costs of £0.2 million (S\$0.5 million) relating to the Hilton Cambridge City Centre acquisition (following the finalisation of such costs), which did not recur in FY 2017.

- (h) *With effect from 1 January 2017, CDLHT changed its accounting policy with respect to the subsequent measurement of land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. This relates mainly to the fair value loss on Dhevanafushi Maldives Luxury Resort arising from the annual revaluation exercise for CDLHT's portfolio. Please refer to Section 5 on page 27 of the Announcement for details.*
- (i) *This relates to net fair value gain recognised from the revaluation of CDLHT's investment properties as at 31 December 2017. Please refer to Section 1(b)(i) footnote (b) on page 13 of the Announcement for details.*
- (j) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to the newly acquired Pullman Hotel Munich (acquired on 14 July 2017).*

**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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(k) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	47	25	88.0	225	141	59.6
Interest income received/receivable from HBT Group ⁽ⁱ⁾	-	643	N.M	1,735	2,226	(22.1)
Fair value gain on derivatives ⁽ⁱⁱ⁾	-	-	-	161	-	N.M
Exchange gain ⁽ⁱⁱⁱ⁾	511	-	N.M	-	-	-
Finance income	558	668	(16.5)	2,121	2,367	(10.4)
Exchange loss ⁽ⁱⁱⁱ⁾	-	(8,718)	N.M	(7,344)	(9,013)	(18.5)
Interest paid/payable to banks ^(iv)	(3,307)	(5,435)	(39.2)	(19,884)	(22,088)	(10.0)
Fair value loss on derivatives ⁽ⁱⁱ⁾	(91)	(37)	N.M	-	(178)	N.M
Amortisation of transaction costs capitalised ^(v)	(713)	(322)	N.M	(1,599)	(1,149)	39.2
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(53)	(52)	1.9	(213)	(205)	3.9
Finance costs	(4,164)	(14,564)	(71.4)	(29,040)	(32,633)	(11.0)
Net finance costs	(3,606)	(13,896)	(74.1)	(26,919)	(30,266)	(11.1)

	HBT Group			HBT Group		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	-	-	-	1	-	N.M
Fair value gain on derivatives ⁽ⁱⁱ⁾	102	(115)	N.M	-	13	N.M
Exchange gain ⁽ⁱⁱⁱ⁾	-	22	N.M	-	-	-
Finance income	102	(93)	N.M	1	13	N.M
Exchange loss ⁽ⁱⁱⁱ⁾	(447)	-	N.M	(336)	(437)	(23.1)
Interest paid/payable to banks ^(iv)	(393)	-	N.M	(818)	-	N.M
Interest paid/payable to H-REIT Group ⁽ⁱ⁾	-	(643)	N.M	(1,735)	(2,226)	(22.1)
Amortisation of transaction costs capitalised ^(v)	(16)	-	N.M	(19)	-	N.M
Fair value loss on derivatives ⁽ⁱⁱ⁾	-	-	-	(20)	-	N.M
Finance costs	(856)	(643)	33.1	(2,928)	(2,663)	10.0
Net finance costs	(754)	(736)	2.4	(2,927)	(2,650)	10.5

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	CDL Hospitality Trusts			CDL Hospitality Trusts		
	4Q 2017	4Q 2016	Increase/ (Decrease)	FY 2017	FY 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	48	25	N.M	226	141	60.3
Fair value gain on derivatives ⁽ⁱⁱ⁾	11	-	N.M	141	-	N.M
Finance income	59	25	N.M	367	141	N.M
Exchange loss ⁽ⁱⁱⁱ⁾	(148)	(8,696)	N.M	(5,100)	(9,450)	(46.0)
Interest paid/payable to banks ^(iv)	(3,702)	(5,435)	(31.9)	(20,702)	(22,088)	(6.3)
Fair value loss on derivatives ⁽ⁱⁱ⁾	-	(152)	N.M	-	(165)	N.M
Amortisation of transaction costs capitalised ^(v)	(729)	(322)	N.M	(1,618)	(1,149)	40.8
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(53)	(52)	1.9	(213)	(205)	3.9
Finance costs	(4,632)	(14,657)	(68.4)	(27,633)	(33,057)	(16.4)
Net finance costs	(4,573)	(14,632)	(68.7)	(27,266)	(32,916)	(17.2)

- (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 are expected to be incurred going forward.
- (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) H-REIT Group’s exchange loss for FY 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 in 1Q 2017 which was partially offset by S\$2.7 million gains from the United States Dollar (“USD”) denominated bank loans. Also included in this year’s net exchange loss is a S\$2.6 million translation loss on its British Pound (“GBP”) denominated bank loan. This exchange loss on GBP was transferred to the foreign currency translation reserve at CDLHT Group level and has no impact on distributions. In comparison, the higher exchange loss in 4Q 2016 and FY 2016 arose from net foreign exchange movement of certain loans which were required to be expensed off due to discontinuation of hedge accounting for such loans in accordance with FRS 39 *Financial Instruments Recognition and Measurement*. These exchange differences (apart from those which are revenue in nature) do not have an impact on the distributable income of CDLHT.
- (iv) The interest paid/payable to banks for 4Q 2017 and FY 2017 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 recent rights issue during the year.
- (v) The amortisation costs in 4Q 2017 and FY 2017 relate to the amortisation of transaction costs arising from the group’s borrowings.

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	4Q 2017 S\$’000	4Q 2016 S\$’000	4Q 2017 S\$’000	4Q 2016 S\$’000	4Q 2017 S\$’000	4Q 2016 S\$’000
Corporate income tax	(1,051)	(895)	(440)	(170)	(1,491)	(1,065)
Deferred tax ⁽ⁱ⁾	(7,013)	1,971	192	187	(6,821)	2,158
Withholding tax	(39)	(58)	(201)	(57)	(240)	(115)
Over provision in respect of prior year tax	4	7	85	1	89	8
	(8,099)	1,025	(364)	(39)	(8,463)	986

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2017 S\$’000	FY 2016 S\$’000	FY 2017 S\$’000	FY 2016 S\$’000	FY 2017 S\$’000	FY 2016 S\$’000
Corporate income tax	(3,865)	(1,731)	(899)	(594)	(4,764)	(2,325)
Deferred tax ⁽ⁱ⁾	(7,105)	1,497	357	187	(6,748)	1,684
Withholding tax	(99)	(123)	(593)	(208)	(692)	(331)
Underprovision in respect of prior year tax	-	(23)	(156)	(19)	(156)	(42)
	(11,069)	(380)	(1,291)	(634)	(12,360)	(1,014)

(i) The increase is mainly attributed to additional deferred tax provision of S\$5.8 million in relation to fair value gains on investment properties and capital gains tax payable on the divestment of Mercure Brisbane and Ibis Brisbane that was completed on 11 January 2018.

(m) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	4Q 2017 S\$’000	4Q 2016 S\$’000	FY 2017 S\$’000	FY 2016 S\$’000
H-REIT	5,415	(51,773)	79,234	14,713
Other H-REIT group entities (including consolidation adjustments)	65,535	36,977	55,116	33,674
HBT	2,552	1,074	6,756	4,253
Other HBT group entities (including consolidation adjustments)	(2,845)	(778)	(14,563)	(3,308)
CDL Hospitality Trusts’ consolidation adjustments	2,109	2,465	2,581	-
	72,766	(12,035)	129,124	49,332

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	4Q 2017 S\$'000	4Q 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Total return of H-REIT	5,415	(51,773)	79,234	14,713
Total comprehensive income of HBT	2,552	1,074	6,756	4,253
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Net fair value (gain)/loss on investment properties ⁽ⁱⁱ⁾	(10,035)	61,959	(10,035)	61,959
- Amortisation of transaction costs	694	282	1,480	999
- Fair value (gain)/loss on financial derivatives	91	37	(161)	178
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	53	52	213	205
- Exchange (gain)/loss	559	6,856	(5,083)	3,159
- H-REIT Manager's fees paid/payable in Stapled Securities	2,784	2,632	10,543	9,931
- H-REIT Trustee's fees	72	69	278	272
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	-	90	28	350
- HBT Trustee-Manager's trustee fees	58	33	196	134
- Impairment loss on subsidiaries ⁽ⁱⁱⁱ⁾	31,057	8,963	31,057	8,963
- Other items	517	296	1,748	414
Income available for distribution to Stapled Securityholders (before retention)	33,817	30,570	116,254	105,530
Less :				
Income retained for working capital	(3,382)	(3,057)	(11,625)	(10,553)
Income to be distributed to Stapled Securityholders (after retention)	30,435	27,513	104,629	94,977
Capital distribution ^(iv)	3,502	3,409	5,717	4,147
Total distribution to Stapled Securityholders (after retention)	33,937	30,922	110,346	99,124
Comprising :				
- Taxable income	19,324	20,215	74,116	72,428
- Tax exempt income	11,111	7,298	30,513	22,549
- Capital distribution	3,502	3,409	5,717	4,147
	33,937	30,922	110,346	99,124

- (i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT.
- (ii) The Singapore Hotels and Claymore Connect were revalued as at 31 December 2017 by CBRE Pte Ltd, an independent valuer. The valuation gave rise to a net fair value gain of S\$10.0 million, which has been recognised in the Statement of Total Return of H-REIT. This fair value gain has no impact on the income available for distribution to holders of Stapled Securities.
- (iii) This relates to an impairment in H-REIT's cost of investment in its Maldives subsidiaries which has no impact on the income available for distribution.
- (iv) The capital distribution comprises income from the CDLHT's Japan and Maldives properties. For a meaningful year comparison of the total income from overseas properties, tax exempt income and capital distribution should be read collectively.

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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 ^(a)		CDL Hospitality Trusts	
		31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,386,430	2,246,808	-	-	2,331,433	2,175,008
Property, plant and equipment	(c)	78,183	71,947	206,192	107,432	332,666	244,361
Prepaid land lease		-	-	-	-	6,707	6,817
Deferred tax assets	(d)	297	-	-	-	297	-
Other receivables	(e)	149	117,831	-	-	149	-
		2,465,059	2,436,586	206,192	107,432	2,671,252	2,426,186
Current assets							
Inventories		-	-	1,161	1,053	1,161	1,053
Trade and other receivables		20,909	26,530	8,297	5,820	20,758	25,704
Financial derivative assets	(f)	245	105	7	66	252	171
Cash and cash equivalents		78,591	67,927	17,278	14,301	95,869	82,228
Assets held for sale	(b)	72,863	-	-	-	72,863	-
		172,608	94,562	26,743	21,240	190,903	109,156
Total assets		2,637,667	2,531,148	232,935	128,672	2,862,155	2,535,342
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(g)	547,719	928,849	96,264	-	643,983	928,849
Rental deposits	(h)	9,397	8,981	-	-	9,397	8,981
Other payables	(e)	-	-	-	117,831	-	-
Deferred tax liabilities	(i)	17,771	8,902	13,481	6,213	31,251	15,115
		574,887	946,732	109,745	124,044	684,631	952,945
Current liabilities							
Loans and borrowings	(g)	286,227	-	-	-	286,227	-
Trade and other payables	(j)	34,113	28,116	16,275	11,964	41,941	33,433
Financial derivative liabilities	(f)	262	284	14	52	276	336
Provision for taxation		3,296	1,551	521	656	3,817	2,207
		323,898	29,951	16,810	12,672	332,261	35,976
Total liabilities		898,785	976,683	126,555	136,716	1,016,892	988,921
Net assets/(liabilities)		1,738,882	1,554,465	106,380	(8,044)	1,845,263	1,546,421
Represented by:							
Unitholders' funds		1,733,892	1,554,465	106,380	(8,044)	1,840,273	1,546,421
Non-controlling interests	(k)	4,990	-	-	-	4,990	-
		1,738,882	1,554,465	106,380	(8,044)	1,845,263	1,546,421

CDL HOSPITALITY TRUSTS (“CDLHT”)**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)****CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES (“HBT Group”)****UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017****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 increase in investment properties at H-REIT Group was mainly attributed to the inclusion of Pullman Hotel Munich as well as the recognition of net fair value gain of H-REIT Group investment properties at the end of the financial year. The details are as follows:*

The investment properties were valued as at 31 December 2017 by CBRE Pte Ltd, Jones Lang LaSalle Property Consultants Pte. Ltd., Colliers International and CBRE GmbH, all independent registered valuers, as follows:

Properties	Tenure	Valuation	
		Foreign currency (million)	(S\$ million)
Orchard Hotel	75 years from 19 July 2006		430.0
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006		352.0
Novotel Singapore Clarke Quay	97 years & 30 days from 2 April 1980		330.0
M Hotel	75 years from 19 July 2006		234.0
Studio M Hotel	99 years from 26 February 2007		153.0
Copthorne King's Hotel	99 years from 1 February 1968		116.0
Claymore Connect Mall	75 years from 19 July 2006		90.0
Grand Millennium Auckland	Freehold	NZ\$230.0	217.8
Novotel Brisbane	Freehold	A\$72.0	74.9
Mercure and Ibis Brisbane	Freehold	A\$70.0	72.9
Mercure Perth	Freehold	A\$48.0	50.0
Ibis Perth	Freehold	A\$33.0	34.3
Angsana Velavaru	50 years from 26 August 1997	US\$60.0	80.5
Dhevanafushi Maldives Luxury Resort	50 years from 15 June 2006	US\$41.0	55.0
Pullman Hotel Munich	Freehold	EUR106.0	168.9

The valuation at H-REIT Group's investment properties gave rise to a net fair value gain of S\$51.2 million as at 31 December 2017 (31 December 2016: net fair value loss of S\$33.0 million). This net fair value is recognised in H-REIT Group's Statement of Total Return for FY 2017 and has no impact on the income available for distribution to holders of Stapled Securities.

Included in H-REIT Group's investment properties as at 31 December 2017 is a net translation loss of S\$22.7 million (31 December 2016: net translation gain of S\$14.5 million) relating to its overseas properties.

On 22 December 2017, CDLHT announced its proposed divestment of Mercure Brisbane and Ibis Brisbane for A\$77.0 million. Accordingly, these two investment properties have been reclassified to assets held for sale as at 31 December 2017.

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- (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.

With effect from 1 January 2017, CDLHT changed its accounting policy with respect to the subsequent measurement of land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Please refer to Section 5 on page 27 of the Announcement for details.

The increase in property, plant and equipment at CDLHT is mainly due to the inclusion of The Lowry Hotel of S\$94.4 million, a net revaluation gain on land and buildings of S\$8.0 million. This increase was offset by a net translation loss of S\$6.9 million and depreciation expense of S\$10.4 million for the period.

- (d) *The deferred tax asset relates to Pullman Hotel Munich which was newly acquired on 14 July 2017.*
- (e) *The intra-group loan between H-REIT and HBT is classified as non-current other receivables/payables at H-REIT Group and HBT Group respectively. The intra-group loan arose as H-REIT extended a loan to HBT to finance the acquisition of Hilton Cambridge City Centre. The loan interest which is payable every 3 months, is correspondingly classified as current other receivables/payables at H-REIT Group and HBT Group respectively. During the reporting quarter, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan.*
- (f) *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.*
- (g) *Loans and borrowings of CDLHT of S\$930.2 million (as at 31 December 2016: S\$928.8 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\$36.4 million) TMK bond and S\$773.8 million bank borrowings, as explained under Section 1(b)(ii) on pages 15 to 17 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\$66.5 million) is in progress and is expected to be completed in FY 2018. Please refer to Section 1(b)(ii) on page 17 of the Announcement.*
- (h) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*
- (i) *The deferred tax liabilities relate to the Australia, UK and Japan properties. The increase in liability is mainly due to the additional deferred liability recognised on the proposed divestment of Mercure Brisbane and Ibis Brisbane announced on SGX-ST on 22 December 2017, and on acquisition of The Lowry Hotel. Deferred tax liabilities were also recognised for the UK and Japan Hotels following the recognition of revaluation gain on land and buildings, as explained under Section 1(b)(i) footnote (c) above. Please refer to Section 5 on page 27 of the Announcement for details.*
- (j) *Trade and other payables for the H-REIT Group relates mainly to payables for operational and trust expenses.*
- (k) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to the newly acquired Pullman Hotel Munich (acquired on 14 July 2017).*

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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 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
Amount repayable after one year						
Secured TMK bond	36,735	38,254	-	-	36,735	38,254
Unsecured medium term note (i)	-	120,000	-	-	-	120,000
Unsecured borrowings (ii)	513,525	774,373	96,989	-	610,514	774,373
	550,260	932,627	96,989	-	647,249	932,627
Amount repayable within one year						
Unsecured medium term note (i)	120,000	-	-	-	120,000	-
Unsecured borrowings (iii)	166,481	-	-	-	166,481	-
	286,481	-	-	-	286,481	-
Total borrowings^(a)	836,741	932,627	96,989	-	933,730	932,627

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

(i) The unsecured medium term note has been reclassified to amount repayable within one year as the repayment is due in 2Q 2018.

(ii) Unsecured borrowings for CDLHT was lower as at 31 December 2017 due to the repayment of the AUD and USD term loan and a portion of its revolving credit facility, arising from proceeds raised from CDLHT’s recent rights issue. This decrease was offset by an increase in borrowing drawn to finance the acquisition of The Lowry Hotel and Pullman Hotel Munich. Please refer to Section 1 (b)(i) footnote (g) on page 14 of the Announcement for details.

(iii) The unsecured borrowings of H-REIT Group arose from borrowings taken to finance the acquisition of Pullman Hotel Munich. Please refer to Section 1 (b)(ii) on page 17 of the Announcement for details.

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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 Dec 2017			31 Dec 2017			31 Dec 2017		
Currency	Type	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000
JPY	TMK bond (¥3.1 billion)	36,735	36,735	-	-	-	-	36,735	36,735	-
JPY	5-year term loan (¥3.27 billion)	38,750	38,750	-	-	-	-	38,750	38,750	-
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	66,481	233,519	200,000	-	200,000	500,000	66,481	433,519
SGD	3 to 3.25-year revolving credit (committed)	250,000	112,382	137,618	-	-	-	250,000	112,382	137,618
SGD	5-year term loan	153,600	153,600	-	-	-	-	153,600	153,600	-
USD	5-year term loan (US\$65.0 million)	87,191	87,191	-	-	-	-	87,191	87,191	-
USD	5-year term loan (US\$76.2 million)	102,161	102,161	-	-	-	-	102,161	102,161	-
GBP	5-year term loan (£120.5 million)	119,441	119,441	-	96,989	96,989	-	216,430	216,430	-
		2,087,878	836,741	1,251,137	296,989	96,989	200,000	2,384,867	933,730	1,451,137

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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\$36.4 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 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 (fresh facility secured in April 2017) 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).

During the year, £53.0 million (S\$96.4 million) was drawn down by HBT to fund the acquisition of The Lowry Hotel which was acquired on 4 May 2017 and €100.3 million (S\$160.2 million) was drawn down by H-REIT to fund the acquisition of an effective interest of 94.5% in Pullman Hotel Munich on 14 July 2017.

In 4Q 2017, the bridge loan drawn by HBT was fully refinanced with a 5-year fixed term loan denominated in GBP, while a portion of H-REIT’s bridge loan (€58.6 million) was refinanced with a 5-year floating term loan denominated in USD coupled with a EUR/USD cross currency swap. *Please refer to Section 1 (b)(i) footnote (f) on page 14 of the Announcement for details.*

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	4Q 2017	4Q 2016	4Q 2017	4Q 2016	4Q 2017	4Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	79,049	(15,821)	71	335	81,229	(13,021)
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,784	2,632	-	90	2,784	2,722
Depreciation of property, plant and equipment	790	469	1,601	885	3,116	2,134
Amortisation of prepaid land lease	-	-	-	-	65	70
Impairment of goodwill	-	-	226	-	226	-
Impairment loss on property, plant and equipment and prepaid land lease	955	-	-	-	11,106	8,080
Impairment loss on trade receivables	76	68	18	91	95	158
Net fair value (gain)/loss on investment properties	(51,174)	33,018	-	-	(64,435)	21,623
Net finance costs	3,606	13,896	754	736	4,573	14,632
Transaction costs on acquisition of a subsidiary	-	-	86	-	86	-
Operating income before working capital changes	36,086	34,262	2,756	2,137	38,845	36,398
Changes in working capital:						
Inventories	-	-	(75)	11	(75)	11
Trade and other receivables	3,863	(5,442)	1,507	792	5,471	(3,386)
Trade and other payables	(7,393)	5,708	719	148	(6,779)	4,594
Cash generated from operating activities	32,556	34,528	4,907	3,088	37,462	37,617
Income tax (paid)	(622)	(3)	(990)	(56)	(1,612)	(59)
Net cash generated from operating activities	31,934	34,525	3,917	3,032	35,850	37,558
Investing activities						
Acquisition of subsidiaries, net of cash acquired	(3,730)	-	(1,594)	-	(5,324)	-
Capital expenditure on investment properties	(5,869)	(3,088)	-	-	(5,025)	(2,493)
Addition of property, plant and equipment	(7)	(43)	(491)	(2,174)	(1,342)	(2,812)
Interest received	44	541	-	-	44	22
Cash used in investing activities	(9,562)	(2,590)	(2,085)	(2,174)	(11,647)	(5,283)
Financing activities						
Payment of transaction costs related to rights issue	(7)	-	-	-	(7)	-
Proceeds from bank loans	107,854	113	96,228	-	204,082	113
Repayment of bank loans	(91,130)	-	(94,446)	-	(185,576)	-
Payment of transaction costs related to bank loans	(805)	(35)	(737)	-	(1,542)	(35)
Finance costs paid	(4,624)	(6,049)	(259)	(518)	(4,882)	(6,049)
Movement in restricted cash	(219)	(212)	-	-	(219)	(212)
Cash generated from/(used in) financing activities	11,069	(6,183)	786	(518)	11,856	(6,183)
Net increase in cash and cash equivalents	33,441	25,752	2,618	340	36,059	26,092
Cash and cash equivalents at beginning of the period	44,585	40,376	14,838	13,956	59,423	54,332
Effect of exchange rate changes on cash and cash equivalents	(656)	343	(178)	5	(834)	348
Cash and cash equivalents at end of the year	77,370	66,471	17,278	14,301	94,648	80,772

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	145,419	48,767	(6,516)	1,579	141,484	50,346
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	10,543	9,931	28	350	10,571	10,281
Depreciation of property, plant and equipment	2,093	1,774	5,414	3,769	10,386	8,586
Amortisation of prepaid land lease	-	-	-	-	264	272
Impairment of goodwill	-	-	6,874	-	6,874	-
Impairment loss on property, plant and equipment and prepaid land lease	955	-	-	-	11,106	8,080
Impairment loss on trade receivables	130	153	46	223	176	375
Net fair value (gain)/loss on investment properties	(51,174)	33,018	-	-	(64,435)	21,623
Net finance costs	26,919	30,266	2,927	2,650	27,266	32,916
Transaction costs on acquisition of a subsidiary	-	-	1,537	-	1,537	-
Operating income before working capital changes	134,885	123,909	10,310	8,571	145,229	132,479
Changes in working capital:						
Inventories	-	-	81	246	81	246
Trade and other receivables	3,335	(2,012)	(378)	151	6,061	(6,356)
Trade and other payables	(7,598)	3,617	2,279	(242)	(8,291)	7,871
Cash generated from operating activities	130,622	125,514	12,292	8,726	143,080	134,240
Income tax paid	(2,301)	(534)	(1,787)	(235)	(4,088)	(769)
Net cash generated from operating activities	128,321	124,980	10,505	8,491	138,992	133,471
Investing activities						
Acquisition of subsidiaries, net of cash acquired	(157,394)	-	(94,232)	-	(251,626)	-
Capital expenditure on investment properties	(15,630)	(15,201)	-	-	(14,113)	(14,204)
Addition of property, plant and equipment	(362)	(823)	(1,237)	(2,174)	(3,282)	(3,994)
Movement in other (receivables)/payables	115,998	-	-	-	-	-
Interest received	2,729	1,417	-	-	221	148
Cash used in investing activities	(54,659)	(14,607)	(95,469)	(2,174)	(268,800)	(18,050)
Financing activities						
Movement in other (receivables)/payables	-	(3,282)	(115,998)	3,282	-	-
Proceeds from rights issue	138,325	-	117,093	-	255,418	-
Payment of transaction costs related to rights issue	(4,055)	-	-	-	(4,055)	-
Proceeds from bank loans	262,556	223,612	190,186	-	452,742	223,612
Repayment of bank loans	(343,612)	(207,422)	(94,446)	-	(438,058)	(207,422)
Payment of transaction costs related to bank loans	(823)	(1,214)	(745)	-	(1,568)	(1,214)
Finance costs paid	(15,190)	(22,368)	(3,123)	(1,269)	(15,805)	(22,368)
Distribution to holders of Stapled Securities	(99,250)	(94,738)	(4,964)	(2,476)	(104,214)	(97,214)
Movement in restricted cash	183	(11)	-	-	183	(11)
Cash generated from/(used in) financing activities	(61,866)	(105,423)	88,003	(463)	144,643	(104,617)
Net increase in cash and cash equivalents	11,796	4,950	3,039	5,854	14,835	10,804
Cash and cash equivalents at beginning of the period	66,471	60,896	14,301	9,701	80,772	70,597
Effect of exchange rate changes on cash and cash equivalents	(897)	625	(62)	(1,254)	(959)	(629)
Cash and cash equivalents at end of the year	77,370	66,471	17,278	14,301	94,648	80,772

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Footnotes

(a) Significant non-cash transactions

4Q 2017

1,564,101 (4Q 2016: 2,227,572) Stapled Securities amounting to S\$2.8 million (4Q 2016: S\$2.7 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of the quarter.

FY 2017

6,539,359 (FY 2016: 7,712,028) Stapled Securities amounting to S\$10.6 million (FY 2016: S\$10.3 million) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of FY 2017.

(b) *Cash and cash equivalents for H-REIT Group and CDLHT as at 31 December 2017 are as follows:*

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	78,591	95,869
Restricted cash ^(a)	(1,221)	(1,221)
Cash and cash equivalents in the Statement of Cash Flow s	77,370	94,648

^(a) *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 October 2017 to 31 December 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	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 October 2017	1,307,532	(27,969)	(14,948)	7,948	397,763	1,670,326	5,103	1,675,429	117,971	(121)	6,133	2,908	(23,467)	103,424	1,771,484	5,103	1,776,587
Operations																	
Increase/(decrease) in net assets resulting from operations	-	-	-	-	70,909	70,909	41	70,950	-	-	-	-	(293)	(293)	72,725	41	72,766
Movements in revaluation reserve																	
- Revaluation surplus on property, plant and equipment	-	-	-	2,502	-	2,502	-	2,502	-	-	-	4,177	-	4,177	6,679	-	6,679
- Tax effect on revaluation of property, plant and equipment	-	-	-	(278)	-	(278)	-	(278)	-	-	-	(99)	-	(99)	(377)	-	(377)
Increase in revaluation reserve	-	-	-	2,224	-	2,224	-	2,224	-	-	-	4,078	-	4,078	6,302	-	6,302
Movements in foreign currency translation reserve																	
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(11,048)	-	-	(11,048)	(75)	(11,123)	-	-	(1,196)	-	-	(1,196)	(12,300)	(75)	(12,375)
- Exchange differences on hedge of net investment in a foreign operation	-	-	4,342	-	-	4,342	-	4,342	-	-	(868)	-	-	(868)	3,687	-	3,687
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(5,638)	-	-	(5,638)	-	(5,638)	-	-	1,235	-	-	1,235	(4,402)	-	(4,402)
Decrease in foreign currency translation reserve	-	-	(12,344)	-	-	(12,344)	(75)	(12,419)	-	-	(829)	-	-	(829)	(13,015)	(75)	(13,090)
Transactions with owners																	
- Stapled Securities to be issued (a)	2,784	-	-	-	-	2,784	-	2,784	-	-	-	-	-	-	2,784	-	2,784
- Rights issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Issue expenses	-	(7)	-	-	-	(7)	-	(7)	-	-	-	-	-	-	(7)	-	(7)
- Distribution to Stapled Securityholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Distribution to non-controlling interests (c)	-	-	-	-	-	-	(79)	(79)	-	-	-	-	-	-	-	(79)	(79)
Increase/(decrease) in net assets resulting from transactions with owners	2,784	(7)	-	-	-	2,777	(79)	2,698	-	-	-	-	-	-	2,777	(79)	2,698
Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions	2,784	(7)	-	-	-	2,777	(79)	2,698	-	-	-	-	-	-	2,777	(79)	2,698
Balance as at 31 December 2017	1,310,316	(27,976)	(27,292)	10,172	468,672	1,733,892	4,990	1,738,882	117,971	(121)	5,304	6,986	(23,760)	106,380	1,840,273	4,990	1,845,263

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1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 January 2017 to 31 December 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	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 January 2017	1,166,980	(23,921)	(16,740)	-	428,146	1,554,465	-	1,554,465	850	(121)	2,216	-	(10,989)	(8,044)	1,546,421	-	1,546,421
Operations																	
Increase/(decrease) in net assets resulting from operations	-	-	-	-	134,244	134,244	106	134,350	-	-	-	-	(7,807)	(7,807)	129,018	106	129,124
Movements in revaluation reserve																	
- Revaluation surplus on property, plant and equipment	-	-	-	12,191	-	12,191	-	12,191	-	-	-	7,691	-	7,691	19,882	-	19,882
- Tax effect on revaluation of property, plant and equipment	-	-	-	(2,019)	-	(2,019)	-	(2,019)	-	-	-	(705)	-	(705)	(2,724)	-	(2,724)
Increase in revaluation reserve	-	-	-	10,172	-	10,172	-	10,172	-	-	-	6,986	-	6,986	17,158	-	17,158
Movements in foreign currency translation reserve																	
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(22,868)	-	-	(22,868)	-	(22,868)	-	-	2,721	-	-	2,721	(20,147)	-	(20,147)
- Exchange differences on hedge of net investment in a foreign operation	-	-	10,342	-	-	10,342	-	10,342	-	-	(868)	-	-	(868)	6,894	-	6,894
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	1,974	-	-	1,974	-	1,974	-	-	1,235	-	-	1,235	3,209	-	3,209
Increase/(decrease) in foreign currency translation reserve	-	-	(10,552)	-	-	(10,552)	-	(10,552)	-	-	3,088	-	-	3,088	(10,044)	-	(10,044)
Transactions with owners																	
- Stapled Securities to be issued (a)	10,543	-	-	-	-	10,543	-	10,543	28	-	-	-	-	28	10,571	-	10,571
- Rights issue	138,325	-	-	-	-	138,325	-	138,325	117,093	-	-	-	-	117,093	255,418	-	255,418
- Issue expenses	-	(4,055)	-	-	-	(4,055)	-	(4,055)	-	-	-	-	-	-	(4,055)	-	(4,055)
- Distribution to Stapled Securityholders (b)	(5,532)	-	-	-	(93,718)	(99,250)	-	(99,250)	-	-	-	-	(4,964)	(4,964)	(104,214)	-	(104,214)
- Distribution to non-controlling interests (c)	-	-	-	-	-	-	(143)	(143)	-	-	-	-	-	-	-	(143)	(143)
Increase/(decrease) in net assets resulting from transactions with owners	143,336	(4,055)	-	-	(93,718)	45,563	(143)	45,420	117,121	-	-	-	(4,964)	112,157	157,720	(143)	157,577
Ownership interests in subsidiaries																	
- Acquisition of subsidiary with non-controlling interest (c)	-	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
Changes in ownership interests in subsidiaries																	
- Acquisition of subsidiary with non-controlling interest (c)	-	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions	143,336	(4,055)	-	-	(93,718)	45,563	4,884	50,447	117,121	-	-	-	(4,964)	112,157	157,720	4,884	162,604
Balance as at 31 December 2017	1,310,316	(27,976)	(27,292)	10,172	468,672	1,733,892	4,990	1,738,882	117,971	(121)	5,304	6,986	(23,760)	106,380	1,840,273	4,990	1,845,263

CDL HOSPITALITY TRUSTS (“CDLHT”)
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1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 October 2016 to 31 December 2016

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 October 2016	1,164,348	(23,921)	(28,602)	442,942	1,554,767	760	(121)	995	(11,285)	(9,651)	1,542,680
Operations											
Increase/(decrease) in net assets resulting from operations	-	-	-	(14,796)	(14,796)	-	-	-	296	296	(12,035)
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	10,076	-	10,076	-	-	1,221	-	1,221	11,268
- Exchange differences on hedge of net investment in a foreign operation	-	-	(101)	-	(101)	-	-	-	-	-	(101)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	1,887	-	1,887	-	-	-	-	-	1,887
Increase in foreign currency translation reserve	-	-	11,862	-	11,862	-	-	1,221	-	1,221	13,054
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,632	-	-	-	2,632	-	-	-	-	-	2,632
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (a)	-	-	-	-	-	90	-	-	-	90	90
Increase in net assets resulting from stapled securityholders’ transactions	2,632	-	-	-	2,632	90	-	-	-	90	2,722
Balance as at 31 December 2016	1,166,980	(23,921)	(16,740)	428,146	1,554,465	850	(121)	2,216	(10,989)	(8,044)	1,546,421

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1 (d)(iv) Statement of Movements in Unitholders’ funds for the period from 1 January 2016 to 31 December 2016

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 January 2016	1,158,930	(23,921)	(32,952)	472,616	1,574,673	500	(121)	225	(9,458)	(8,854)	1,565,819
Operations											
Increase in net assets resulting from operations	-	-	-	48,387	48,387	-	-	-	945	945	49,332
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	10,277	-	10,277	-	-	1,991	-	1,991	12,268
- Exchange differences on hedge of net investment in a foreign operation	-	-	(476)	-	(476)	-	-	-	-	-	(476)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	6,411	-	6,411	-	-	-	-	-	6,411
Increase in foreign currency translation reserve	-	-	16,212	-	16,212	-	-	1,991	-	1,991	18,203
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	9,931	-	-	-	9,931	-	-	-	-	-	9,931
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (a)	-	-	-	-	-	350	-	-	-	350	350
- Distribution to Stapled Securityholders (d)	(1,881)	-	-	(92,857)	(94,738)	-	-	-	(2,476)	(2,476)	(97,214)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	8,050	-	-	(92,857)	(84,807)	350	-	-	(2,476)	(2,126)	(86,933)
Balance as at 31 December 2016	1,166,980	(23,921)	(16,740)	428,146	1,554,465	850	(121)	2,216	(10,989)	(8,044)	1,546,421

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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 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017, which includes a capital distribution of S\$5,532,000 in FY 2017.*
- (c) *Non-controlling interest arose from CDLHT’s acquisition of an effective interest of 94.5% in Pullman Hotel Munich on 14 July 2017.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016, which includes a capital distribution of S\$1,881,000 in FY 2016.*

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

		CDL Hospitality Trusts	
Foot-note		4Q 2017	4Q 2016
	Issued stapled securities at beginning of the period	1,198,026,253	990,901,825
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	796,432	869,234
	Issued stapled securities at end of the period	1,198,822,685	991,771,059
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,128,433	5,094,959
	Total issued and issuable stapled securities at end of the period	1,202,951,118	996,866,018

		CDL Hospitality Trusts	
Foot-note		FY 2017	FY 2016
	Issued stapled securities at beginning of the period	991,771,059	987,136,888
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	7,505,885	4,634,171
	- rights issue	199,545,741	-
	Issued stapled securities at end of the period	1,198,822,685	991,771,059
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,128,433	5,094,959
	Total issued and issuable stapled securities at end of the period	1,202,951,118	996,866,018

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 3.4 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.*
- (b) *An additional 199,545,741 Stapled Securities were issued on 2 August 2017, following the closing of the Rights Issue on 24 July 2017.*

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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 year ended 31 December 2017 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 2016 except as explained 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 2017, the H-REIT Group, the HBT Group and CDLHT (collectively, the “Group”) changed their accounting policy with respect to the subsequent measurement of freehold land, leasehold land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Under the revaluation model, any surplus arising on revaluation is recognised in other comprehensive income or the statement of unitholders’ funds (as the case may be). Any deficit in revaluation arising on revaluation is recognised in profit or loss or the statement of total return (as the case may be) except to the extent that it reverses a previous revaluation on the same asset.

The subsequent measurement of the above asset classes using the revaluation model aligns the policy for such assets with that for properties classified as investment properties, assists users to better understand the risks associated with these assets and provides users with information on the net asset value of the Group that incorporates the latest valuations of their properties classified as property, plant and equipment. This change in accounting policy has been applied prospectively in accordance with FRS 16 *Property, plant and equipment* and FRS 8 *Accounting policies, changes in estimates and errors*.

The effects of this change in accounting policy for the year are set out below:-

H-REIT Group

A revaluation surplus and deferred tax liabilities of S\$12.2 million and S\$2.0 million respectively, have been recognised in unitholders’ funds and an impairment loss of S\$1.0 million has been recognised in the Statement of Total Return.

HBT Group

A revaluation surplus and deferred tax liabilities of S\$7.7million and S\$0.7 million respectively, have been recognised in other comprehensive income.

CDLHT

A revaluation surplus and deferred tax liabilities of S\$19.9 million and S\$2.7 million respectively, have been recognised in unitholders’ funds and an impairment loss of S\$11.1 million has been recognised in the Statement of Total Return.

The additional annual depreciation arising from the adoption of the revaluation model is not material for the Group. Consequently, the impact on the basic and diluted earnings per Stapled Security is not material for the Group.

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

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	4Q 2017	4Q 2016 Restated	4Q 2016 Previously reported	FY 2017	FY 2016 Restated	FY 2016 Previously reported
EPS						
Basic EPS						
Weighted average number of Stapled Securities	1,198,867,558	1,030,408,487	991,826,437	1,107,924,586	1,029,027,992	990,497,634
Basic EPS ^(a) (cents)	6.07	(1.17)	(1.21)	11.65	4.79	4.98
Diluted EPS						
Weighted average number of Stapled Securities	1,202,951,114	1,035,644,106	996,866,018	1,113,238,925	1,035,644,106	996,866,018
Diluted EPS ^(b) (cents)	6.05	(1.16)	(1.21)	11.59	4.76	4.95

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	4Q 2017	4Q 2016 Restated	4Q 2016 Previously reported	FY 2017	FY 2016 Restated	FY 2016 Previously reported
DPS						
Number of Stapled Securities entitled to distribution:						
- in issue	999,276,944	991,771,059	991,771,059	991,771,059	987,136,888	987,136,888
- issuable	773,477	925,435	925,435	8,279,362	5,559,606	5,559,606
- rights issue	199,545,741 ^(c)	38,615,894 ^(d)	-	199,545,741 ^(c)	38,615,894 ^(d)	-
	1,199,596,162	1,031,312,388	992,696,494	1,199,596,162	1,031,312,388	992,696,494
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)						
- Taxable income	1.61	1.96	2.04	6.19	7.03	7.31
- Tax exempt income	0.93	0.71	0.73	2.56	2.20	2.27
- Capital distribution	0.29	0.33	0.34	0.47	0.40	0.42
	2.83	3.00	3.11	9.22	9.63	10.00

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 Rights 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.
- (d) The number of Stapled Securities entitled for distribution and DPS have been restated to reflect the effect of the bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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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 Dec 2017	31 Dec 2016
Net asset value/net tangible asset attributable to unitholders(S\$'000)	1,840,273	1,546,421
Number of Stapled Securities issued and to be issued at end of the period	1,202,951,118	996,866,018
Net asset value/net tangible asset per Stapled Security (S\$)	1.5298	1.5513

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8 Review of the performance for the fourth quarter and year ended 31 December 2017

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	23,031	22,938	0.4	-	-	-	23,031	22,938	0.4
- Claymore Connect	1,719	1,775	(3.2)	-	-	-	1,719	1,775	(3.2)
<i>Maldives</i>	2,030	2,129	(4.7)	-	-	-	2,030	2,129	(4.7)
<i>Australia</i>	3,553	3,613	(1.7)	-	-	-	3,553	3,613	(1.7)
<i>New Zealand</i>	4,962	5,218	(4.9)	-	-	-	4,962	5,218	(4.9)
<i>Germany</i>	2,538	-	N.M	-	-	-	2,538	-	N.M
	37,833	35,673	6.1	-	-	-	37,833	35,673	6.1
Managed hotels									
<i>Maldives</i>	1,440	1,194	20.6	3,030	4,477	(32.3)	3,030	4,477	(32.3)
<i>Japan</i>	973	1,195	(18.6)	2,526	2,803	(9.9)	2,526	2,803	(9.9)
<i>United Kingdom</i>	-	-	-	11,851	5,373	N.M	11,851	5,373	N.M
	2,413	2,389	1.0	17,407	12,653	37.6	17,407	12,653	37.6
Total	40,246	38,062	5.7	17,407	12,653	37.6	55,240	48,326	14.3

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8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	89,037	89,265	(0.3)	-	-	-	89,037	89,265	(0.3)
- Claymore Connect	6,807	6,105	11.5	-	-	-	6,807	6,105	11.5
<i>Maldives</i>	8,289	8,304	(0.2)	-	-	-	8,289	8,304	(0.2)
<i>Australia</i>	14,466	14,438	0.2	-	-	-	14,466	14,438	0.2
<i>New Zealand</i>	19,419	13,274	46.3	-	-	-	19,419	13,274	46.3
<i>Germany</i>	5,468	-	N.M	-	-	-	5,468	-	N.M
	143,486	131,386	9.2	-	-	-	143,486	131,386	9.2
Managed hotels									
<i>Maldives</i>	4,145	4,784	(13.4)	14,587	17,481	(16.6)	14,587	17,481	(16.6)
<i>Japan</i>	4,904	5,698	(13.9)	9,845	10,572	(6.9)	9,845	10,572	(6.9)
<i>United Kingdom</i>	-	-	-	36,397	21,418	69.9	36,397	21,418	69.9
	9,049	10,482	(13.7)	60,829	49,471	23.0	60,829	49,471	23.0
Total	152,535	141,868	7.5	60,829	49,471	23.0	204,315	180,857	13.0

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %	4Q 2017 S\$'000	4Q 2016 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- <i>Hotels</i>	21,413	21,642	(1.1)	-	-	-	21,413	21,642	(1.1)
- <i>Claymore Connect</i>	1,222	1,216	0.5	-	-	-	1,222	1,216	0.5
<i>Maldives</i> (a)	2,971	2,758	7.7	(865)	70	N.M	2,106	2,828	(25.5)
<i>Australia</i>	3,553	3,613	(1.7)	-	-	-	3,553	3,613	(1.7)
<i>New Zealand</i> (b)	4,962	5,218	(4.9)	-	-	-	4,962	5,218	(4.9)
<i>Germany</i> (c)	2,326	-	N.M	-	-	-	2,326	-	N.M
<i>Japan</i> (d)	895	1,111	(19.4)	60	32	87.5	955	1,143	(16.4)
<i>United Kingdom</i> (e)	-	-	-	4,087	2,034	N.M	4,087	2,034	N.M
Total	37,342	35,558	5.0	3,282	2,136	53.7	40,624	37,694	7.8

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- <i>Hotels</i>	81,764	81,411	0.4	-	-	-	81,764	81,411	0.4
- <i>Claymore Connect</i>	4,431	3,247	36.5	-	-	-	4,431	3,247	36.5
<i>Maldives</i> (a)	10,277	11,037	(6.9)	(728)	269	N.M	9,549	11,306	(15.5)
<i>Australia</i>	14,466	14,438	0.2	-	-	-	14,466	14,438	0.2
<i>New Zealand</i> (b)	19,419	13,274	46.3	-	-	-	19,419	13,274	46.3
<i>Germany</i> (c)	5,081	-	N.M	-	-	-	5,081	-	N.M
<i>Japan</i> (d)	4,582	5,368	(14.6)	88	58	51.7	4,670	5,426	(13.9)
<i>United Kingdom</i> (e)	-	-	-	12,380	8,458	46.4	12,380	8,458	46.4
Total	140,020	128,775	8.7	11,740	8,785	33.6	151,760	137,560	10.3

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Footnotes

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

(i) Master Lease

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

There is a minimum rent top-up cap of US\$6.0 million and there shall be no further minimum rent top-ups payable by Lessee to Lessor after the cumulative top-ups reach US\$6.0 million. In 4Q 2017 and FY 2017, the Lessee paid the Lessor a top-up amount of US\$0.1 million and US\$1.4 million (FY 2016: US\$1.0 million) respectively to make up for the shortfall in rent below the minimum rent of US\$6.0 million.

(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 Jumeirah Management Services (Maldives) Private Limited to operate the resort.

With effect from 1 September 2017, HBT changed its operator and appointed AccorHotels as the new resort operator for Dhevanafushi Maldives Luxury Resort (“the Property”). 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 4Q 2017 and FY 2017 includes S\$1.4 million (US\$1.1 million) and S\$4.1 million (US\$3.0 million) rental income from HBT Group respectively.

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

(b) *The New Zealand Hotel was rebranded as Grand Millennium Auckland on 7 September 2016, following the expiry of the existing lease with Rendezvous Hotels (NZ) Limited. Under this lease, H-REIT will receive rent equivalent to the net operating profit of the hotel, subject to a minimum base rent of NZ\$6.0 million per annum.*

(c) *Pullman Hotel Munich was acquired on 14 July 2017 at an effective interest of 94.5%, comprising 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.*

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

For H-REIT Group, the revenue for 4Q 2017 and FY 2017 includes S\$1.0 million (JPY81.7 million) and S\$4.9 million (JPY398.7 million) net rental income received from HBT Group respectively (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S\$0.8 million (JPY66.6 million), after deducting operating expenses, was included in the income available for distribution in 4Q 2017 as the financial results for the fiscal period ended 30 September 2017 has been audited and the income was ascertained. The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

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(e) *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

Fourth Quarter ended 31 December 2017

CDLHT's revenue for 4Q 2017 rose 14.3% yoy (or S\$6.9 million) to S\$55.2 million. The improvement was mainly from the inorganic contribution of S\$6.8 million from The Lowry Hotel and S\$2.5 million from the Pullman Hotel Munich, which were absent last year. The Singapore portfolio performance for 4Q 2017 remained stable despite the competitive trading environment. However, the Group's overall income growth was partially offset by softer trading performance from its Japan, Maldives and Hilton Cambridge properties, which contributed a yoy collective decrease of S\$2.2 million. In addition, the revenue contribution from its New Zealand property (in SGD terms) was lower by S\$0.3 million due to the weakened currency and higher local property tax.

The Singapore hospitality market observed a strong supply materialisation in 4Q 2017 with the opening of 7 new hotels. Despite the increased pressure brought on by the new competition, the Group's Singapore Hotels nevertheless managed to achieve a modest improvement in RevPAR by 1.1% yoy.

Tourism arrivals to the Maldives was higher than the same period last year, driven by additional flights to service the Middle East and European markets over the peak season¹. This demand, was however outstripped by the significant increase in room stock², which created a very competitive environment. The performance in 4Q 2017 was largely affected by the transition of one of the Maldives Resorts into a new brand Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, which commenced on 1 September 2017. Previously known as Jumeirah Dhevanafushi, this resort will operate under an individual identity until its relaunch as a Raffles resort following the completion of an asset enhancement program, which is expected to complete in late 2018. Overall, although Angsana Velavaru managed to eke out a small RevPAR improvement, the Maldives Resorts reported a collective yoy RevPAR decline of 13.2% for 4Q 2017.

The Perth and Brisbane hospitality markets continue to experience an increasing supply of new hotels. CDLHT continues to receive fixed rent from its Australia portfolio. For the reporting period, a full quarter's rental income continue to be recognised as the divestment of the Mercure Brisbane and Ibis Brisbane was only concluded on 11 January 2018.

Tourism arrivals to New Zealand continued to grow³. Accordingly, the New Zealand hotel achieved a RevPAR growth of 5.5% although profitability was dragged down by the weaker exchange rate and higher property tax.

Driven by the strong in-bound travel demand to Japan, occupancies continued to remain high. Despite this, RevPAR for the Group's Japan Hotels in Tokyo declined by 4.5% yoy mainly due to the heightened price sensitivity caused by the rising accommodation supply in the market.

The UK Hotels turned in a mixed performance. The RevPAR for Hilton Cambridge City Centre fell 8.5% yoy mainly due to increased competition from new supply which resulted in lower occupancies. In Manchester, The Lowry Hotel managed to achieve a RevPAR increase of 2.7%⁴ despite softer demand from entertainment groups following the re-opening of the Manchester Arena in September 2017.

In Germany, Pullman Hotel Munich achieved a healthy performance for the quarter by securing a fair market share and its occupancy was predominantly boosted by a stable base from its airline crew business and stronger support from the corporate segment. As such, the hotel's RevPAR recorded a yoy growth of 3.5%⁴ in 4Q 2017.

In line with the overall performance of CDLHT's portfolio, CDLHT's net property income⁵ for 4Q 2017 increased by S\$2.9 million or 7.8% to S\$40.6 million.

¹ Maldives Insider, "Airlines set to increase flight frequency for maldives peak tourist season", 16 October 2017

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

³ Tourism – Statistics New Zealand

⁴ The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the corresponding period.

⁵ 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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Net finance costs for the reporting quarter was S\$10.1 million lower than last year, mainly due to the absence of net exchange losses of S\$8.6 million arising from foreign currency movements of certain loans which had to be expensed off in 4Q 2016 in accordance with Financial Reporting Standard 39. This exchange loss did not have any impact on CDLHT’s distribution. In 4Q 2017, CDLHT also benefitted from the repayment of approximately S\$250.0 million bank loans with the Rights Issue proceeds, which effectively lowered the average funding cost and interest expense. This translated to yoy interest savings of about S\$1.7 million.

CDLHT revalued its investment properties as at 31 December 2017 and recorded a net fair value gain of S\$64.5 million. The fair value gain (in SGD terms) from investment properties arose from its Singapore, Australia and New Zealand properties and this also takes into account a diminution loss arising mainly from Angsana Velavaru. As for property, plant and equipment (“PPE”), there was an impairment loss of S\$11.1 million recognised, which arose mainly from the Dhevanafushi Maldives Luxury Resort. Both the revaluation gain on investment properties and impairment loss on PPE do not have any impact on the unitholders distribution.

Boosted by the income growth from new acquisitions, the total income available for distribution (after deducting income retained for working capital)⁶ in 4Q 2017 was S\$33.9 million, S\$3.0 million or 9.8% higher yoy. This distributable income includes a capital distribution of S\$3.5 million (4Q 2016: S\$3.4 million) arising from the group’s Japan and Maldives properties.

Distribution per Stapled Security (“DPS”) (after deducting income retained for working capital and taking into account the effects of the Rights Issue) for 4Q 2017 was 2.83 cents, 5.7% lower yoy due to the enlarged stapled security base post-rights issue⁷. Excluding the effect of the Rights Issue, the distribution per Stapled Security (after retention) would have been 3.39 cents, a 9.0% increase yoy from 4Q 2016.

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

	4Q 2017	4Q 2016	Increase/(Decline)
Average Occupancy Rate	83.5%	83.6%	(0.1)pp
Average Daily Rate	S\$186	S\$184	1.2%
RevPAR	S\$155	S\$154	1.1%

⁶ This distributable income includes a S\$0.8 million contribution from the Japan Hotels for the six months ended 30 September 2017 (which was remitted in December 2017 following completion of its mandatory statutory audit and tax filing).

⁷ On 27 June 2017, CDLHT announced an underwritten and renounceable Rights issue to raise gross proceeds of approximately S\$255 million (the “Rights Issue”). The Rights Issue was completed on 2 August 2017, where CDLHT issued 199,545,741 new Stapled Securities.

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Year ended 31 December 2017

For FY 2017, CDLHT achieved gross revenue of S\$204.3 million, S\$23.5 million or 13.0% ahead of same period last year. The increase in revenue was mainly due to additional revenue of S\$21.5 million generated from the acquisitions of The Lowry and Pullman Munich in May and July 2017 respectively, as well as the stellar performance from the New Zealand Hotel, which posted a yoy revenue growth of S\$6.1 million or 46.3%. Contribution from Claymore Connect, the retail mall, was also higher by S\$0.7 million yoy.

This improvement was however dampened by softer trading performance from the Japan and Maldives properties and lower contribution (in SGD terms) from Hilton Cambridge City Centre, mainly due to the weakened GBP during the year. Collectively, contributions from these properties declined by S\$4.7 million yoy.

Singapore hotel supply grew by an estimated 2,868 net rooms (4.5% of existing hotel supply at end 2016)⁸, and trading conditions were rendered even more challenging by the absence of demand-drivers such as the Singapore Airshow and Food & Hotel Asia (biennial events which did not occur this year). Leveraging on the recovering corporate segment, as well as strategically acquiring wholesale business to bridge the demand lull periods, the Singapore Hotels managed to maintain a relatively flat performance against the same period last year, posting only a fractional 0.6% decline to overall RevPAR.

The hospitality market in Maldives remained challenging with sustained weakness in travel demand from China as well as increased supply. Total tourist arrivals increased 8.0% yoy for 2017⁹ and demand growth was outstripped by significant increase in new supply in 2017 which resulted in a very competitive trading environment¹⁰. The performance was also strongly affected by the transition branding of Dhevanafushi Maldives Luxury Resort from Jumeirah Dhevanafushi into a Raffles resort. Against this backdrop, the Maldives Resorts posted a yoy RevPAR decline of 14.7%.

Although the Australia Hotels received only fixed rent for the financial year, its revenue (in SGD terms) has increased due to the appreciation of AUD against SGD. For FY 2017, a full year's rental income continue to be recognised as the divestment of the Mercure Brisbane and Ibis Brisbane was only concluded on 11 January 2018.

In New Zealand, 2017 was a record year for tourism, bolstered by increased flight capacity into the country, as well as a strong line-up of sporting events such as the World Masters Games and the British and Irish Lions Rugby Tour. The contribution from Grand Millennium Auckland was also strengthened by higher rated base business and the change in rental structure which delivered a higher proportion of variable rent. Consequently, the hotel achieved a substantially higher yoy RevPAR increase of 25.9% and its contribution grew by a phenomenal 46.3% yoy.

The tourism boom in Japan has led to high occupancies in Tokyo but the concurrent rapid expansion of local hotel chains, particularly in the budget sector has led to sustained average room rate pressures in the market. Despite securing strong market share penetration, RevPAR for the Japan Hotels declined by 4.6% yoy.

The UK enjoyed strong inbound tourism in 2017 as the weak Sterling pound made travel attractive for overseas visitors. The increased room supply in Cambridge moderated the RevPAR growth of Hilton Cambridge City Centre to 1.9%. The Lowry Hotel in Manchester managed to achieve a respectable RevPAR growth of 1.8%¹¹ in 2H 2017 during CDLHT's ownership despite the residual effects of the terror attacks in May 2017.

In Germany, Pullman Hotel Munich's RevPAR rose 0.6%¹¹ in 2H 2017 during CDLHT's ownership against last year, as a new airline crew contract helped to mitigate the effects of new room supply in the city.

In aggregate, net property income¹² for FY 2017 increased by S\$14.2 million or 10.3% yoy.

⁸ Based on Horwath data (January 2018) and CDLHT research

⁹ Ministry of Tourism, Republic of Maldives, Tourism Monthly Updates

¹⁰ Maldives Insider, "Airlines set to increase flight frequency for Maldives peak tourist season", 16 Oct 2017

¹¹ The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the corresponding period.

¹² 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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The Group’s net finance cost decreased by S\$5.7 million yoy mainly due to lower exchange loss (which does not affect unitholders distribution) and savings in interest expense mainly due to the repayment of approximately S\$250.0 million bank loans in August 2017 with the Rights Issue proceeds.

CDLHT revalued its investment properties as at 31 December 2017 and recorded a net fair value gain of S\$64.5 million. The fair value gain (in SGD terms) from investment properties arose from its Singapore, Australia and New Zealand properties and this also takes into account a diminution loss arising mainly from Angsana Velavaru. As for property, plant and equipment (“PPE”), there was an impairment loss of S\$11.1 million recognised, which arose mainly from the Dhevanafushi Maldives Luxury Resort. Both the revaluation gain on investment properties and impairment loss on PPE do not have any impact on the unitholders distribution.

Augmented by the inorganic contributions from the 2017 acquisitions, the total income available for distribution (after deducting income retained for working capital)¹³ was S\$110.3 million for FY 2017, S\$11.2 million or 11.3% higher yoy. This distributable income includes a capital distribution of S\$5.7 million for FY 2017 (FY 2016: S\$4.1 million) arising from the Group’s Japan and Maldives properties.

The DPS (after retention and taking into account the effects of the Rights Issue) for FY 2017 was 9.22 cents, 4.3% lower than FY 2016 due to the enlarged stapled security base post-rights issue. Excluding the effect of the Rights Issue, the DPS (after retention) would have been 11.04 cents, a 10.4% increase yoy from FY 2016.

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

	FY 2017	FY 2016	Increase/(Decline)
Average Occupancy Rate	86.7%	85.4%	1.3pp
Average Daily Rate	S\$183	S\$187	(2.2)%
RevPAR	S\$159	S\$160	(0.6)%

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

No forecast has been disclosed.

¹³This includes an S\$1.7 million contribution from the Japan Hotels for the six month fiscal periods ended 31 March 2017 and 30 September 2017 (which was remitted in June 2017 and December 2017 following completion of its mandatory statutory audit and tax filing).

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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

Total visitor arrivals to Singapore grew 5.8% year-on-year (“yoy”) to 14.5 million for year-to-date (“YTD”) October 2017, mainly due to an increase in arrivals from China and India¹. The Singapore Tourism Board (“STB”) continues to position Singapore as a leading MICE destination and newly secured flagship events being featured in 2018 include Industrial Transformation Asia Pacific, the Asia Pacific edition of a HANNOVER MESSE event on industrial technology², and Money20/20, the Asia Pacific edition of the world’s largest FinTech event³. In 2018, Singapore is also the ASEAN chairman, where Singapore will host several meetings and events involving foreign delegates across the year, including the 32nd and 33rd ASEAN Summit⁴.

In 2018, the pace of growth of the Singapore economy is projected to remain firm and global growth to pick up marginally⁵. The macro-economic backdrop is expected to be a supportive demand driver for the Singapore hospitality market⁶.

The net supply for hotel inventory in Singapore is estimated to increase by 769⁷ rooms in 2018, representing approximately 1.2% of existing room stock. While the supply growth tapers off from 2018, room rates are likely to remain competitive in the near term as new hotels opened in 2017 seek to build their base. For the first 24 days of January 2018, RevPAR for the Singapore Hotels decreased by 5.5% as compared to the same period last year.

In New Zealand, international visitor arrivals increased 7.0% yoy to a record 2.9 million⁸ for YTD October 2017, reflecting the steady growth momentum in the tourism market.

Tourism demand in Japan continues to be healthy with visitor arrivals increasing 19.3% yoy to 28.7 million for the year 2017⁹. However, competition in Tokyo’s economy hotel market arising from increases in new supply and minpaku (peer-to-peer accommodation) may moderate growth in room rates in the near term¹⁰.

In the Maldives, the increase in new rooms supply, which has intensified price competition amongst resorts, coupled with the decline in visitor arrivals from China, continue to affect trading conditions. Forward demand growth is supported by increased flight capacity from destinations including Europe, Southeast Asia and the Middle East¹¹.

In the United Kingdom, visitor arrivals increased 5.5% yoy to 33.3 million for YTD October 2017¹². Total arrivals are expected to grow 6.2% in 2017 and a further 4.4% in 2018, although Brexit and Sterling pound-related uncertainties may weigh on overall demand¹³.

The Eurozone continues to record economic growth and the positive economic environment has led to strengthening business optimism in Germany¹⁴. In Munich, total international visitor arrivals increased 12.9% yoy for YTD October 2017¹⁵. While there is an increase in new rooms supply in the city in the near term, the strong pipeline of trade shows over the next two years¹⁶ will provide support for the Munich hospitality market.

CDLHT continuously executes its proactive asset management strategy where opportunities are evaluated periodically to recycle capital for better returns, unlock underlying asset values and enhance its assets.

¹ STB

² STB, “Singapore to host premiere of Industrial Transformation Asia Pacific – a HANNOVER MESSE event”, 2 November 2017

³ STB Annual Report 2016-2017

⁴ ASEAN Singapore 2018

⁵ Ministry of Trade and Industry Singapore, “MTI Forecasts GDP to Grow by “3.0 to 3.5 Per Cent” in 2017 and “1.5 to 3.5 Per Cent” in 2018”, 23 November 2017

⁶ Savills Hotels, Singapore Hotel Market Perspectives, December 2017

⁷ Based on Horwath data (January 2018) and CDLHT research

⁸ Tourism – Statistics New Zealand

⁹ Japan National Tourism Organization

¹⁰ Savills World Research (Japan), Spotlight Japan hospitality, September 2017

¹¹ Maldives Insider, “Airlines set to increase flight frequency for Maldives peak tourist season”, 16 Oct 2017

¹² International Passenger Survey, Office for National Statistics

¹³ 2018 Inbound Tourism Forecast – VisitBritain

¹⁴ IHS Markit Eurozone Composite PMI, “Eurozone economic growth highest since early-2011”, 4 January 2018

¹⁵ Muenchen.de

¹⁶ Events Eye

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In Singapore, the renovation of the restaurant in Orchard Hotel, Hua Ting, was completed and it has opened in December 2017. In order to capture the demand from MICE events in the first four months of 2018, refurbishment works for the guest rooms in the Orchard wing of the Orchard Hotel, is being rescheduled to May 2018, together with planned works for a significant portion of the public areas. While the hotel will face some disruption in the short term, the completed refurbishment exercise will improve overall guest experience and augment the competitiveness of the asset to be positioned for the recovery in the Singapore hotel sector. CDLHT will continuously explore asset enhancement opportunities for the Singapore Hotels.

In the Maldives, refurbishment of 28 land villas is being planned in the third quarter of 2018 for Angsana Velavaru. For CDLHT’s other Maldives resort, Dhevanafushi Maldives Luxury Resort, extensive asset enhancement plans are being finalised and will culminate in a full re-branding exercise in late 2018. This transition process to a “Raffles” resort, under the iconic collection of Raffles Hotels and Resorts, will lead to sub-optimal revenue contribution until the exercise is completed.

In Australia, CDLHT successfully completed the divestment of Mercure Brisbane and Ibis Brisbane in January 2018, for an attractive exit yield and a premium over the original purchase price and latest independent valuation. The Managers of CDLHT intend to utilise the proceeds from the divestment mainly to repay existing borrowings, which will further strengthen CDLHT’s balance sheet. Part of the gains will also be used to make distributions to stapled securityholders in FY 2018.

With ample debt headroom and a robust balance sheet, CDLHT will continue to actively pursue suitable acquisitions to diversify and augment its income streams.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution Distribution for the period from 1 July 2017 to 31 December 2017

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	3.24	1.59	0.29	5.12

Tax rate

Taxable income distribution

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

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

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

Tax exempt income distribution

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

Capital distribution

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

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11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 July 2016 to 31 December 2016

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

Tax rate

Taxable income distribution

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

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

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

Tax exempt income distribution

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

Capital distribution

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

11 (c) Book closure date

5.00 p.m. on 5 February 2018

11 (d) Date payable

28 February 2018

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

Not applicable.

13 General mandate relating to Interested Person Transactions

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

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

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

15 Segmented revenue and results for operating segments

CDL Hospitality Trusts			
	FY 2017 S\$'000	FY 2016 S\$'000	Variance %
<u>Gross Revenue</u>			
Singapore	89,037	89,265	(0.3)
New Zealand	19,419	13,274	46.3
Australia	14,466	14,438	0.2
Maldives	22,876	25,785	(11.3)
Japan	9,845	10,572	(6.9)
United Kingdom	36,397	21,418	69.9
Germany	5,468	-	N.M
Others	6,807	6,105	11.5
	204,315	180,857	13.0
<u>Net Property Income</u>			
Singapore	81,764	81,411	0.4
New Zealand	19,419	13,274	46.3
Australia	14,466	14,438	0.2
Maldives	9,549	11,306	(15.5)
Japan	4,670	5,426	(13.9)
United Kingdom	12,380	8,458	46.4
Germany	5,081	-	N.M
Others	4,431	3,247	36.5
	151,760	137,560	10.3

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND
YEAR ENDED 31 DECEMBER 2017**

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

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

17 Breakdown of sales

CDL Hospitality Trusts			
	FY 2017 S\$'000	FY 2016 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	94,249	87,123	8.2
Total return for first half year	30,607	38,814	(21.1)
Gross revenue reported for second half year	110,066	93,734	17.4
Total return for second half year	98,517	10,518	N.M

18 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2017

CDL Hospitality Trusts		
	S\$'000	S\$'000
1 July 2015 to 31 December 2015	-	53,118
1 January 2016 to 30 June 2016	-	44,096
1 July 2016 to 31 December 2016	55,095	-
1 January 2017 to 30 June 2017	49,119	-

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

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

20 Use of Rights Issue Proceeds

On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the Rights Issue that raised total gross proceeds of S\$255.4 million. The utilisation of the proceeds from the Rights Issue have been announced on the SGX-ST on 2 August 2017, 3 August 2017 and 24 August 2017¹.

Following these announcements, the proceeds from the Rights Issue have been fully utilised.

¹ Please refer to the announcements dated 2 August 2017, 3 August 2017 and 24 August 2017 on SGX-ST for further details.

**CDL HOSPITALITY TRUSTS (“CDLHT”)
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE FOURTH QUARTER AND
YEAR ENDED 31 DECEMBER 2017**

On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

26 January 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)

26 January 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)

26 January 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

26 January 2018

Dear Sirs

CDL Hospitality Trusts

Report on review of financial information

Introduction

We have reviewed the accompanying financial information (the "Financial Information") of CDL Hospitality Trusts ("CDLHT") for the year ended 31 December 2017. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Financial Information consists of the following:

- Statement of financial position of CDLHT as at 31 December 2017;
- Portfolio statement of CDLHT as at 31 December 2017;
- Statement of total return of CDLHT for the year ended 31 December 2017;
- Statement of movements in unitholders' funds of CDLHT for the year ended 31 December 2017;
- Distribution statement for the year ended 31 December 2017;
- Statement of cash flows of CDLHT for the year ended 31 December 2017; and
- Certain explanatory notes to the above Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Financial Information in accordance with the 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 Financial Information based on our review.



Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Information is not prepared, in all material respects, in accordance with the 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 Financial Information for the purpose of assisting CDLHT to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in CDLHT's announcement of its financial statements for the information of the holders of its Stapled Securities. We do not assume responsibility to parties other than CDLHT for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 January 2018