



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT
AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2018**

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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)

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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 (collectively the “Group”). CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 30 June 2018, CDLHT owns 15 hotels and two resorts comprising a total of 5,002 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

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

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

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

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

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SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Apr 2018 to 30 Jun 2018 ("2Q 2018") S\$'000	1 Apr 2017 to 30 Jun 2017 ("2Q 2017") S\$'000	Increase/ (Decrease) %	1 Jan 2018 to 30 Jun 2018 ("1H 2018") S\$'000	1 Jan 2017 to 30 Jun 2017 ("1H 2017") S\$'000	Increase/ (Decrease) %
Revenue	47,713	47,838	(0.3)	99,508	94,249	5.6
Net property income	33,598	34,906	(3.7)	71,416	70,778	0.9
Total return	17,262	12,983	33.0	45,293	30,607	48.0
Income available for distribution to Stapled Securityholders (before retention)	25,065	25,179	(0.5)	53,273	52,004	2.4
Less:						
Income retained for working capital	(2,507)	(2,518)	(0.5)	(5,327)	(5,200)	2.4
Income to be distributed to Stapled Securityholders (after retention)	22,559	22,661	(0.5)	47,946	46,804	2.4
Capital distribution ¹	3,224	2,215	45.6	3,899	2,215	76.0
Total distribution to Stapled Securityholders (after retention)	25,783	24,876	3.6	51,845	49,019	5.8
Total distribution per Stapled Security (before retention)² (cents)						
For the period	2.35	2.29	2.6	4.75	4.53	4.9
Total distribution per Stapled Security (after retention)² (cents)						
For the period	2.14	2.08	2.9	4.31	4.10	5.1

¹ Includes partial distribution of proceeds from the sale of Mercure Brisbane and Ibis Brisbane amounting to S\$1.9 million and S\$2.6 million for 2Q 2018 and 1H 2018 respectively.

² This includes capital distribution.

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

	Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
		2Q 2018 S\$'000	2Q 2017 S\$'000	Increase/ (Decrease) %	2Q 2018 S\$'000	2Q 2017 S\$'000	Increase/ (Decrease) %	2Q 2018 S\$'000	2Q 2017 S\$'000	Increase/ (Decrease) %
Revenue										
Rental revenue		35,088	34,970	0.3	-	-	-	32,797	33,093	(0.9)
Hotel revenue		-	-	-	14,916	14,745	1.2	14,916	14,745	1.2
	(a)	35,088	34,970	0.3	14,916	14,745	1.2	47,713	47,838	(0.3)
Property expenses										
Operation and maintenance expenses		-	-	-	(3,091)	(2,943)	5.0	(3,091)	(2,943)	5.0
Employee benefit expenses		-	-	-	(3,861)	(3,296)	17.1	(3,861)	(3,296)	17.1
Rental expenses		-	-	-	(2,461)	(2,018)	22.0	(170)	(141)	20.6
Property tax	(c)	(1,949)	(2,067)	(5.7)	(568)	(438)	29.7	(2,517)	(2,505)	0.5
Other property expenses	(d)	(1,398)	(1,085)	28.8	(3,078)	(2,962)	3.9	(4,476)	(4,047)	10.6
		(3,347)	(3,152)	6.2	(13,059)	(11,657)	12.0	(14,115)	(12,932)	9.1
Net property income		31,741	31,818	(0.2)	1,857	3,088	(39.9)	33,598	34,906	(3.7)
H-REIT Manager's management fees		(3,041)	(3,083)	(1.4)	-	-	-	(3,041)	(3,083)	(1.4)
H-REIT Trustee's fees		(86)	(68)	26.5	-	-	-	(86)	(68)	26.5
HBT Trustee-Manager's management fees	(e)	-	-	-	(95)	-	N.M	(95)	-	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(58)	(49)	18.4	(58)	(49)	18.4
HBT Trustee-Manager's acquisition fee		-	-	-	-	(94)	N.M	-	(94)	N.M
Valuation fees		(32)	(46)	(30.4)	(11)	(6)	83.3	(43)	(52)	(17.3)
Depreciation, amortisation and impairment losses	(f)	(531)	(484)	9.7	(1,667)	(7,891)	(78.9)	(2,930)	(9,167)	(68.0)
Other trust expenses	(g)	(843)	(548)	53.8	(511)	(1,566)	(67.4)	(1,354)	(2,113)	(35.9)
Finance income		5,838	628	N.M	473	-	N.M	5,909	49	N.M
Finance costs		(9,473)	(5,880)	61.1	(713)	(813)	(12.3)	(12,980)	(6,114)	N.M
Net finance costs	(j)	(3,635)	(5,252)	(30.8)	(240)	(813)	(70.5)	(7,071)	(6,065)	16.6
Total return/(Net loss) before tax		23,573	22,337	5.5	(725)	(7,331)	(90.1)	18,920	14,215	33.1
Tax expense	(k)	(438)	(898)	(51.2)	(1,220)	(334)	N.M	(1,658)	(1,232)	34.6
Total return/(Net loss)	(l)	23,135	21,439	7.9	(1,945)	(7,665)	(74.6)	17,262	12,983	33.0
Attributable to:										
Unitholders		23,081	21,439	7.7	(1,945)	(7,665)	(74.6)	17,208	12,983	32.5
Non-controlling interests	(i)	54	-	N.M	-	-	-	54	-	N.M
Total return/(Net loss)		23,135	21,439	7.9	(1,945)	(7,665)	(74.6)	17,262	12,983	33.0

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1H 2018	1H 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue									
Rental revenue	73,749	72,724	1.4	-	-	-	69,225	67,761	2.2
Hotel revenue	-	-	-	30,283	26,488	14.3	30,283	26,488	14.3
	(a) 73,749	72,724	1.4	30,283	26,488	14.3	99,508	94,249	5.6
Property expenses									
Operation and maintenance expenses	-	-	-	(6,506)	(5,275)	23.3	(6,506)	(5,275)	23.3
Employee benefit expenses	-	-	-	(7,669)	(5,468)	40.3	(7,669)	(5,468)	40.3
Rental expenses	-	-	-	(4,848)	(5,187)	(6.5)	(324)	(224)	44.6
Property tax	(c) (3,895)	(4,130)	(5.7)	(1,193)	(708)	68.5	(5,088)	(4,838)	5.2
Other property expenses	(d) (2,569)	(2,240)	14.7	(5,936)	(5,426)	9.4	(8,505)	(7,666)	10.9
	(6,464)	(6,370)	1.5	(26,152)	(22,064)	18.5	(28,092)	(23,471)	19.7
Net property income	67,285	66,354	1.4	4,131	4,424	(6.6)	71,416	70,778	0.9
H-REIT Manager's management fees	(6,329)	(6,287)	0.7	-	-	-	(6,329)	(6,287)	0.7
H-REIT Trustee's fees	(157)	(135)	16.3	-	-	-	(157)	(135)	16.3
HBT Trustee-Manager's management fees	(e) -	-	-	(95)	(35)	N.M	(95)	(35)	N.M
HBT Trustee-Manager's trustee fees	-	-	-	(116)	(80)	45.0	(116)	(80)	45.0
HBT Trustee-Manager's acquisition fee	-	-	-	-	(94)	N.M	-	(94)	N.M
Valuation fees	(77)	(95)	(18.9)	(10)	(13)	(23.1)	(87)	(108)	(19.4)
Depreciation, amortisation and impairment losses	(f) (1,054)	(970)	8.7	(3,325)	(8,774)	(62.1)	(5,821)	(11,310)	(48.5)
Other trust expenses	(g) (1,619)	(1,034)	56.6	(860)	(1,747)	(50.8)	(2,479)	(2,749)	(9.8)
Finance income	2,914	1,474	97.7	51	12	N.M	2,965	243	N.M
Finance costs	(15,094)	(17,123)	(11.8)	(1,441)	(1,403)	2.7	(16,300)	(17,283)	(5.7)
Net finance costs	(j) (12,180)	(15,649)	(22.2)	(1,390)	(1,391)	(0.1)	(13,335)	(17,040)	(21.7)
Net income/(loss)	45,869	42,184	8.7	(1,665)	(7,710)	(78.4)	42,997	32,940	30.5
Gain on disposal of investment properties and related cessation of business of foreign operations	(h) 5,367	-	N.M	-	-	-	5,367	-	N.M
Total return/(Net loss) before tax	51,236	42,184	21.5	(1,665)	(7,710)	(78.4)	48,364	32,940	46.8
Tax expense	(k) (1,489)	(1,945)	(23.4)	(1,582)	(388)	N.M	(3,071)	(2,333)	31.6
Total return/(Net loss)	(l) 49,747	40,239	23.6	(3,247)	(8,098)	(59.9)	45,293	30,607	48.0
Attributable to:									
Unitholders	49,672	40,239	23.4	(3,247)	(8,098)	(59.9)	45,218	30,607	47.7
Non-controlling interests	(i) 75	-	N.M	-	-	-	75	-	N.M
Total return/(Net loss)	49,747	40,239	23.6	(3,247)	(8,098)	(59.9)	45,293	30,607	48.0

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

	HBT Group			HBT Group		
	2Q 2018 S\$'000	2Q 2017 S\$'000	Increase/ (Decrease) %	1H 2018 S\$'000	1H 2017 S\$'000	Increase/ (Decrease) %
Total return for the period	(1,945)	(7,665)	(74.6)	(3,247)	(8,098)	(59.9)
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation surplus on property, plant and equipment	-	-	-	-	3,512	N.M
Tax effect on revaluation surplus on property, plant and equipment	10	(5)	N.M	(616)	(602)	2.3
	10	(5)	N.M	(616)	2,910	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(2,979)	(267)	N.M	223	(30)	N.M
- hedge of net investment in a foreign operation	2,399	-	N.M	(176)	-	N.M
- monetary items forming part of net investment in a foreign operation	(2,825)	-	N.M	207	-	N.M
	(3,405)	(267)	N.M	254	(30)	N.M
Other comprehensive income for the period, net of tax	(3,395)	(272)	N.M	(362)	2,880	N.M
Total comprehensive income for the period	(5,340)	(7,937)	(32.7)	(3,609)	(5,218)	(30.8)

Footnotes

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 25 to 27 of the Announcement.
- (b) Revenue and property expenses for HBT Group have increased in 2Q 2018 and 1H 2018 as compared to the corresponding period last year primarily due to the inclusion of the operating results of The Lowry Hotel which was acquired on 4 May 2017.
- (c) Property tax of the H-REIT Group was lower in 2Q 2018 and 1H 2018 as compared to the corresponding period last year, arising mainly from revision of tax expenses for the Singapore Hotels. In contrast, HBT Group's property tax expenses increased year-on-year ("yoy") for both periods due to the inclusion of The Lowry Hotel's property tax for the full reporting period.
- (d) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. These expenses have increased yoy primarily due to the inclusion of expenses for The Lowry Hotel and Pullman Hotel Munich which were acquired last year. This was partially offset by a drop in property expenses from Dhevanafushi Maldives Luxury Resort which has suspended its operations since 1 June 2018 for rebranding works.
- Also included in other property expenses for 1H 2018 is a write-back of prior year impairment loss of S\$86K relating to the rental receivables of Claymore Connect. In 1H 2017, Claymore Connect recognised an impairment loss of S\$76K which was offset by a write-back of S\$26K relating to rental receivables from its tenants.
- (e) The increase in HBT Trustee-manager's management fees is attributed to the alignment of its fee structure to H-REIT Manager which has been approved by Stapled Securityholders through an Extraordinary General Meeting held on 27 April 2018. With effect from 1 May 2018, HBT Trustee-manager's management fees will comprise a base fee of 0.25% per annum of the value of HBT's deposited property and a performance fee of 5.0% per annum of HBT's net property income.

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- (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.*

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2018	2Q 2017	2Q 2018	2Q 2017	2Q 2018	2Q 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	531	484	1,667	1,335	2,858	2,545
Amortisation of prepaid land lease	-	-	-	-	72	66
Goodwill impairment ⁽ⁱ⁾	-	-	-	6,556	-	6,556
	531	484	1,667	7,891	2,930	9,167

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,054	970	3,325	2,218	5,679	4,620
Amortisation of prepaid land lease	-	-	-	-	142	134
Goodwill impairment ⁽ⁱ⁾	-	-	-	6,556	-	6,556
	1,054	970	3,325	8,774	5,821	11,310

- (i) The goodwill impairment in 2Q 2017 and 1H 2017 arose from a purchase price allocation exercise performed for the acquisition of The Lowry Hotel.
- (g) *Other trust expenses comprise mainly professional fees and administrative expenses. CDLHT recorded lower fees and administrative expenses in 2Q 2018 and 1H 2018 due mainly to the absence of acquisition transactions fees incurred last year for The Lowry Hotel. This was partially offset by higher expenses arising from the newly acquired assets, The Lowry Hotel and Pullman Hotel Munich, and costs incurred in relation to the rebranding enhancement works of Dhevanafushi Maldives Luxury Resort which commenced in June 2018.*
- (h) *On 22 December 2017, CDLHT entered into a sale and purchase agreement to sell Mercure Brisbane and Ibis Brisbane in Australia for a total consideration of A\$77.0 million. The sale was completed on 11 January 2018 and CDLHT recognised a gain on disposal of S\$5.4 million.*
- (i) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to Pullman Hotel Munich.*
- (j) *Net finance costs comprise the following:*

	H-REIT Group			H-REIT Group		
	2Q 2018	2Q 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	404	49	N.M	654	132	N.M
Interest income received/receivable from HBT Group ⁽ⁱ⁾	-	579	N.M	-	1,166	N.M
Fair value gain on derivatives ⁽ⁱⁱ⁾	5,434	-	N.M	2,260	176	N.M
Finance income	5,838	628	N.M	2,914	1,474	N.M
Exchange loss	(4,772)	(137)	N.M	(6,167)	(5,581)	10.5
Interest paid/payable to banks ^(iv)	(4,345)	(5,325)	(18.4)	(8,229)	(10,819)	(23.9)
Fair value loss on derivatives ⁽ⁱⁱⁱ⁾	-	(57)	N.M	-	-	-
Amortisation of transaction costs capitalised ^(v)	(301)	(307)	(2.0)	(587)	(616)	(4.7)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(55)	(54)	1.9	(111)	(107)	3.7
Finance costs	(9,473)	(5,880)	61.1	(15,094)	(17,123)	(11.8)
Net finance costs	(3,635)	(5,252)	(30.8)	(12,180)	(15,649)	(22.2)

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	HBT Group			HBT Group		
	2Q 2018	2Q 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Fair value gain on derivatives ⁽ⁱⁱ⁾	71	-	N.M	51	-	N.M
Exchange gain	402	-	N.M	-	12	N.M
Finance income	473	-	N.M	51	12	N.M
Exchange loss	-	(11)	N.M	(22)	-	N.M
Interest paid/payable to banks	(675)	(172)	N.M	(1,343)	(172)	N.M
Interest paid/payable to H-REIT Group ⁽ⁱ⁾	-	(579)	N.M	-	(1,166)	N.M
Fair value loss on derivatives ⁽ⁱⁱ⁾	-	(51)	N.M	-	(65)	N.M
Amortisation of transaction costs capitalised ^(v)	(38)	-	N.M	(76)	-	N.M
Finance costs	(713)	(813)	(12.3)	(1,441)	(1,403)	2.7
Net finance costs	(240)	(813)	(70.5)	(1,390)	(1,391)	(0.1)

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2Q 2018	2Q 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	404	49	N.M	654	132	N.M
Fair value gain on derivatives ⁽ⁱⁱ⁾	5,505	-	N.M	2,311	111	N.M
Finance income	5,909	49	N.M	2,965	243	N.M
Exchange loss ⁽ⁱⁱⁱ⁾	(7,566)	(148)	N.M	(5,954)	(5,569)	6.9
Interest paid/payable to banks ^(iv)	(5,020)	(5,497)	(8.7)	(9,572)	(10,991)	(12.9)
Fair value loss on derivatives ⁽ⁱⁱ⁾	-	(108)	N.M	-	-	-
Amortisation of transaction costs capitalised ^(v)	(339)	(307)	10.4	(663)	(616)	7.6
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(55)	(54)	1.9	(111)	(107)	3.7
Finance costs	(12,980)	(6,114)	N.M	(16,300)	(17,283)	(5.7)
Net finance costs	(7,071)	(6,065)	16.6	(13,335)	(17,040)	(21.7)

- (i) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the acquisition of Hilton Cambridge City Centre (“Intra-group loan”). At the end of 3Q 2017, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan. Accordingly, no intra-group interest income/expenses were recorded in 2Q 2018 and 1H 2018.
- (ii) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT’s and HBT’s income from overseas as well as a EUR/USD cross-currency interest rate swap contract entered into by H-REIT to partially hedge its interest cost.
- (iii) The exchange loss of CDLHT for 2Q 2018 and 1H 2018 mainly arose from translation losses from the group’s United States dollar (“USD”) denominated bank loans as well as the depreciation of Australian dollar (“AUD”) receivables and cash balances against SGD. During the comparative period last year, the exchange loss arose mainly from the foreign currency translation loss on the repayment of a New Zealand dollar loan. 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 2Q 2018 and 1H 2018 were lower yoy mainly due to the repayment of certain loans arising from proceeds raised from CDLHT’s rights issue in 3Q 2017.
- (v) The amortisation costs in 2Q 2018 and 1H 2018 relate to the amortisation of transaction costs arising from CDLHT’s borrowings.

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2018 S\$’000	2Q 2017 S\$’000	2Q 2018 S\$’000	2Q 2017 S\$’000	2Q 2018 S\$’000	2Q 2017 S\$’000
Corporate income tax	(889)	(880)	(292)	(193)	(1,181)	(1,073)
Deferred tax	(188)	47	(650)	60	(838)	107
Withholding tax	(40)	(61)	(278)	(144)	(318)	(205)
Over/(Under)provision in respect of prior year tax	679	(4)	-	(57)	679	(61)
	(438)	(898)	(1,220)	(334)	(1,658)	(1,232)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2018 S\$’000	1H 2017 S\$’000	1H 2018 S\$’000	1H 2017 S\$’000	1H 2018 S\$’000	1H 2017 S\$’000
Corporate income tax	(1,865)	(1,833)	(274)	(226)	(2,139)	(2,059)
Deferred tax	(263)	(47)	(828)	86	(1,091)	39
Withholding tax	(40)	(61)	(480)	(191)	(520)	(252)
Over/(Under)provision in respect of prior year tax	679	(4)	-	(57)	679	(61)
	(1,489)	(1,945)	(1,582)	(388)	(3,071)	(2,333)

(l) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2018 S\$’000	2Q 2017 S\$’000	1H 2018 S\$’000	1H 2017 S\$’000
H-REIT	19,446	21,684	44,135	50,041
Other H-REIT group entities (including consolidation adjustments)	3,689	(245)	5,612	(9,802)
HBT	472	1,519	1,220	1,928
Other HBT group entities (including consolidation adjustments)	(2,417)	(9,184)	(4,467)	(10,026)
CDL Hospitality Trusts’ consolidation adjustments	(3,928)	(791)	(1,207)	(1,534)
	17,262	12,983	45,293	30,607

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2018 S\$'000	2Q 2017 S\$'000	1H 2018 S\$'000	1H 2017 S\$'000
Total return of H-REIT	19,446	21,684	44,135	50,041
Total comprehensive income of HBT	472	1,519	1,220	1,928
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	304	275	593	547
- Income in relation to gain on disposal of investment properties	-	-	(7,567)	-
- Fair value (gain)/ loss on financial derivatives	(5,434)	57	(2,260)	(176)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	55	54	111	107
- Exchange loss/(gain)	7,340	(1,119)	11,107	(5,934)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,433	2,466	5,063	5,029
- H-REIT Trustee's fees	86	68	157	135
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	76	-	76	28
- HBT Trustee-Manager's trustee fees	58	49	116	80
- Other items	229	126	522	219
Income available for distribution to Stapled Securityholders (before retention)	25,065	25,179	53,273	52,004
Less :				
Income retained for working capital	(2,507)	(2,518)	(5,327)	(5,200)
Income to be distributed to Stapled Securityholders (after retention)	22,559	22,661	47,946	46,804
Capital distribution ⁽ⁱⁱ⁾	3,224	2,215	3,899	2,215
Total distribution to Stapled Securityholders (after retention)	25,783	24,876	51,845	49,019
Comprising :				
- Taxable income	17,072	17,281	36,011	35,267
- Tax exempt income	5,487	5,380	11,935	11,537
- Capital distribution	3,224	2,215	3,899	2,215
	25,783	24,876	51,845	49,019

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

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

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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	
		30 Jun 2018 S\$'000	31 Dec 2017 S\$'000	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,381,838	2,386,430	-	-	2,325,922	2,331,433
Property, plant and equipment	(c)	81,305	78,183	204,419	206,192	333,443	332,666
Prepaid land lease		-	-	-	-	6,719	6,707
Deferred tax assets		616	297	-	-	616	297
Financial derivative assets	(d)	2,127	-	-	-	2,127	-
Other receivables		149	149	-	-	149	149
		2,466,035	2,465,059	204,419	206,192	2,668,976	2,671,252
Current assets							
Inventories		-	-	954	1,161	954	1,161
Trade and other receivables		33,260	20,909	9,562	8,297	32,398	20,758
Financial derivative assets	(d)	131	245	44	7	176	252
Cash and cash equivalents		134,727	78,591	14,694	17,278	149,421	95,869
Assets held for sale	(b)	-	72,863	-	-	-	72,863
		168,118	172,608	25,254	26,743	182,949	190,903
Total assets		2,634,153	2,637,667	229,673	232,935	2,851,925	2,862,155
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(e)	731,979	547,719	96,522	96,264	828,501	643,983
Rental deposits	(f)	9,446	9,397	-	-	9,446	9,397
Deferred tax liabilities	(g)	11,559	17,771	14,935	13,481	26,494	31,251
		752,984	574,887	111,457	109,745	864,441	684,631
Current liabilities							
Loans and borrowings	(e)	115,992	286,227	-	-	115,992	286,227
Trade and other payables	(h)	22,104	34,113	19,771	16,275	31,453	41,941
Financial derivative liabilities	(d)	15	262	-	14	15	276
Provision for taxation		4,567	3,296	625	521	5,192	3,817
		142,678	323,898	20,396	16,810	152,652	332,261
Total liabilities		895,662	898,785	131,853	126,555	1,017,093	1,016,892
Net assets/(liabilities)		1,738,491	1,738,882	97,820	106,380	1,834,832	1,845,263
Represented by:							
Unitholders' funds		1,733,434	1,733,892	97,820	106,380	1,829,775	1,840,273
Non-controlling interests	(i)	5,057	4,990	-	-	5,057	4,990
		1,738,491	1,738,882	97,820	106,380	1,834,832	1,845,263

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Footnotes

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

(b) *The slight decrease in investment properties at CDLHT was mainly attributed to a net translation loss of S\$8.5 million during the reporting quarter, offset by additional capital expenditure of S\$3.0 million.*

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

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

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

The increase in property, plant and equipment at CDLHT is mainly due to a net translation gain of S\$5.0 million and net additions of S\$1.4 million. This was offset by depreciation expenses of S\$5.7 million for the period.

(d) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts and cross-currency interest rate swap.*

(e) *Loans and borrowings of CDLHT of S\$944.5 million (as at 31 December 2017: S\$930.2 million), which are measured at amortised cost, comprise JPY3.1 billion (S\$38.2 million) TMK bond and S\$906.3 million bank borrowings, as explained under Section 1(b)(ii) on pages 11 to 13 of the Announcement.*

In 2Q 2018, H-REIT’s Bridge Loan taken to finance Pullman Hotel Munich of €41.7 million was re-financed into a 7-year fixed term loan through a loan taken by its subsidiary, NKS Hospitality I B.V.. The Group also refinanced its S\$120.0 million Medium Term Note into a 5-year fixed term loan during the reporting quarter.

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

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

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

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

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000
Amount repayable after one year						
Secured borrowings	69,868	-	-	-	69,868	-
Secured TMK bond	38,533	36,735	-	-	38,533	36,735
Unsecured borrowings	626,432	513,525	97,200	96,989	723,632	610,514
	734,833	550,260	97,200	96,989	832,033	647,249
Amount repayable within one year						
Unsecured medium term note	-	120,000	-	-	-	120,000
Unsecured borrowings	116,227	166,481	-	-	116,227	166,481
	116,227	286,481	-	-	116,227	286,481
Total borrowings^(a)	851,060	836,741	97,200	96,989	948,260	933,730

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

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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		
		30 Jun 2018			30 Jun 2018			30 Jun 2018		
Currency	Type	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000
JPY	TMK bond (¥3.1 billion)	38,533	38,533	-	-	-	-	38,533	38,533	-
JPY	5-year term loan (¥3.27 billion)	40,646	40,646	-	-	-	-	40,646	40,646	-
SGD	Medium term note	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan	300,000	-	300,000	200,000	-	200,000	500,000	-	500,000
SGD	3 to 3.25-year revolving credit (committed)	250,000	116,227	133,773	-	-	-	250,000	116,227	133,773
SGD	5-year term loan	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loan (US\$141.2 million)	192,486	192,486	-	-	-	-	192,486	192,486	-
EUR	7-year term loan (€44.0 million)	69,868	69,868	-	-	-	-	69,868	69,868	-
GBP	5-year term loan (£120.5 million)	119,700	119,700	-	97,200	97,200	-	216,900	216,900	-
		2,284,833	851,060	1,433,773	297,200	97,200	200,000	2,582,033	948,260	1,633,773

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Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$38.5 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“TMK”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

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

Secured borrowing

In April 2018, H-REIT’s remaining bridge loan initially taken to fund the acquisition of Pullman Hotel Munich (€41.7 million) was refinanced into a €44.0 million 7-year secured fixed rate term loan through a bank loan taken up by its subsidiary, NKS Hospitality I B.V..

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

Unsecured medium term note

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

During the quarter, the outstanding medium term notes of S\$120.0 million were refinanced into a 5-year fixed rate term loan.

Unsecured bridge loan

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

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

As at 30 June 2018, the Bridge Loan Facilities are fully available for utilisation.

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2Q 2018	2Q 2017	2Q 2018	2Q 2017	2Q 2018	2Q 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	23,573	22,337	(725)	(7,331)	18,920	14,215
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,433	2,466	76	-	2,509	2,466
Depreciation of property, plant and equipment	531	484	1,667	1,335	2,858	2,545
Amortisation of prepaid land lease	-	-	-	-	72	66
Impairment of goodwill	-	-	-	6,556	-	6,556
Impairment loss on trade receivables	-	(22)	92	9	91	(13)
Net finance costs	3,635	5,252	240	813	7,071	6,065
Transaction costs on acquisition of a subsidiary	-	-	-	1,448	-	1,448
Operating income before working capital changes	30,172	30,517	1,350	2,830	31,521	33,348
Changes in working capital:						
Inventories	-	-	77	25	77	25
Trade and other receivables	(6,437)	(17,428)	(1,604)	(1,864)	(6,918)	(15,578)
Trade and other payables	(9,088)	4,605	3,521	2,395	(6,672)	3,453
Cash generated from operating activities	14,647	17,694	3,344	3,386	18,008	21,248
Income tax paid	(405)	(1,567)	(428)	(201)	(833)	(1,768)
Net cash generated from operating activities	14,242	16,127	2,916	3,185	17,175	19,480
Investing activities						
Acquisition of subsidiaries, net of cash acquired	(800)	-	-	(92,638)	(800)	(92,638)
Capital expenditure on investment properties	(3,076)	(3,661)	-	-	(3,060)	(3,416)
Addition of property, plant and equipment	(125)	-	(906)	(314)	(1,063)	(727)
Proceeds from disposal of investment properties (net)	(407)	-	-	-	(407)	-
Interest received	325	510	-	-	325	49
Cash used in investing activities	(4,083)	(3,151)	(906)	(92,952)	(5,005)	(96,732)
Financing activities						
Payment of transaction costs related to rights issue	(30)	-	-	-	(30)	-
Proceeds from bank loans	190,550	8,743	-	93,958	190,550	102,701
Repayment of bank loans	(187,353)	-	-	-	(187,353)	-
Payment of transaction costs related to bank loans	(848)	(1)	-	-	(848)	(1)
Finance costs paid	(3,994)	(3,775)	(673)	(461)	(4,667)	(3,775)
Distribution to non-controlling interests	(30)	-	-	-	(30)	-
Movement in restricted cash	(335)	(348)	-	-	(335)	(348)
Cash generated (used in)/from financing activities	(2,040)	4,619	(673)	93,497	(2,713)	98,577
Net increase in cash and cash equivalents	8,119	17,595	1,337	3,730	9,457	21,325
Cash and cash equivalents at beginning of the period	125,230	46,005	13,578	10,660	138,808	56,665
Effect of exchange rate changes on cash and cash equivalents	235	48	(221)	215	13	263
Cash and cash equivalents at end of the period	133,584	63,648	14,694	14,605	148,278	78,253

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2018**

1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1H 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(loss) before tax	51,236	42,184	(1,665)	(7,710)	48,364	32,940
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	5,063	5,029	76	28	5,139	5,057
Depreciation of property, plant and equipment	1,054	970	3,325	2,218	5,679	4,620
Amortisation of prepaid land lease	-	-	-	-	142	134
Impairment of goodwill	-	-	-	6,556	-	6,556
Impairment loss on trade receivables	(86)	29	78	24	(9)	53
Gain on disposal of investment properties and related cessation of business of foreign operations	(5,367)	-	-	-	(5,367)	-
Net finance costs	12,180	15,649	1,390	1,391	13,335	17,040
Transaction costs on acquisition of a subsidiary	-	-	-	1,448	-	1,448
Operating income before working capital changes	64,080	63,861	3,204	3,955	67,283	67,848
Changes in working capital:						
Inventories	-	-	216	38	216	38
Trade and other receivables	(10,488)	(12,106)	(1,246)	(1,985)	(9,946)	(9,443)
Trade and other payables	(12,896)	5,922	3,517	1,724	(11,150)	3,135
Cash generated from operating activities	40,696	57,677	5,691	3,732	46,403	61,578
Income tax paid	(576)	(1,609)	(648)	(249)	(1,224)	(1,858)
Net cash generated from operating activities	40,120	56,068	5,043	3,483	45,179	59,720
Investing activities						
Acquisition of subsidiaries, net of cash acquired	(800)	-	-	(92,638)	(800)	(92,638)
Capital expenditure on investment properties	(5,042)	(6,137)	-	-	(5,034)	(5,775)
Addition of property, plant and equipment	(384)	(216)	(1,324)	(494)	(1,731)	(1,241)
Proceeds from disposal of investment properties (net)	80,149	-	-	-	80,149	-
Interest received	569	1,080	-	-	569	129
Cash generated from/(used in) investing activities	74,492	(5,273)	(1,324)	(93,132)	73,153	(99,525)
Financing activities						
Payment of transaction costs related to rights issue	(30)	-	-	-	(30)	-
Proceeds from bank loans	194,350	8,743	-	93,958	194,350	102,701
Repayment of bank loans	(187,353)	(1,579)	-	-	(187,353)	(1,579)
Payment of transaction costs related to bank loans	(873)	(9)	(29)	-	(902)	(9)
Finance costs paid	(6,480)	(8,677)	(1,350)	(951)	(7,830)	(8,677)
Distribution to holders of Stapled Securities	(56,393)	(52,150)	(5,027)	(2,944)	(61,420)	(55,094)
Distribution to non-controlling interests	(179)	-	-	-	(179)	-
Movement in restricted cash	137	120	-	-	137	120
Cash generated (used in)/from financing activities	(56,821)	(53,552)	(6,406)	90,063	(63,227)	37,462
Net increase/(decrease) in cash and cash equivalents	57,791	(2,757)	(2,687)	414	55,105	(2,343)
Cash and cash equivalents at beginning of the period	77,370	66,471	17,278	14,301	94,648	80,772
Effect of exchange rate changes on cash and cash equivalents	(1,577)	(66)	103	(110)	(1,475)	(176)
Cash and cash equivalents at end of the period	133,584	63,648	14,694	14,605	148,278	78,253

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX
MONTHS ENDED 30 JUNE 2018**

Footnotes

(a) Significant non-cash transactions

2Q 2018

1,605,113 (2Q 2017: 1,438,091) Stapled Securities amounting to S\$2.5 million (2Q 2017: S\$2.5 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of the quarter.

1H 2018

3,164,172 (1H 2017: 3,285,965) Stapled Securities amounting to S\$5.1 million (1H 2017: S\$5.1 million) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of 1H 2018.

(b) *Cash and cash equivalents for H-REIT Group and CDLHT as at 30 June 2018 are as follows:*

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	134,727	149,421
Restricted cash ^(a)	(1,143)	(1,143)
Cash and cash equivalents in the Statement of Cash Flows	133,584	148,278

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

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018**

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

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

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018**

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

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

CDL HOSPITALITY TRUSTS (“CDLHT”)
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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

1 (d) Statements of Movements in Unitholders’ funds for the period from 1 April 2017 to 30 June 2017

	H-REIT Group	HBT Group					CDL Hospitality Trusts	
	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 April 2017	1,536,774	878	(121)	2,453	2,915	(14,366)	(8,241)	1,527,803
Operations								
Increase/(decrease) in net assets resulting from operations	21,439	-	-	-	-	(7,665)	(7,665)	12,983
Movements in revaluation reserve	7	-	-	-	(5)	-	(5)	2
Movements in foreign currency translation reserve								
- Translation differences relating to financial statements of foreign subsidiaries	1,331	-	-	(267)	-	-	(267)	1,072
- Exchange differences on hedge of net investment in a foreign operation	3,350	-	-	-	-	-	-	3,350
- Exchange differences on monetary items forming part of net investment in a foreign operation	(2,089)	-	-	-	-	-	-	(2,089)
Increase/(decrease) in foreign currency translation reserve	2,592	-	-	(267)	-	-	(267)	2,333
Stapled securityholders’ transactions								
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	2,466	-	-	-	-	-	-	2,466
Increase in net assets resulting from stapled securityholders’ transactions	2,466	-	-	-	-	-	-	2,466
Balance as at 30 June 2017	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587

Footnote

(a)

**CDL HOSPITALITY TRUSTS (“CDLHT”)
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018**

1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2017 to 30 June 2017

	H-REIT Group	HBT Group					CDL Hospitality Trusts	
	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	
Balance as at 1 January 2017	1,554,465	850	(121)	2,216	-	(10,989)	(8,044)	1,546,421
Operations								
Increase/(decrease) in net assets resulting from operations	40,239	-	-	-	-	(8,098)	(8,098)	30,607
Movements in revaluation reserve								
- Revaluation surplus on property, plant and equipment	9,690	-	-	-	3,512	-	3,512	13,202
- Tax effect on revaluation of property, plant and equipment	(1,748)	-	-	-	(602)	-	(602)	(2,350)
Increase in revaluation reserve	7,942	-	-	-	2,910	-	2,910	10,852
Movements in foreign currency translation reserve								
- Translation differences relating to financial statements of foreign subsidiaries	(3,896)	-	-	(30)	-	-	(30)	(3,904)
- Exchange differences on hedge of net investment in a foreign operation	6,913	-	-	-	-	-	-	6,912
- Exchange differences on monetary items forming part of net investment in a foreign operation	4,736	-	-	-	-	-	-	4,736
Increase/(decrease) in foreign currency translation reserve	7,753	-	-	(30)	-	-	(30)	7,744
Stapled securityholders’ transactions								
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	5,029	-	-	-	-	-	-	5,029
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees	-	28	-	-	-	-	28	28
- Distribution to Stapled Securityholders	(52,150)	-	-	-	-	(2,944)	(2,944)	(55,094)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	(47,121)	28	-	-	-	(2,944)	(2,916)	(50,037)
Balance as at 30 June 2017	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587

Footnote

(a)

(a)

(c)

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. The Stapled Securities for H-REIT Manager’s base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for H-REIT Manager and HBT Trustee-manager’s performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *Distribution to Stapled Securityholders in respect of the period from 1 July 2017 to 31 December 2017, which includes a capital distribution of S\$3,479,000.*
- (c) *Distribution to Stapled Securityholders in respect of the period from 1 July 2016 to 31 December 2016, which includes a capital distribution of S\$3,375,000.*

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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MONTHS ENDED 30 JUNE 2018**

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

		CDL Hospitality Trusts	
Foot-note		2Q 2018	2Q 2017
	Issued stapled securities at beginning of the period	1,199,596,162	992,696,494
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,117,927	5,032,214
	Issued stapled securities at end of the period	1,203,714,089	997,728,708
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a) 2,418,757	2,423,275
	Total issued and issuable stapled securities at end of the period	1,206,132,846	1,000,151,983

		CDL Hospitality Trusts	
Foot-note		1H 2018	1H 2017
	Issued stapled securities at beginning of the period	1,198,822,685	991,771,059
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,891,404	5,957,649
	Issued stapled securities at end of the period	1,203,714,089	997,728,708
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a) 2,418,757	2,423,275
	Total issued and issuable stapled securities at end of the period	1,206,132,846	1,000,151,983

Footnotes

(a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for management fee is 1.6 million (1H 2017: 1.7 million) Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

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

The figures have not been audited but have been extracted from the financial information for the quarter ended 30 June 2018 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2017, except as disclosed in Section 5 below.

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

On 1 January 2018, HBT Group adopted Singapore Financial Reporting Standards (International) (“SFRS(I)”) which are applicable for listed business trusts in Singapore. HBT Group’s adoption of SFRS(I) did not have a significant impact on its financial statements. The H-REIT Group and CDL Hospitality Trusts continue to prepare their financial statements under Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts*.

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

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

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2Q 2018	2Q 2017 Restated	2Q 2017 Previously reported	1H 2018	1H 2017 Restated	1H 2017 Previously reported
EPS						
Basic EPS						
Weighted average number of Stapled Securities	1,203,723,370	1,036,548,937 ^(d)	997,736,969	1,203,343,593	1,036,103,971 ^(d)	997,308,664
Basic EPS ^(a) (cents)	1.43	1.25	1.30	3.76	2.95	3.07
Diluted EPS						
Weighted average number of Stapled Securities	1,206,132,844	1,039,057,895 ^(d)	1,000,151,983	1,206,132,846	1,039,057,895 ^(d)	1,000,151,983
Diluted EPS ^(b) (cents)	1.43	1.25	1.30	3.75	2.95	3.06

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

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MONTHS ENDED 30 JUNE 2018**

DPS

Number of Stapled Securities entitled to distribution:

- in issue
- issuable
- rights issue^(c)

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2Q 2018	2Q 2017	1H 2018	1H 2017
- in issue	1,203,714,089	997,728,708	1,199,596,162	991,771,059
- issuable	844,629	751,804	4,962,556	6,709,453
- rights issue ^(c)	-	199,545,741	-	199,545,741
	1,204,558,718	1,198,026,253	1,204,558,718	1,198,026,253
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	1.41	1.45	2.98	2.95
- Tax exempt income	0.46	0.45	1.00	0.97
- Capital distribution	0.27	0.18	0.33	0.18
	2.14	2.08	4.31	4.10

DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)

- Taxable income
- Tax exempt income
- Capital distribution

Footnotes

- (a) Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.
- (b) Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.
- (c) On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the launch of an underwritten and renounceable rights issue on 27 June 2017 (“Right Issue”). The new Stapled Securities rank *pari passu* in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution for 1H 2017.
- (d) The number of weighted average number of Stapled Securities has been restated to reflect the effect of bonus element in the Right Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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

Net asset value/net tangible asset attributable to unitholders(S\$’000)
Number of Stapled Securities issued and to be issued at end of the period
Net asset value/net tangible asset per Stapled Security (S\$)

	CDL Hospitality Trusts	
	30 Jun 2018	31 Dec 2017
Net asset value/net tangible asset attributable to unitholders(S\$’000)	1,829,775	1,840,273
Number of Stapled Securities issued and to be issued at end of the period	1,206,132,846	1,202,951,118
Net asset value/net tangible asset per Stapled Security (S\$)	1.5171	1.5298

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8 Review of the performance for the second quarter and six months ended 30 June 2018

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2018	2Q 2017	Increase/ (Decrease)	2Q 2018	2Q 2017	Increase/ (Decrease)	2Q 2018	2Q 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master leases									
<i>Singapore</i>									
- Hotels	20,509	21,052	(2.6)	-	-	-	20,509	21,052	(2.6)
- Claymore Connect	1,798	1,711	5.1	-	-	-	1,798	1,711	5.1
<i>Maldives</i>	2,010	2,091	(3.9)	-	-	-	2,010	2,091	(3.9)
<i>Australia</i>	2,431	3,583	(32.2)	-	-	-	2,431	3,583	(32.2)
<i>New Zealand</i>	3,721	4,656	(20.1)	-	-	-	3,721	4,656	(20.1)
<i>Germany</i>	2,328	-	N.M	-	-	-	2,328	-	N.M
	32,797	33,093	(0.9)	-	-	-	32,797	33,093	(0.9)
Managed hotels									
<i>Maldives</i>	1,005	459	N.M	1,262	3,138	(59.8)	1,262	3,138	(59.8)
<i>Japan</i>	1,286	1,418	(9.3)	2,499	2,614	(4.4)	2,499	2,614	(4.4)
<i>United Kingdom</i>	-	-	-	11,155	8,993	24.0	11,155	8,993	24.0
	2,291	1,877	22.1	14,916	14,745	1.2	14,916	14,745	1.2
Total	35,088	34,970	0.3	14,916	14,745	1.2	47,713	47,838	(0.3)

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8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2018 S\$'000	1H 2017 S\$'000	Increase/ (Decrease) %	1H 2018 S\$'000	1H 2017 S\$'000	Increase/ (Decrease) %	1H 2018 S\$'000	1H 2017 S\$'000	Increase/ (Decrease) %
<u>Master leases</u>									
<i>Singapore</i>									
- Hotels	42,868	42,859	0.0	-	-	-	42,868	42,859	0.0
- Claymore Connect	3,717	3,371	10.3	-	-	-	3,717	3,371	10.3
<i>Maldives</i>	3,988	4,217	(5.4)	-	-	-	3,988	4,217	(5.4)
<i>Australia</i>	5,056	7,236	(30.1)	-	-	-	5,056	7,236	(30.1)
<i>New Zealand</i>	9,081	10,078	(9.9)	-	-	-	9,081	10,078	(9.9)
<i>Germany</i>	4,515	-	N.M	-	-	-	4,515	-	N.M
	69,225	67,761	2.2	-	-	-	69,225	67,761	2.2
<u>Managed hotels</u>									
<i>Maldives</i>	1,994	2,137	(6.7)	4,642	8,270	(43.9)	4,642	8,270	(43.9)
<i>Japan</i>	2,530	2,826	(10.5)	4,638	4,974	(6.8)	4,638	4,974	(6.8)
<i>United Kingdom</i>	-	-	-	21,003	13,244	58.6	21,003	13,244	58.6
	4,524	4,963	(8.8)	30,283	26,488	14.3	30,283	26,488	14.3
Total	73,749	72,724	1.4	30,283	26,488	14.3	99,508	94,249	5.6

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2Q 2018	2Q 2017	Increase/ (Decrease)	2Q 2018	2Q 2017	Increase/ (Decrease)	2Q 2018	2Q 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	18,740	19,167	(2.2)	-	-	-	18,740	19,167	(2.2)
- Claymore Connect	1,243	1,094	13.6	-	-	-	1,243	1,094	13.6
<i>Maldives</i> (a)	2,514	1,981	26.9	(1,615)	6	N.M	899	1,987	(54.8)
<i>Australia</i>	2,431	3,583	(32.2)	-	-	-	2,431	3,583	(32.2)
<i>New Zealand</i>	3,721	4,656	(20.1)	-	-	-	3,721	4,656	(20.1)
<i>Germany</i> (b)	1,886	-	N.M	-	-	-	1,886	-	N.M
<i>Japan</i> (c)	1,206	1,337	(9.8)	37	16	N.M	1,243	1,353	(8.1)
<i>United Kingdom</i> (d)	-	-	-	3,435	3,066	12.0	3,435	3,066	12.0
Total	31,741	31,818	(0.2)	1,857	3,088	(39.9)	33,598	34,906	(3.7)

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1H 2018	1H 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)	1H 2018	1H 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	39,308	39,088	0.6	-	-	-	39,308	39,088	0.6
- Claymore Connect	2,674	2,061	29.7	-	-	-	2,674	2,061	29.7
<i>Maldives</i> (a)	4,969	5,228	(5.0)	(1,690)	119	N.M	3,279	5,347	(38.7)
<i>Australia</i>	5,056	7,236	(30.1)	-	-	-	5,056	7,236	(30.1)
<i>New Zealand</i>	9,081	10,078	(9.9)	-	-	-	9,081	10,078	(9.9)
<i>Germany</i> (b)	3,826	-	N.M	-	-	-	3,826	-	N.M
<i>Japan</i> (c)	2,371	2,663	(11.0)	8	(37)	N.M	2,379	2,626	(9.4)
<i>United Kingdom</i> (d)	-	-	-	5,813	4,342	33.9	5,813	4,342	33.9
Total	67,285	66,354	1.4	4,131	4,424	(6.6)	71,416	70,778	0.9

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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 2Q 2018 and 1H 2018, the Lessee paid the Lessor a top-up amount of US\$0.8 million (2Q 2017/1H 2017: US\$0.2 million). As at 30 June 2018, the Lessee paid the Lessor a cumulative top-up amount of US\$3.3 million 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 AccorHotels (previously managed by Jumeirah Management Services (Maldives) Private Limited) to operate the resort. The resort 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. As of 1 June 2018, the resort has suspended its operations to commence enhancement works and rebranding exercise.

For the H-REIT Group, the revenue for 2Q 2018 and 1H 2018 includes S\$1.0 million (US\$0.7 million) and S\$2.0 million (US\$1.5 million) rental income from HBT Group respectively. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the resort.

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

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

For H-REIT Group, the revenue for 2Q 2018 and 1H 2018 includes S\$1.3 million (JPY105.4 million) and S\$2.5 million (JPY207.4 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\$0.5 million (JPY41.0 million), after deducting operating expenses, was included in the income available for distribution in 2Q 2018 as the financial results for the fiscal period ended 31 March 2018 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.

(d) *The UK Hotels includes:*

(i) Hilton Cambridge City Centre

Hilton Cambridge City Centre is owned by HBT's indirectly wholly-owned subsidiary. The hotel operator for this hotel is Hilton UK Manage Limited.

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

(ii) The Lowry Hotel

The Lowry Hotel was acquired on 4 May 2017 and is owned and operated by HBT's indirectly wholly-owned subsidiary.

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

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8 (iii) Review of the Performance

Second Quarter ended 30 June 2018

CDLHT posted gross revenue of S\$47.7 million in 2Q 2018, marginally down by 0.3% against the same period last year. Its total portfolio income was boosted mainly by the recognition of a full quarter's inorganic contribution from Pullman Hotel Munich (S\$2.3 million) which performed strongly, and an additional 34 days of contribution from The Lowry Hotel (S\$2.1 million), both of which were added to the portfolio on 14 July 2017 and 4 May 2017 respectively. However, the revenue growth was moderated by lower contributions mainly from the Singapore, Japan, Maldives and New Zealand hotels, which posted a collective yoy decline of S\$3.5 million. The divestment of Mercure Brisbane and Ibis Brisbane on 11 January 2018 also lowered gross revenue by S\$1.1 million.

In Singapore, the supply surge towards the end of 2017 continued to have an impact on the market where the collective RevPAR of the Singapore Hotels was down marginally by 0.9%. Corporate demand during the quarter was adversely affected by two public holidays falling in mid-week during the month of May 2018 and the Trump-Kim summit in the month of June 2018.

The Maldives market remained competitive as new supply continued to weigh on the market. Chinese tourism arrivals, which are the biggest source market for the Maldives was tepid, leading to Angsana Velavaru reporting a 21.9% yoy RevPAR decline. Results for Dhevanafushi Maldives Luxury Resort only reflected two months of trading for this quarter due to its closure from 1 June 2018 for its rebranding renovation program. This rebranding exercise is poised to elevate and reposition the asset competitively when it reopens as a “Raffles” resort towards the end of the year.

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

In 2Q 2017, the New Zealand Hotel posted stellar RevPAR results owing to the presence of major sporting events such as the World Masters Games and the British Lions Rugby Tour. In the absence of such sporting events, the New Zealand Hotel's RevPAR fell by 11.6% yoy. Furthermore, the hotel's contribution (in SGD terms) was affected by the weaker NZD against SGD and higher property tax.

Strong inbound tourism to Japan has led to sustained high occupancies for the industry. However, the Tokyo market continued to be competitive due to new supply, including alternative accommodation such as Airbnb, which continued to compromise average room rates. In June 2018, all Airbnb hosts had to obtain governmental permit in order to operate, forcing a significant number of accommodation listings in Tokyo to temporarily be suspended until permit is granted. This contributed to the Japan Hotels trading at almost full capacity in 2Q 2018, thereby minimising the RevPAR losses to a marginal 2.2%.

Collectively, the UK Hotels reported a slight RevPAR drop of 1.1%¹ yoy, but the impact of the lower contribution was mitigated by the stronger GBP against SGD. The Lowry Hotel reported a slight RevPAR gain while the increased room supply in Cambridge contributed to the weaker RevPAR for Hilton Cambridge City Centre.

In Munich, a stronger city events calendar along with strong corporate group demand propelled Pullman Hotel Munich to a robust 15.6%¹ RevPAR growth yoy.

In aggregate, CDLHT's net property income² for 2Q 2018 decreased S\$1.3 million or 3.7% over the same period last year.

Net finance costs for 2Q 2018 was 16.6% higher than the corresponding period last year, mainly due to foreign exchange loss, which was mitigated by fair value gains recognised on the Group's derivatives. These foreign exchange loss and fair value gains do not have any impact on distributable income of CDLHT.

¹ The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the full corresponding period.

² 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 total distribution (after deducting income retained for working capital) was S\$25.8 million, an increase of S\$0.9 million or 3.6% higher yoy. Included therein is a capital distribution of S\$3.2 million (2Q 2017: S\$2.2 million) arising from the Group’s overseas properties. For the reporting quarter, some of the proceeds arising from the sale of Mercure Brisbane and Ibis Brisbane has been partially utilised to mitigate the net effect arising from this divestment and to offset the sub-optimal performance of Dhevanafushi Maldives Luxury Resort arising from its renovation and rebranding exercise.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 2Q 2018 was 2.14 cents, 2.9% higher yoy.

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

	2Q 2018	2Q 2017	Increase/(Decline)
Average Occupancy Rate	83.5%	86.2%	(2.7)pp
Average Daily Rate	S\$184	S\$180	2.3%
RevPAR	S\$153	S\$155	(0.9)%

Six months ended 30 June 2018

For 1H 2018, gross revenue increased 5.6% or S\$5.3 million to S\$99.5 million compared to the same period last year primarily due to inorganic income growth. The Group recognised full revenue contribution of S\$4.5 million from Pullman Hotel Munich (acquired on 14 July 2017) for the reporting period. This was further augmented by a S\$7.7 million revenue boost from The Lowry Hotel due to the recognition of six months hotel revenue this year compared to only two months for the same period last year (the hotel was acquired on 4 May 2017). Despite a competitive landscape, the Singapore Hotels maintained its gross revenue contribution for the period as compared to 1H 2017, but this was partially offset by softer trading performance from the other overseas hotels. The Australian portfolio also reflected lower contributions due to the divestment of Mercure Brisbane and Ibis Brisbane in January 2018.

Singapore continues to see sustained tourism growth and occupancy levels were uplifted during several biennial events such as the Singapore Air Show and Food & Hotel Asia. However, the Singapore hospitality market remained competitive, particularly for shoulder periods, as new hotel supply continues to be absorbed. Correspondingly, RevPAR and gross revenue contribution for the Singapore Hotels was flat yoy, whilst Claymore Connect posted a 10.3% yoy upside due mainly to higher tenant rental contribution. On a portfolio basis, the Singapore assets recorded gross revenue growth of 0.8%.

Several headwinds were faced by the Maldives resorts in 1H 2018, including dampened travel sentiments following the State of Emergency declaration in February, as well as sluggish demand from the Chinese market. The transition branding effect of Dhevanafushi Maldives Luxury Resort and its closure in June 2018 for renovations also contributed to sub-optimal performance in 1H 2018. The performance is expected to improve once the resort is renovated and rebranded to a “Raffles” resort.

The predominantly fixed rent structure insulates the Australia Hotels against the downside pressures of the hospitality markets in Perth and Brisbane. For 1H 2018, revenue contribution from the Australian Hotels was lower than the same time last year due to the absence of rental income from Mercure Brisbane and Ibis Brisbane subsequent to its divestment in January this year. The depreciation of AUD against SGD also contributed to a lower contribution in SGD terms.

Having come off a year of robust tourism growth in 2017, performance of the Auckland’s hospitality market has moderated in 1H 2018. RevPAR for the New Zealand Hotel receded by 3.2% yoy as a result of the absence of one-off major sporting events this year compared to the same period last year. The hotel’s contribution to CDLHT (in SGD terms) was also affected by higher property tax and the weaker NZD, resulting in a decline of 9.9% yoy.

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Along with growing Tokyo hotel supply³, the heavy concentration of more budget-conscious inbound visitors from East Asian countries⁴ added to the downward rate pressures on the Group's Japan Hotels, thereby resulting in a collective RevPAR decline of 5.4% yoy. To counter the increasingly competitive hospitality market, certain guestrooms were refurbished earlier this year, with some inventory displacement affecting its contribution for the period.

In UK, soft trading conditions in the early part of the year owing to harsh weather conditions, along with average rate pressures arising from new hotel supply resulted in a 4.0% yoy RevPAR decline for the Hilton Cambridge City Centre. The Lowry Hotel continued to perform positively, particularly in the entertainment sector, and posted a RevPAR growth of 3.3% yoy⁵.

Bolstered by demand underpinned by major trade fairs, as well as room night contribution from an airline crew contract (which was absent last year), Pullman Hotel Munich grew RevPAR by 4.5%⁵ yoy. The city's event calendar is also expected to be relatively strong for the rest of the year.

Collectively, net property income⁶ increased by 0.9% or S\$0.6 million to S\$71.4 million in 1H 2018.

Net finance costs for 1H 2018 was S\$3.7 million lower than the corresponding period last year, mainly due to fair value gains recognised on the Group's derivatives and interest savings derived from repayment of certain loans arising from proceeds raised from CDLHT's rights issue in 3Q 2017.

Overall, total distribution (after deducting income retained for working capital) was S\$51.8 million, 5.8% or S\$2.8 million higher than the corresponding period last year. Included therein is a capital distribution of S\$3.9 million (1H 2017: S\$2.2 million) arising from the Group's overseas properties. For 1H 2018, some of the proceeds arising from the sale of Mercure Brisbane and Ibis Brisbane has been partially utilised to mitigate the net effect arising from this divestment and to offset the sub-optimal performance of Dhevanafushi Maldives Luxury Resort arising from its renovation and rebranding exercise.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) increased yoy by 5.1% to 4.31 cents.

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

	1H 2018	1H 2017	Increase/(Decline)
Average Occupancy Rate	85.5%	87.3%	(1.8)pp
Average Daily Rate	S\$184	S\$180	2.0%
RevPAR	S\$157	S\$157	0.0%

³ CBRE Viewpoint Japan Hotel Market Outlook; January 2018

⁴ Japan National Tourism Organization – 2018 Foreign Visitors & Japanese Departures

⁵ The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the full corresponding period.

⁶ 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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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 SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

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

No forecast has been disclosed.

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

International visitor arrivals to Singapore increased 6.9% yoy to 7.7 million for year-to-date (“YTD”) May 2018. Consequently, total visitor days grew 5.0% yoy¹. The growth in visitor arrivals was mainly due to an increase in Chinese and Indian arrivals. Nine out of the top ten source markets also recorded growth.

Overall economic growth continues to be positive but the ongoing US-China trade tensions may pose potential downside risks for Singapore and key regions globally. STB continues to deepen its marketing efforts in top source markets, such as improving product offerings for Chinese Meetings and Incentives (M&I) groups² and growing the Indian cruise market³. The successful hosting of the Trump-Kim summit in June 2018 has further strengthened Singapore’s position as an ideal destination for businesses and meetings⁴. In addition, expanding air connectivity from long-haul markets, including Qantas rebasing its largest transit hub outside of Australia from Dubai to Singapore and Singapore Airlines’ upcoming expansion of direct services to North America⁵, will provide demand growth support for the Singapore hospitality market⁶.

On the supply front, Singapore hotel inventory is estimated to increase by 281 net rooms⁷ in 2018, representing approximately 0.4% of existing room stock. While supply growth going forward is benign, the trading environment is likely to remain competitive as new hotels which opened in 2017 continue to build their base. For the first 25 days of July 2018, RevPAR for Singapore Hotels decreased by 2.2% as compared to the same period last year.

As part of ongoing asset enhancements, Orchard Hotel has commenced on the makeover of its lobby and un-refurbished food and beverage outlets, which is expected to complete by end 2018. The hotel remains fully operational but it is anticipated that there will be some disruption and revenue loss during the period of works. Thereafter, the guest rooms in the Orchard wing will be renovated progressively from 4Q 2018 to around 1Q 2019, as well as the ballroom and some meeting spaces in the hotel. Orchard Hotel is one of only four hotels in Singapore with a ballroom that can accommodate 1,000 or more guests. With the refurbishment works, Orchard Hotel Grand Ballroom’s standing will be further enhanced as one of the top few large ballroom venues in Singapore. At Grand Copthorne Waterfront Hotel, following an extensive public area renovation conducted from 2015 to 2016, there is a phased room refurbishment exercise being planned, along with the remaining un-refurbished meeting room facilities. The completed renovation works will augment the product offerings of both hotels and strengthen their competitive positioning in the market. Other asset enhancement opportunities in other hotels are being evaluated to better position CDLHT for the recovery in the Singapore hotel sector.

The tourism sector in New Zealand remains healthy with visitor arrivals growing 2.9% to 1.9 million for YTD June 2018⁸ and forward demand is supported by growing flight capacity. With the absence of one-off major sporting events this year compared to last year, as well as growing supply in Auckland, the performance is likely to be moderated going forward.

Japan continues to see growth in tourism demand, recording a yoy increase of 15.6% in visitor arrivals to 15.9 million for YTD June 2018⁹. In June 2018, a significant number of Airbnb listings in Tokyo were forced to be temporarily suspended until governmental permit is granted, which should benefit the hotel market.

¹ Singapore Tourism Board (“STB”)

² STB Tourism Industry Conference 2018, “Sharpening Singapore’s Positioning for the Chinese Market”

³ STB Tourism Industry Conference 2018, “Connecting With India’s Young and Growing Middle Class”

⁴ SCMP, “Trump-Kim summit – Singapore uses historic meet as ultimate branding exercise”, 13 June 2018

⁵ STB Tourism Industry Conference 2018, “Decoding the Trends of the Rapidly Evolving US Market”

⁶ STB, 2017 Year-In-Review, 12 February 2018

⁷ Based on Horwath data (July 2018) and CDLHT Research

⁸ Stats NZ, “International travel and migration”

⁹ Japanese National Tourism Organization

CDL HOSPITALITY TRUSTS (“CDLHT”)

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In the Maldives, major enhancement works as part of the operator and transition programme for Dhevanafushi Maldives Luxury Resort is in progress and is expected to complete in 4Q 2018. Upon completion, it will be relaunched as Raffles Maldives Meradhoo Resort, the first flagship “Raffles Hotels & Resorts” property in the Maldives, elevating its product offerings in the high-end luxury segment of the Maldives market. To also strengthen Angsana Velavaru’s market positioning, refurbishment works are being planned for 28 land villas. While there is intense competition from increase in new resorts supply, total arrivals to Maldives increased in 2018¹⁰ and European markets continued to see a recovery in growth. The Maldives government has also announced new steps to maintain a structured growth in tourism, including a slowdown in leasing islands for resort development and increased marketing efforts in key markets such as China and the Middle East¹¹.

Tourism demand in United Kingdom is healthy where overall visitor arrivals increased 3.4% to 38.9 million in 2017 and are forecast to grow 4.4% in 2018¹². However, the ongoing Brexit uncertainties may continue to weigh on corporate demand. To enhance The Lowry Hotel’s position as one of the top hotels in Manchester, there are plans to renovate the Presidential Suite, as well as to upgrade the public areas.

In Munich, international arrivals grew 4.9% yoy to 1.3 million for YTD May 2018¹³. While there is impending near term growth in hotel inventory, demand in the hospitality market is well-supported by Munich’s events calendar.

CDLHT is committed to delivering stable returns to Stapled Securityholders. With approximately two-thirds of CDLHT’s total borrowings being on fixed-rate interest, CDLHT is well-positioned in a rising interest rate environment and remains disciplined in maintaining a balanced debt maturity profile. With ample debt headroom and a robust balance sheet, CDLHT will continue to actively pursue suitable acquisitions to diversify and augment its income streams. Should suitable divestment opportunities arise, CDLHT will continue to evaluate such divestment opportunities to unlock underlying asset values and/or recycle capital for better returns.

¹⁰ Ministry of Tourism, Republic of Maldives

¹¹ Maldives Insider, “Maldives to Witness \$1.6 Bln New Tourism Investments in Five Years”, 6 April 2018

¹² 2018 Inbound Tourism Forecast – VisitBritain

¹³ München Tourismus

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 SIX MONTHS ENDED 30 JUNE 2018**

11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

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

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

Tax rate

Taxable income distribution

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

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

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

Tax exempt income distribution

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

Capital distribution

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

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11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2017 to 30 June 2017

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	2.95	0.97	0.18	4.10

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 6 August 2018.

11 (d) Date payable

29 August 2018.

**CDL HOSPITALITY TRUSTS (“CDLHT”)
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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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 705(5) of the Listing Manual

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the second quarter ended 30 June 2018 to be false or misleading in any material respect.

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

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

On behalf of the Board of Directors

CHAN SOON HEE ERIC
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

27 July 2018

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

27 July 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)

27 July 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

27 July 2018

Dear Sirs

CDL Hospitality Trusts

Report on review of interim financial information

Introduction

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts ("CDLHT") for the six-month period ended 30 June 2018. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of CDLHT as at 30 June 2018;
- Portfolio statement of CDLHT as at 30 June 2018;
- Statement of total return of CDLHT for the six-month period ended 30 June 2018;
- Statement of movements in unitholders' funds of CDLHT for the six-month period ended 30 June 2018;
- Distribution statement of CDLHT for the six-month period ended 30 June 2018;
- Statement of cash flows of CDLHT for the six-month period ended 30 June 2018; and
- Certain explanatory notes to the above Interim Financial Information.

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



Scope of review

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

Conclusion

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

Restriction on use

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

KPMG UP
KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 July 2018