



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 SIX MONTHS PERIOD AND
YEAR ENDED 31 DECEMBER 2020**

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

and

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$2.9 billion as at 31 December 2020. 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 31 December 2020, CDLHT owns 15 hotels and two resorts comprising a total of 4,631 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, Studio M Hotel and W Singapore – Sentosa Cove (the “**W Hotel**” and collectively, the “**Singapore Hotels**”), as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”);
- (iii) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- (iv) one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland (the “**New Zealand Hotel**”);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) (the “**UK Hotels**”);
- (vi) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich (the “**German Hotel**”);
- (vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the “**Italy Hotel**” or “**Hotel Cerretani Firenze**”); and
- (viii) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the “**Maldives Resorts**”).

CDLHT completed its divestment of Novotel Singapore Clarke Quay (“**NCQ**”) on 15 July 2020 and the acquisition of W Hotel on 16 July 2020.¹ For the reporting period, the seven Singapore hotels are Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel, NCQ and W Hotel.

The above portfolio of properties also exclude Novotel Brisbane, Australia which was divested on 30 October 2020.

HBT Group owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of H-REIT Group’s Japan Hotels, Raffles Maldives Meradhoo and W Hotel. 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.

¹ For more details, please refer to announcements released by CDLHT on 15 July 2020 and 16 July 2020.

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AND YEAR ENDED 31 DECEMBER 2020**

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jul 2020 to 31 Dec 2020 ("2H 2020") S\$'000	1 Jul 2019 to 31 Dec 2019 ("2H 2019") S\$'000	Increase/ (Decrease) %	1 Jan 2020 to 31 Dec 2020 ("FY 2020") S\$'000	1 Jan 2019 to 31 Dec 2019 ("FY 2019") S\$'000	Increase/ (Decrease) %
Revenue	65,499	103,105	(36.5)	117,558	196,872	(40.3)
Net property income	39,604	73,633	(46.2)	69,325	141,162	(50.9)
Total return before fair value adjustments on properties	767	34,402	(97.8)	(3,612)	64,964	N.M
Income available for distribution to Stapled Securityholders (before retention)	24,507	51,320	(52.2)	44,898	98,749	(54.5)
Less:						
Income retained for working capital	(2,451)	(5,132)	(52.2)	(4,490)	(9,875)	(54.5)
Income to be distributed to Stapled Securityholders (after retention)	22,056	46,188	(52.2)	40,408	88,874	(54.5)
Capital distribution ¹	20,000	12,817	56.0	20,000	20,515	(2.5)
Total distribution to Stapled Securityholders (after retention)	42,056	59,005	(28.7)	60,408	109,389	(44.8)
Total distribution per Stapled Security (before retention)² (cents)						
For the period	3.64	5.28	(31.1)	5.32	9.83	(45.9)
Total distribution per Stapled Security (after retention)² (cents)						
For the period	3.44	4.86	(29.2)	4.95	9.02	(45.1)

¹ Includes partial distribution of proceeds from the sale of NCQ amounting to S\$20.0 million for 2H 2020 and FY 2020 (partial distribution of proceeds from sale of Mercure and Ibis Brisbane amounting to S\$5.4 million for 2H 2019 and S\$9.0 million for FY 2019).

² This includes capital distribution.

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2020**

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		
	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue									
Rental revenue	46,958	77,226	(39.2)	-	-	-	38,627	73,302	(47.3)
Hotel revenue	-	-	-	26,872	29,803	(9.8)	26,872	29,803	(9.8)
(a)	46,958	77,226	(39.2)	26,872	29,803	(9.8)	65,499	103,105	(36.5)
Property expenses									
Operation and maintenance expenses	-	-	-	(5,753)	(7,208)	(20.2)	(5,753)	(7,208)	(20.2)
Employee benefit expenses	-	-	-	(7,780)	(8,674)	(10.3)	(7,780)	(8,674)	(10.3)
(c)	-	-	-	(7,780)	(8,674)	(10.3)	(7,780)	(8,674)	(10.3)
Rental expenses	-	-	-	(5,056)	(1,939)	N.M	(139)	(70)	98.6
(d)	-	-	-	(5,056)	(1,939)	N.M	(139)	(70)	98.6
Property tax	(2,633)	(3,066)	(14.1)	460	(1,148)	N.M	(2,173)	(4,214)	(48.4)
(e)	(2,633)	(3,066)	(14.1)	460	(1,148)	N.M	(2,173)	(4,214)	(48.4)
Other property expenses	(3,407)	(2,145)	58.8	(6,643)	(7,161)	(7.2)	(10,050)	(9,306)	8.0
(f)	(3,407)	(2,145)	58.8	(6,643)	(7,161)	(7.2)	(10,050)	(9,306)	8.0
	(6,040)	(5,211)	15.9	(24,772)	(26,130)	(5.2)	(25,895)	(29,472)	(12.1)
Net property income	40,918	72,015	(43.2)	2,100	3,673	(42.8)	39,604	73,633	(46.2)
H-REIT Manager's management fees	(5,094)	(6,649)	(23.4)	-	-	-	(5,094)	(6,649)	(23.4)
H-REIT Trustee's fees	(204)	(194)	5.2	-	-	-	(204)	(194)	5.2
HBT Trustee-Manager's management fees	-	-	-	(262)	(279)	(6.1)	(262)	(279)	(6.1)
HBT Trustee-Manager's trustee fees	-	-	-	(105)	(112)	(6.3)	(105)	(112)	(6.3)
Valuation fees	(83)	(72)	15.3	13	142	(90.8)	(70)	70	N.M
(g)	(83)	(72)	15.3	13	142	(90.8)	(70)	70	N.M
Depreciation	(955)	(973)	(1.8)	(6,111)	(5,059)	20.8	(10,207)	(6,025)	69.4
(h)	(955)	(973)	(1.8)	(6,111)	(5,059)	20.8	(10,207)	(6,025)	69.4
Other expenses	(4,969)	(5,126)	(3.1)	(105)	(1,441)	(92.7)	(5,075)	(6,567)	(22.7)
(h)	(4,969)	(5,126)	(3.1)	(105)	(1,441)	(92.7)	(5,075)	(6,567)	(22.7)
Finance income	15,836	3,263	N.M	-	-	-	18,749	3,205	N.M
Finance costs	(24,751)	(17,532)	41.2	(4,628)	(2,941)	57.4	(26,534)	(17,048)	55.6
(m)	(8,915)	(14,269)	(37.5)	(4,628)	(2,941)	57.4	(7,785)	(13,843)	(43.8)
Net finance costs	(8,915)	(14,269)	(37.5)	(4,628)	(2,941)	57.4	(7,785)	(13,843)	(43.8)
Net income/(loss) before fair value adjustment	20,698	44,732	(53.7)	(9,098)	(6,017)	51.2	10,802	40,034	(73.0)
Loss on disposal of investment properties and related cessation of business of foreign operation	(8,951)	-	N.M	-	-	-	(8,795)	-	N.M
(i)	(8,951)	-	N.M	-	-	-	(8,795)	-	N.M
(Revaluation deficit)/Reversal of revaluation deficit on property, plant and equipment	(1,454)	243	N.M	(13,581)	(1,088)	N.M	(51,568)	(17,325)	N.M
(j)	(1,454)	243	N.M	(13,581)	(1,088)	N.M	(51,568)	(17,325)	N.M
Net fair value (loss)/gain on investment properties	(181,055)	46,780	N.M	-	-	-	(133,955)	66,418	N.M
(k)	(181,055)	46,780	N.M	-	-	-	(133,955)	66,418	N.M
(Net loss)/Total return before tax	(170,762)	91,755	N.M	(22,679)	(7,105)	N.M	(183,516)	89,127	N.M
Tax expense	(3,672)	(4,012)	(8.5)	2,432	(1,620)	N.M	(1,240)	(5,632)	(78.0)
(n)	(3,672)	(4,012)	(8.5)	2,432	(1,620)	N.M	(1,240)	(5,632)	(78.0)
(Net loss)/Total return	(174,434)	87,743	N.M	(20,247)	(8,725)	N.M	(184,756)	83,495	N.M
Attributable to:									
Unitholders	(173,347)	86,869	N.M	(20,247)	(8,725)	N.M	(183,669)	82,621	N.M
(l)	(173,347)	86,869	N.M	(20,247)	(8,725)	N.M	(183,669)	82,621	N.M
Non-controlling interests	(1,087)	874	N.M	-	-	-	(1,087)	874	N.M
(l)	(1,087)	874	N.M	-	-	-	(1,087)	874	N.M
(Net loss)/Total return	(174,434)	87,743	N.M	(20,247)	(8,725)	N.M	(184,756)	83,495	N.M

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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 SIX MONTHS PERIOD AND YEAR ENDED 31 DECEMBER 2020**

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	FY 2020 S\$'000	FY 2019 S\$'000	Increase/ (Decrease) %	FY 2020 S\$'000	FY 2019 S\$'000	Increase/ (Decrease) %	FY 2020 S\$'000	FY 2019 S\$'000	Increase/ (Decrease) %
Revenue									
Rental revenue	90,733	150,148	(39.6)	-	-	-	79,689	142,015	(43.9)
Hotel revenue	-	-	-	37,869	54,857	(31.0)	37,869	54,857	(31.0)
	(a) 90,733	150,148	(39.6)	37,869	54,857	(31.0)	117,558	196,872	(40.3)
Property expenses									
Operation and maintenance expenses	-	-	-	(9,172)	(12,546)	(26.9)	(9,172)	(12,546)	(26.9)
Employee benefit expenses	-	-	-	(12,900)	(17,076)	(24.5)	(12,900)	(17,076)	(24.5)
Rental expenses	-	-	-	(5,743)	(4,131)	39.0	(211)	(94)	N.M
Property tax	(5,890)	(6,188)	(4.8)	(143)	(2,340)	(93.9)	(6,033)	(8,528)	(29.3)
Other property expenses	(9,226)	(4,318)	N.M	(10,691)	(13,148)	(18.7)	(19,917)	(17,466)	14.0
	(15,116)	(10,506)	43.9	(38,649)	(49,241)	(21.5)	(48,233)	(55,710)	(13.4)
Net property income	75,617	139,642	(45.8)	(780)	5,616	N.M	69,325	141,162	(50.9)
H-REIT Manager's management fees	(10,128)	(13,118)	(22.8)	-	-	-	(10,128)	(13,118)	(22.8)
H-REIT Trustee's fees	(407)	(389)	4.6	-	-	-	(407)	(389)	4.6
HBT Trustee-Manager's management fees	-	-	-	(559)	(559)	-	(559)	(559)	-
HBT Trustee-Manager's trustee fees	-	-	-	(224)	(224)	-	(224)	(224)	-
Valuation fees	(179)	(174)	2.9	(8)	121	N.M	(187)	(53)	N.M
Depreciation	(1,901)	(1,906)	(0.3)	(11,032)	(9,950)	10.9	(16,190)	(12,027)	34.6
Other expenses	(8,066)	(7,881)	2.3	(357)	(1,975)	(81.9)	(8,424)	(9,856)	(14.5)
Finance income	19,202	3,020	N.M	23	-	N.M	20,634	2,926	N.M
Finance costs	(41,169)	(29,139)	41.3	(7,103)	(5,615)	26.5	(44,599)	(31,450)	41.8
Net finance costs	(21,967)	(26,119)	(15.9)	(7,080)	(5,615)	26.1	(23,965)	(28,524)	(16.0)
	(m) (21,967)	(26,119)	(15.9)	(7,080)	(5,615)	26.1	(23,965)	(28,524)	(16.0)
Net income/(loss) before fair value adjustment	32,969	90,055	(63.4)	(20,040)	(12,586)	59.2	9,241	76,412	(87.9)
Loss on disposal of investment properties and related cessation of business of foreign operation	(8,951)	-	N.M	-	-	-	(8,795)	-	N.M
(Revaluation deficit)/Reversal of revaluation deficit on property, plant and equipment	(1,454)	243	N.M	(13,581)	(1,088)	N.M	(51,568)	(17,325)	N.M
Net fair value (loss)/gain on investment properties	(181,055)	46,780	N.M	-	-	-	(133,955)	66,418	N.M
(Net loss)/Total return before tax	(158,491)	137,078	N.M	(33,621)	(13,674)	N.M	(185,077)	125,505	N.M
Tax expense	(6,150)	(9,146)	(32.8)	2,092	(2,302)	N.M	(4,058)	(11,448)	(64.6)
	(n) (6,150)	(9,146)	(32.8)	2,092	(2,302)	N.M	(4,058)	(11,448)	(64.6)
(Net loss)/Total return	(164,641)	127,932	N.M	(31,529)	(15,976)	97.4	(189,135)	114,057	N.M
Attributable to:									
Unitholders	(163,521)	126,606	N.M	(31,529)	(15,976)	97.4	(188,015)	112,731	N.M
Non-controlling interests	(1,120)	1,326	N.M	-	-	-	(1,120)	1,326	N.M
	(l) (1,120)	1,326	N.M	-	-	-	(1,120)	1,326	N.M
(Net loss)/Total return	(164,641)	127,932	N.M	(31,529)	(15,976)	97.4	(189,135)	114,057	N.M

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

	HBT Group			HBT Group		
	2H 2020 S\$'000	2H 2019 S\$'000	Increase/ (Decrease) %	FY 2020 S\$'000	FY 2019 S\$'000	Increase/ (Decrease) %
Net loss for the period	(20,247)	(8,725)	N.M	(31,529)	(15,976)	97.4
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation (deficit)/surplus on property, plant and equipment	(4,338)	1,785	N.M	(4,338)	1,785	N.M
Tax effect on revaluation surplus on property, plant and equipment	3,083	(55)	N.M	3,102	(65)	N.M
	(1,255)	1,730	N.M	(1,236)	1,720	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	4,303	2,258	90.6	2,418	1,167	N.M
- hedge of net investment in a foreign operation	(2,653)	(1,903)	39.4	(1,347)	(818)	64.7
- monetary items forming part of net investment in a foreign operation	3,747	2,242	67.1	2,226	965	N.M
	5,397	2,597	N.M	3,297	1,314	N.M
Other comprehensive income for the period, net of tax	4,142	4,327	(4.3)	2,061	3,034	(32.1)
Total comprehensive income for the period	(16,105)	(4,398)	N.M	(29,468)	(12,942)	N.M

Footnotes

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 27 to 28 of the Announcement. The decrease in Group revenue in 2H 2020 and FY 2020 is the result of travel restrictions, quarantines and nationwide lockdowns imposed by governments in most of the countries during the COVID-19 pandemic.
- (b) HBT Group recorded a decrease in operation and maintenance expenses in 2H 2020 and FY 2020. This was attributed to lower operating costs associated with the decline in occupancies across the assets due to the COVID-19 pandemic, offset partially by inorganic contributions from W Hotel which was acquired on 16 July 2020.
- (c) Employee benefit expenses decreased against the same period last year mainly due to reduced staffing levels from hotel closures and/or employee furloughs implemented as a result of the COVID-19 pandemic. The Group also benefitted from the job retention packages offered by governments in some countries as support measures during lockdown period.
- (d) Rental expenses for HBT Group have increased in 2H 2020 and FY 2020 as compared to the corresponding period last year mainly due to those arising from the acquisition of W Hotel on 16 July 2020 which more than offset with the weaker performance of Japan hotels amid border closures and restrictions imposed by the Japanese government during virus outbreak.
- (e) CDLHT recorded year-on-year (“yoy”) net savings in property tax in 2H 2020 and FY 2020. HBT Group recorded lower property taxes due to a one year property tax relief (effective from March 2020 onwards) granted by the UK government while H-REIT Group's yoy decrease in property tax was attributed to adjustments made in relation to over-accruals following the finalisation of prior year property tax assessments. Whilst the Singapore government offered property tax rebates to its property owners, this relief measure did not result in lower property taxes as the relief was passed to its tenants.
- (f) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. In 2H 2020 and FY 2020, H-REIT Group's expenses have increased primarily due to impairment loss recognised of S\$2.3 million and S\$4.7 million respectively in relation to rental receivables due from the lessee of Pullman Hotel Munich. In addition, other property expenses for FY 2020 increased yoy due to the inclusion of expenses from the newly acquired asset, W Hotel.

Also included in other property expenses for FY 2020 was an impairment of S\$219K (FY 2019: S\$163K) relating to the rental receivables from its retail mall, Claymore Connect.

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

Included in depreciation is a depreciation charge on right-of-use (“ROU”) assets relating to property, plant and equipment. CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group’s existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets and interest expense on lease liabilities.

- (h) *Other expenses comprise mainly professional fees and administrative expenses. H-REIT Group incurred slightly higher fees and administrative expenses in FY 2020 mainly due to the impairment loss on non-trade receivables (S\$6.0 million), offset by cost savings and the absence of some adhoc professional fees in FY 2020. In FY 2019, other expenses included S\$2.9 million winding down costs for NCQ and S\$1.1 million pre-opening costs for Raffles Maldives Meradhoo.*

- (i) *On 15 July 2020, CDLHT completed the sale of NCQ for a total consideration of S\$375.9 million and recognised a gain on disposal of S\$5.2 million in FY 2020.*

Subsequently, on 30 October 2020, CDLHT completed the sale of Novotel Brisbane in Australia for a total consideration of A\$67.3 million and recognised a loss on disposal of S\$14.0 million in FY 2020.

Collectively, both transactions gave rise to a net loss of S\$8.8 million.

- (j) *This relates to the annual revaluation of land and buildings included as part of property, plant and equipment under the revaluation model adopted by CDLHT. Please refer to Section 1(b)(i) footnote (c) on page 11 of the Announcement for details.*

- (k) *This relates to net fair value loss recognised from the revaluation of CDLHT’s investment properties as at 31 December 2020. Please refer to Section 1(b)(i) footnote (b) on page 11 of the Announcement for details.*

- (l) *Non-controlling interests relate to the interest owned by the minority shareholders in relation to Pullman Hotel Munich and Hotel Cerretani Firenze.*

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(m) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	2H 2020	2H 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	139	420	(66.9)	443	995	(55.5)
Interest income received/receivable from HBT Group ^(v)	28	-	N.M	31	-	N.M
Interest income from finance lease	79	59	33.9	165	189	(12.7)
Fair value gain on derivatives ⁽ⁱ⁾	-	2,784	N.M	-	1,836	N.M
Exchange gain ⁽ⁱⁱ⁾	15,590	-	N.M	18,563	-	N.M
Finance income	15,836	3,263	N.M	19,202	3,020	N.M
Exchange loss ⁽ⁱⁱ⁾	-	(5,962)	N.M	-	(5,705)	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(8,391)	(10,211)	(17.8)	(17,703)	(20,608)	(14.1)
Interest expense on lease liabilities	(1,561)	(569)	N.M	(2,202)	(1,285)	71.4
Fair value loss on derivatives ⁽ⁱ⁾	(13,912)	-	N.M	(19,590)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(766)	(675)	13.5	(1,433)	(1,310)	9.4
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(121)	(115)	5.2	(241)	(231)	4.3
Finance costs	(24,751)	(17,532)	41.2	(41,169)	(29,139)	41.3
Net finance costs	(8,915)	(14,269)	(37.5)	(21,967)	(26,119)	(15.9)

	HBT Group			HBT Group		
	2H 2020	2H 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Fair value gain on derivatives ⁽ⁱ⁾	-	-	-	23	-	N.M
Finance income	-	-	-	23	-	N.M
Exchange loss	(1,142)	(326)	N.M	(899)	(124)	N.M
Interest paid/payable to banks	(1,407)	(1,300)	8.2	(2,710)	(2,594)	4.5
Interest paid/payable to H-REIT Group ^(v)	(28)	-	N.M	(31)	-	N.M
Interest expense on lease liabilities	(1,973)	(1,181)	67.1	(3,309)	(2,650)	24.9
Fair value loss on derivatives ⁽ⁱ⁾	-	(57)	N.M	-	(94)	N.M
Amortisation of transaction costs capitalised ^(iv)	(78)	(77)	1.3	(154)	(153)	0.7
Finance costs	(4,628)	(2,941)	57.4	(7,103)	(5,615)	26.5
Net finance costs	(4,628)	(2,941)	57.4	(7,080)	(5,615)	26.1

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	CDL Hospitality Trusts			CDL Hospitality Trusts		
	2H 2020	2H 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	139	419	(66.8)	444	995	(55.4)
Interest income from finance lease	79	59	33.9	165	189	(12.7)
Fair value gain on derivatives ⁽ⁱ⁾	-	2,727	N.M	-	1,742	N.M
Exchange gain ⁽ⁱⁱ⁾	18,531	-	N.M	20,025	-	N.M
Finance income	18,749	3,205	N.M	20,634	2,926	N.M
Exchange loss ⁽ⁱⁱ⁾	-	(3,749)	N.M	-	(4,738)	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(9,798)	(11,511)	(14.9)	(20,413)	(23,201)	(12.0)
Interest expense on lease liabilities	(1,859)	(921)	N.M	(2,791)	(1,817)	53.6
Fair value loss on derivatives ⁽ⁱ⁾	(13,912)	-	N.M	(19,567)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(844)	(752)	12.2	(1,587)	(1,463)	8.5
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(121)	(115)	5.2	(241)	(231)	4.3
Finance costs	(26,534)	(17,048)	55.6	(44,599)	(31,450)	41.8
Net finance costs	(7,785)	(13,843)	(43.8)	(23,965)	(28,524)	(16.0)

- (i) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT's and HBT's income from overseas as well as EUR/USD cross-currency interest rate swap contracts entered into by H-REIT to partially hedge its interest cost.
- (ii) The exchange gain of CDLHT for FY 2020 mainly arose from the appreciation of Australian dollar (“AUD”) and New Zealand dollar (“NZD”) denominated receivables and cash balances against SGD. For the comparative period in FY 2019, the exchange loss mainly arose from the depreciation of AUD and Euro (“EUR”) denominated receivables and cash balances against SGD.
- (iii) The interest paid/payable to banks for FY 2020 decreased yoy mainly due to lower funding costs on the Group's floating rate loans.
- (iv) The amortisation costs in 2H 2020 and FY2020 relate to the amortisation of transaction costs arising from CDLHT's borrowings.
- (v) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to mainly support the operational cashflow of the UK Hotels (“Intra-group loan”).

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2H 2020 S\$’000	2H 2019 S\$’000	2H 2020 S\$’000	2H 2019 S\$’000	2H 2020 S\$’000	2H 2019 S\$’000
Corporate income tax ⁽ⁱ⁾	(2,591)	(4,123)	5	(583)	(2,586)	(4,706)
Deferred tax	1,659	(118)	2,402	(573)	4,061	(691)
Withholding tax	(653)	(117)	207	(462)	(446)	(579)
(Under)/Overprovision in respect of prior year tax	(2,087)	346	(182)	(2)	(2,269)	344
	(3,672)	(4,012)	2,432	(1,620)	(1,240)	(5,632)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2020 S\$’000	FY 2019 S\$’000	FY 2020 S\$’000	FY 2019 S\$’000	FY 2020 S\$’000	FY 2019 S\$’000
Corporate income tax ⁽ⁱ⁾	(4,316)	(8,925)	5	(909)	(4,311)	(9,834)
Deferred tax	1,591	(330)	2,525	(435)	4,116	(765)
Withholding tax	(1,347)	(253)	(256)	(956)	(1,603)	(1,209)
(Under)/Overprovision in respect of prior year tax	(2,078)	362	(182)	(2)	(2,260)	360
	(6,150)	(9,146)	2,092	(2,302)	(4,058)	(11,448)

(i) Due to lower corporate income tax expenses from the Group’s overseas properties.

(o) (Net loss)/Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2H 2020 S\$’000	2H 2019 S\$’000	FY 2020 S\$’000	FY 2019 S\$’000
H-REIT	(120,444)	96,895	(111,851)	135,401
Other H-REIT group entities (including consolidation adjustments)	(53,990)	(9,152)	(52,790)	(7,469)
HBT	(21,702)	579	(23,012)	136
Other HBT group entities (including consolidation adjustments)	1,455	(9,304)	(8,517)	(16,112)
CDL Hospitality Trusts’ consolidation adjustments	9,925	4,477	7,035	2,101
	(184,756)	83,495	(189,135)	114,057

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2H 2020 S\$'000	2H 2019 S\$'000	FY 2020 S\$'000	FY 2019 S\$'000
Total return of H-REIT	(120,444)	96,895	(111,851)	135,401
Total comprehensive income of HBT	(21,702)	579	(23,012)	136
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Net fair value loss/(gain) on investment properties	105,302	(81,308)	105,302	(81,308)
- Amortisation of transaction costs	724	664	1,377	1,288
- Income in relation to gain on disposal of investment properties	(5,040)	-	(5,040)	-
- Income in relation to gain on dissolution of a subsidiary	-	(582)	-	(582)
- Fair value loss/(gain) on financial derivatives	13,912	(2,784)	19,590	(1,836)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	121	115	241	231
- Exchange (gain)/loss	(19,091)	6,075	(20,286)	7,220
- H-REIT Manager's fees paid/payable in Stapled Securities	4,076	5,318	8,103	10,494
- H-REIT Trustee's fees	204	194	407	389
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	210	223	447	447
- HBT Trustee-Manager's trustee fees	105	112	224	224
- Impairment loss on subsidiaries ⁽ⁱⁱ⁾	66,274	23,636	66,274	23,636
- Other items	(144)	2,183	3,122	3,009
Income available for distribution to Stapled Securityholders (before retention)	24,507	51,320	44,898	98,749
Less :				
Income retained for working capital	(2,451)	(5,132)	(4,490)	(9,875)
Income to be distributed to Stapled Securityholders (after retention)	22,056	46,188	40,408	88,874
Capital distribution ⁽ⁱⁱ⁾	20,000	12,817	20,000	20,515
Total distribution to Stapled Securityholders (after retention)	42,056	59,005	60,408	109,389
Comprising :				
- Taxable income	14,623	40,390	29,549	72,494
- Tax exempt income	7,433	5,798	10,859	16,380
- Capital distribution	20,000	12,817	20,000	20,515
	42,056	59,005	60,408	109,389

- (i) The distribution of CDLHT represents the aggregate of distributions by H-REIT and HBT. For FY 2020, there were no distributions from HBT due to the losses incurred.
- (ii) For FY 2020, the capital distribution comprise CDLHT's partial distribution of proceeds from the disposal of NCQ. The capital distribution of FY 2019 comprises of income from CDLHT's properties as well as CDLHT's continued partial distribution of proceeds from the 2018 disposal of Mercure Brisbane and Ibis Brisbane.
- (iii) This relates to impairment loss on H-REIT's cost of investment in its Maldives, New Zealand and Australia subsidiaries and HBT's cost of investment in its Japan and UK subsidiaries. In prior year, impairment loss was recognised on H-REIT's cost of investment in its Maldives subsidiaries and HBT's cost of investment in its UK subsidiary. These have no impact on the income available for distribution.

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

	Footnote	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts	
		31 Dec 2020 S\$'000	31 Dec 2019 S\$'000	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,403,183	2,209,253	-	-	1,978,356	2,139,392
Property, plant and equipment	(c)	80,822	86,240	279,605	257,735	709,039	373,843
Deferred tax assets		835	635	163	-	998	635
Finance lease receivables		4,098	4,923	-	-	4,098	4,923
Financial derivative assets	(d)	-	5,968	-	-	-	5,968
Other receivables		10,264	149	212	-	361	149
		2,499,202	2,307,168	279,980	257,735	2,692,852	2,524,910
Current assets							
Inventories		-	-	1,947	1,767	1,947	1,767
Trade and other receivables		59,973	50,079	15,704	14,190	27,732	28,915
Finance lease receivables		826	800	-	-	826	800
Financial derivative assets	(d)	-	79	-	-	-	79
Cash and cash equivalents		113,570	128,152	17,532	7,802	131,102	135,954
Assets held for sale	(b)	-	368,700	-	-	-	368,700
		174,369	547,810	35,183	23,759	161,607	536,215
Total assets		2,673,571	2,854,978	315,163	281,494	2,854,459	3,061,125
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(e)	641,745	890,711	96,976	94,554	738,721	985,265
Lease liabilities	(f)	77,820	24,166	93,342	53,359	92,750	38,673
Rental deposits	(g)	10,005	9,761	-	-	10,005	9,761
Other payables	(i)	810	715	-	-	810	715
Financial derivative liabilities	(d)	13,707	-	-	-	13,707	-
Deferred tax liabilities	(h)	11,298	16,925	10,851	16,032	22,149	32,958
		755,385	942,278	201,169	163,945	878,142	1,067,372
Current liabilities							
Loans and borrowings	(e)	289,804	78,662	10,115	-	289,804	78,662
Lease liabilities	(f)	1,847	1,079	4,025	2,072	2,071	1,087
Trade and other payables	(i)	33,957	37,307	57,965	41,673	43,979	43,625
Financial derivative liabilities	(d)	-	164	-	23	-	187
Provision for taxation	(j)	11,707	6,883	1,021	822	12,728	7,705
		337,315	124,095	73,126	44,590	348,582	131,266
Total liabilities		1,092,700	1,066,373	274,295	208,535	1,226,724	1,198,638
Net assets		1,580,871	1,788,605	40,868	72,959	1,627,735	1,862,487
Represented by:							
Unitholders' funds		1,573,044	1,780,289	40,868	72,959	1,619,908	1,854,171
Non-controlling interests	(k)	7,827	8,316	-	-	7,827	8,316
		1,580,871	1,788,605	40,868	72,959	1,627,735	1,862,487

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Footnotes

- (a) *The Statement of Financial Position of HBT Group comprises the hotel operations of W Hotel, Raffles Maldives Meradhoo, the Japan Hotels and the UK Hotels.*
- (b) *The decrease in investment properties at H-REIT Group was mainly due to the disposal of NCQ and Novotel Brisbane during the year and the recognition of net fair value loss of H-REIT Group’s investment properties at the end of the financial year. The decrease was partially offset by the acquisition of the W Hotel. The details are as follows:*

The investment properties were valued by Knight Frank Pte Ltd, CIVAS (NSW) Pty Limited, CBRE Limited, Cushman & Wakefield (U.K.) LLP (Italian Branch), Cushman & Wakefield (U.K.) LLP (German Branch), Jones Lang LaSalle Property Consultants Pte Ltd, all independent registered valuers¹, and adopted in the financial statements of the Group as at 31 December 2020 as follows:

Properties	Tenure	CDL Hospitality Trusts Valuation	
		Foreign currency (million)	(S\$ million)
Orchard Hotel	75 years from 19 July 2006		443.0
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006		354.0
M Hotel	75 years from 19 July 2006		237.0
Studio M Hotel	99 years from 26 February 2007		166.0
Copthorne King’s Hotel	99 years from 1 February 1968		114.0
W Singapore – Sentosa Cove ²	99 years from 31 October 2006		314.0
Claymore Connect Mall	75 years from 19 July 2006		88.0
Grand Millennium Auckland	Freehold	NZ\$197.0	186.7
Mercure Perth	Freehold	A\$45.0	45.5
Ibis Perth	Freehold	A\$30.0	30.3
Angsana Velavaru	50 years from 26 August 1997	US\$50.0	66.4
Raffles Maldives Meradhoo	50 years from 15 June 2006	US\$38.0	50.5
Pullman Hotel Munich	Freehold	EUR105.6	171.5
Hotel Cerretani Firenze - MGallery	Freehold	EUR40.4	65.6

The valuation at H-REIT Group’s investment properties incurred a net fair value loss of S\$181.1 million as at 31 December 2020 (31 December 2019: net fair value gain of S\$46.8 million). This net fair value change is recognised in H-REIT Group’s Statement of Total Return for FY 2020 and has no impact on the income available for distribution to holders of Staped Securities.

Included in H-REIT Group’s investment properties as at 31 December 2020 is a net translation gain of S\$32.4 million (31 December 2019: net translation loss of S\$20.0 million) relating to its overseas properties.

The COVID-19 pandemic has impacted the travel and hospitality sectors tremendously. In recognition of the potential for market conditions to change rapidly in response to measures and restrictions to control the outbreak, significant market uncertainty still exists. Accordingly, the valuations of the investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 31 December 2020 only. Values may change more quickly and significantly than under normal market conditions.

- (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 W Hotel, Japan Hotels, Raffles Maldives Meradhoo and the UK Hotels, which were valued by Knight Frank Pte Ltd, Cushman & Wakefield K.K., Jones Lang LaSalle Property Consultants Pte Ltd and Cushman & Wakefield Debenham Tie Leung Limited, all independent registered valuers¹ as at 31 December 2020. For W Hotel, the property is leased by H-REIT to HBT’s direct wholly-owned subsidiary. For Raffles Maldives Meradhoo, the property is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT’s indirect wholly-owned subsidiary. As these properties are considered properties held for use as owner-occupied properties, they are classified as property, plant and equipment instead of investment properties in CDLHT’s financial statements.

¹ Pursuant to Paragraph 8.3 of Property Funds Appendix, a valuer should not value the same property for more than two consecutive financial years. A valuer may be appointed to value the same property for a third consecutive financial year only if that financial year ends on or before 31 December 2020. For FY 2020, Knight Frank Pte Ltd, Cushman & Wakefield K.K., and Cushman & Wakefield Debenham Tie Leung Limited were appointed to value the Singapore, Japan and UK Hotels for the third consecutive year.

² Under H-REIT Group, if W Hotel was valued on a standalone basis and on a master lease arrangement, the value is S\$310.0 million.

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The increase in property, plant and equipment at CDLHT is mainly due to the acquisition of W Hotel (S\$343.7 million) and net additions of S\$5.9 million and a net translation gain of S\$7.1 million, offset by a net revaluation loss on land and buildings of S\$61.0 million and depreciation expenses of S\$16.2 million for the period. Additionally, net additions of ROU assets relating to property, plant and equipment of S\$55.8 million for FY 2020 also increased mainly due to the ROU assets recognised in relation to relating to W Hotel’s lease payments.

The COVID-19 pandemic has impacted the travel and hospitality sectors tremendously. In recognition of the potential for market conditions to change rapidly in response to measures and restrictions to control the outbreak, significant market uncertainty still exists. Accordingly, the valuations of the property, plant and equipment are currently subject to material valuation uncertainty. The carrying amounts of the property, plant and equipment were current as at 31 December 2020 only. Values may change more quickly and significantly than under normal market conditions.

- (d) Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts and cross-currency interest rate swaps.*
- (e) Loans and borrowings of CDLHT of S\$1.03 billion (as at 31 December 2019: S\$1.06 billion), which are measured at amortised cost, comprise JPY3.1 billion (S\$38.8 million) TMK bond and S\$990.0 million bank borrowings, as explained under Section 1(b)(ii) on pages 13 to 15 of the Announcement. Loans and borrowings under current liabilities has increased by S\$211.1 million to S\$289.8 million as at 31 December 2020 mainly due to the reclassification of bank loans maturity in 2021. As such, non-current bank loans have correspondingly reduced.*

During the reporting period, JPY6.37 billion (S\$81.7 million) bonds and term loan were refinanced into longer tenor borrowings. For further details, refer to Section 1(b)(ii) footnote (i) and (ii) on page 15 of the Announcement.

The net current liabilities position for CDLHT as at 31 December 2020 was mainly attributed to borrowings falling due within one year. Notwithstanding the net current liabilities position, CDLHT has an established S\$1.0 billion Multicurrency Medium Term Note Programme and committed revolving credit facilities (as disclosed under Section 1(b)(ii) footnote (v) on page 15 of the Announcement) to meet its current obligations as and when they fall due.

- (f) The lease liabilities represent CDLHT’s obligation to make lease payments in relation to the ROU assets recognised in accordance to FRS 116/SFRS(I) 16.*
- (g) Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*
- (h) The deferred tax liabilities mainly relate to the Australia, UK and Japan properties.*
- (i) Trade and other payables for the Group relates mainly to payables for operational and trust expenses. Included in HBT Group’s payables are amounts owing to suppliers in respect of the rebranding works on Raffles Maldives Meradhoo.*
- (j) Provision for taxation comprise tax provisions arising from the Group’s overseas properties.*
- (k) Non-controlling interests relate to the interests owned by the minority shareholder in relation to the Pullman Hotel Munich and the Hotel Cerretani Firenze.*

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000
Amount repayable after one year						
Secured borrowings	71,449	66,123	-	-	71,449	66,123
Secured TMK bond	39,773	-	-	-	39,773	-
Unsecured borrowings	533,781	827,891	97,270	95,002	631,051	922,893
	645,003	894,014	97,270	95,002	742,273	989,016
Amount repayable within one year						
Secured TMK bond	-	38,347	-	-	-	38,347
Unsecured borrowings	290,176	40,450	-	-	290,176	40,450
	290,176	78,797	-	-	290,176	78,797
Total borrowings^(a)	935,179	972,811	97,270	95,002	1,032,449	1,067,813

^(a) The borrowings are presented before the deduction of unamortised transaction costs and excludes the Intra-group loan.

As at 31 December 2020, CDLHT’s aggregate leverage ratio was 37.5%, which was within the 50% limit allowed under the Monetary Authority of Singapore Property Funds Appendix. The interest coverage ratio was 2.2x⁴ times as of 31 December 2020. For purpose of computing interest coverage ratio, interest expense excludes interest expense on lease liabilities.

⁴ The interest coverage ratio excludes one-off loss on disposal of investment properties of S\$8.8 million in FY 2020. Including this divestment loss, the interest coverage ratio would be 1.8x instead.

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

Details of borrowings

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

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		31 Dec 2020			31 Dec 2020			31 Dec 2020		
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) ⁽ⁱ⁾	39,773	39,773	-	-	-	-	39,773	39,773	-
JPY	5-year term loan (¥3.27 billion)	41,954	41,954	-	-	-	-	41,954	41,954	-
SGD	Medium term note ⁽ⁱⁱⁱ⁾	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan ^(iv)	300,000	-	300,000	100,000	-	100,000	400,000	-	400,000
SGD	2-3 years revolving credit (committed) ^(v)	450,000	148,072	301,928	-	-	-	450,000	148,072	301,928
SGD	5-year term loans	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US\$181.2 million)	240,544	240,544	-	-	-	-	240,544	240,544	-
EUR	7-year term loan (€44.0 million) ⁽ⁱⁱ⁾	71,450	71,450	-	-	-	-	71,450	71,450	-
GBP	5-year term loans (£120.5 million)	119,786	119,786	-	97,270	97,270	-	217,056	217,056	-
		2,537,107	935,179	1,601,928	197,270	97,270	100,000	2,734,377	1,032,449	1,701,928

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

Excluded from the borrowings above are the lease liabilities of S\$79.7 million, S\$97.4 million and S\$94.8 million for H-REIT Group, HBT Group and CDLHT respectively, which are secured over the finance lease receivables and ROU assets (recognised as part of investment properties and property, plant and equipment).

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(i) Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$39.8 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 bonds were refinanced on 18 September 2020 following its maturity.

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.

(ii) Secured borrowing

The secured bank loan relates to a 7-year fixed rate loan of S\$71.5 million (€44.0 million) drawn down by H-REIT’s indirectly-owned subsidiary, NKS Hospitality I B.V..

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

(iii) 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**”).

As at 31 December 2020, there are no outstanding medium term notes.

(iv) Unsecured bridge loan

H-REIT and HBT has in place a S\$300.0 million and S\$100.0 million uncommitted multi-currency bridge loan facility with a bank respectively (the “**Bridge Loan Facilities**”) to fund acquisitions, capital expenditure and working capital requirements.

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

As at 31 December 2020, the Bridge Loan Facilities remains unutilised.

(v) Unsecured borrowings

In FY 2020, H-REIT secured a fresh S\$100.0 million committed multi-currency revolving credit facility (“**RCF**”) as well as a S\$100.0 million upsize to an existing committed multi-currency RCF, taking the total RCF amount to S\$450.0 million.

In 4Q 2020, about S\$82.6 million sales proceeds from the divestments of NCQ and Novotel Brisbane were used to reduce the RCF. The committed RCF is available for withdrawing and may be used to fund capital distribution, acquisitions or working capital needs of the Group.

During the year, JPY3.27 billion (S\$41.9 million) borrowings which matured on 8 September 2020 was also refinanced into a fresh 5-year unsecured fixed rate term loan.

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	2H 2020	2H 2019	2H 2020	2H 2019	2H 2020	2H 2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Total return/(Net loss) for the period before tax	(170,762)	91,755	(22,679)	(7,105)	(183,516)	89,127
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	4,076	5,318	210	223	4,286	5,541
Impairment loss on trade and other receivables	7,287	81	10	10	7,296	92
Depreciation of property, plant and equipment	955	973	6,111	5,059	10,207	6,025
Property, plant and equipment written off	-	-	-	240	-	240
Revaluation deficit/(Reversal of revaluation deficit) on property, plant and equipment	1,454	(243)	13,581	1,088	51,568	17,325
Net fair value loss/(gain) on investment properties	181,055	(46,780)	-	-	133,955	(66,418)
Loss on disposal of investment properties and related cessation of business of foreign operations	8,951	-	-	-	8,795	-
Net finance costs	8,915	14,269	4,628	2,941	7,785	13,843
Operating income before working capital changes	41,931	65,373	1,861	2,456	40,376	65,775
Changes in working capital:						
Inventories	-	-	(157)	(517)	(157)	(517)
Trade and other receivables	(16,564)	(2,102)	(3,138)	(433)	(3,437)	6,494
Trade and other payables	2,007	9,600	11,894	8,527	(2,551)	9,098
Cash generated from operating activities	27,374	72,871	10,460	10,033	34,231	80,850
Income tax paid	(2,636)	(9,533)	206	(433)	(2,429)	(9,966)
Net cash generated from operating activities	24,738	63,338	10,666	9,600	31,802	70,884
Investing activities						
Loan to related entity	(8,529)	-	-	-	-	-
Acquisition of business, net of cash acquired	-	(1,838)	3,128	-	3,128	(1,838)
Capital expenditure on investment properties	(9,319)	(23,375)	-	-	(5,471)	(10,634)
Acquisition of investment property	(343,611)	-	-	-	-	-
Acquisition of property, plant and equipment	-	-	-	-	(343,611)	-
Additions of property, plant and equipment	(258)	(432)	(1,711)	(3,936)	(5,815)	(17,109)
Proceeds from disposal of investment properties (net)	435,215	23	-	-	435,371	23
Receipt of finance lease receivable	403	421	-	-	403	421
Interest received	218	494	1	-	219	494
Cash generated from/(used in) investing activities	74,119	(24,707)	1,418	(3,936)	84,224	(28,643)
Financing activities						
Loan from related entity	-	-	8,529	-	-	-
Payment of transaction costs related to rights issue	-	(230)	-	-	-	(230)
Proceeds from bank loans	2,535	244,129	-	-	2,535	244,129
Proceeds from bond	39,990	-	-	-	39,990	-
Repayment of bank loans	(82,614)	(210,720)	-	-	(82,614)	(210,720)
Repayment of bond	(39,990)	-	-	-	(39,990)	-
Payment of transaction costs related to bank loans	(1,574)	(1,120)	-	-	(1,574)	(1,120)
Payment of lease liabilities	(169)	(595)	(1,793)	(1,180)	(223)	(549)
Finance costs paid	(9,034)	(9,656)	(3,406)	(2,473)	(10,735)	(11,299)
Distribution to holders of Stapled Securities	(18,422)	(47,891)	-	(2,515)	(18,422)	(50,406)
Distribution to non-controlling interests	-	(175)	-	-	-	(175)
Return of capital to non-controlling interests	-	(48)	-	-	-	(48)
Movement in restricted cash	(1,389)	292	-	-	(1,389)	292
Cash (used in)/generated from financing activities	(110,667)	(26,014)	3,330	(6,168)	(112,422)	(30,126)
Net (decrease)/increase in cash and cash equivalents	(11,810)	12,617	15,414	(504)	3,604	12,115
Cash and cash equivalents at beginning of the period	116,665	115,417	2,124	8,196	118,789	123,613
Effect of exchange rate changes on cash and cash equivalents	4,204	(943)	(6)	110	4,198	(835)
Cash and cash equivalents at end of the period	109,059	127,091	17,532	7,802	126,591	134,893

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1 (c) Consolidated Statements of Cash Flows

Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	FY 2020 S\$'000	FY 2019 S\$'000	FY 2020 S\$'000	FY 2019 S\$'000	FY 2020 S\$'000	FY 2019 S\$'000
Operating activities						
Total return/(Net loss) for the period before tax	(158,491)	137,078	(33,621)	(13,674)	(185,077)	125,505
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	8,103	10,494	447	447	8,550	10,941
Impairment loss/(Reversal of impairment loss) on trade and other receivables	10,930	163	78	(9)	11,007	155
Depreciation of property, plant and equipment	1,901	1,906	11,032	9,950	16,190	12,027
Property, plant and equipment written off	-	-	-	240	-	240
Revaluation deficit/(Reversal of revaluation deficit) on property, plant and equipment	1,454	(243)	13,581	1,088	51,568	17,325
Net fair value loss/(gain) on investment properties	181,055	(46,780)	-	-	133,955	(66,418)
Loss on disposal of investment properties and related cessation of business of foreign operations	8,951	-	-	-	8,795	-
Net finance costs	21,967	26,119	7,080	5,615	23,965	28,524
Operating income/(loss) before working capital changes	75,870	128,737	(1,403)	3,657	68,953	128,299
Changes in working capital:						
Inventories	-	-	(43)	(888)	(43)	(888)
Trade and other receivables	(21,360)	(11,191)	456	(3,015)	(1,474)	3,280
Trade and other payables	(2,480)	5,458	11,388	17,182	(10,706)	5,153
Cash generated from operating activities	52,030	123,004	10,398	16,936	56,730	135,844
Income tax paid	(6,896)	(13,290)	(258)	(1,662)	(7,154)	(14,952)
Net cash generated from operating activities	45,134	109,714	10,140	15,274	49,576	120,892
Investing activities						
Loan to related entity	(10,115)	-	-	-	-	-
Acquisition of business, net of cash acquired	-	(1,838)	3,128	-	3,128	(1,838)
Capital expenditure on investment properties	(12,161)	(38,897)	-	-	(8,313)	(26,156)
Acquisition of investment property	(343,611)	-	-	-	-	-
Acquisition of property, plant and equipment	-	-	-	-	(343,611)	-
Additions of property, plant and equipment	(337)	(477)	(1,726)	(5,351)	(5,911)	(18,569)
Proceeds from disposal of investment properties (net)	435,215	23	-	-	435,371	23
Receipt of finance lease receivable	800	756	-	-	800	756
Interest received	642	1,220	1	-	643	1,220
Cash generated from/(used in) investing activities	70,433	(39,213)	1,403	(5,351)	82,107	(44,564)
Financing activities						
Loan from related entity	-	-	10,115	-	-	-
Payment of transaction costs related to rights issue	-	(230)	-	-	-	(230)
Proceeds from bank loans	84,013	322,957	-	-	84,013	322,957
Proceeds from bond	39,990	-	-	-	39,990	-
Repayment of bank loans	(127,660)	(264,340)	-	-	(127,660)	(264,340)
Repayment of bond	(39,990)	-	-	-	(39,990)	-
Payment of transaction costs related to bank loans	(1,613)	(2,304)	-	-	(1,613)	(2,304)
Payment of lease liabilities	(708)	(1,022)	(2,849)	(2,020)	(766)	(1,064)
Finance costs paid	(15,756)	(18,612)	(6,049)	(5,242)	(19,054)	(21,735)
Distribution to holders of Stapled Securities	(74,328)	(102,726)	(3,070)	(7,399)	(77,398)	(110,125)
Distribution to non-controlling interests	(23)	(309)	-	-	(23)	(309)
Return of capital to non-controlling interests	(24)	(97)	-	-	(24)	(97)
Movement in restricted cash	(3,415)	276	-	-	(3,415)	276
Cash used in financing activities	(139,514)	(66,407)	(1,853)	(14,661)	(145,940)	(76,971)
Net (decrease)/increase in cash and cash equivalents	(23,947)	4,094	9,690	(4,738)	(14,257)	(643)
Cash and cash equivalents at beginning of the period	127,091	125,740	7,802	12,506	134,893	138,246
Effect of exchange rate changes on cash and cash equivalents	5,915	(2,743)	40	34	5,955	(2,710)
Cash and cash equivalents at end of the period	109,059	127,091	17,532	7,802	126,591	134,893

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Footnotes

(a) Significant non-cash transactions

2H 2020

3,411,796 (2H 2019: 3,420,196) Stapled Securities amounting to S\$4.3 million (2H 2019: S\$5.5 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 the period. In addition, 1,889,580 (2H 2019: Nil) Stapled Securities amounting to S\$2.4 million will be issued to H-REIT Manager as acquisition fees for W Hotel acquisition.

FY 2020

7,973,014 (FY 2019: 6,743,852) Stapled Securities amounting to S\$8.6 million (FY 2019: S\$10.9 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 FY 2020. In addition, 1,889,580 (FY 2019: Nil) Stapled Securities amounting to S\$2.4 million will be issued to H-REIT Manager as acquisition fees for W Hotel acquisition.

(b) Cash and cash equivalents for H-REIT Group and CDLHT as at 31 December 2020 are as follows:

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	113,570	131,102
Restricted cash	(4,511)	(4,511)
Cash and cash equivalents in the Statement of Cash Flows	109,059	126,591

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 July 2020 to 31 December 2020

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 Losses S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 July 2020	1,743,463	8,619	1,752,082	111,054	(121)	1,052	12,510	(67,732)	56,763	1,799,983	8,619	1,808,602
Operations												
Decrease in net assets resulting from operations	(173,347)	(1,087)	(174,434)	-	-	-	-	(20,247)	(20,247)	(183,669)	(1,087)	(184,756)
Movements in revaluation reserve												
- Revaluation deficit on property, plant and equipment	(5,605)	-	(5,605)	-	-	-	(4,338)	-	(4,338)	(9,468)	-	(9,468)
- Tax effect on revaluation of property, plant and equipment	1,276	-	1,276	-	-	-	3,083	-	3,083	4,359	-	4,359
Decrease in revaluation reserve	(4,329)	-	(4,329)	-	-	-	(1,255)	-	(1,255)	(5,109)	-	(5,109)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(600)	295	(305)	-	-	4,303	-	-	4,303	3,624	295	3,919
- Exchange differences on hedge of net investments in foreign operations	1,772	-	1,772	-	-	(2,653)	-	-	(2,653)	(4,963)	-	(4,963)
- Exchange differences on monetary items forming part of net investment in foreign operations	2,643	-	2,643	-	-	3,747	-	-	3,747	6,390	-	6,390
- Exchange differences transferred to statement of total return upon disposal of investment properties and related cessation of business of foreign operations	15,359	-	15,359	-	-	-	-	-	-	15,359	-	15,359
Increase in foreign currency translation reserve	19,174	295	19,469	-	-	5,397	-	-	5,397	20,410	295	20,705
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities issued and to be issued	6,505	-	6,505	210	-	-	-	-	210	6,715	-	6,715
- Distribution to Stapled Securityholders	(18,422)	-	(18,422)	-	-	-	-	-	-	(18,422)	-	(18,422)
(Decrease)/Increase in net assets resulting from transactions with owners	(11,917)	-	(11,917)	210	-	-	-	-	210	(11,707)	-	(11,707)
Balance as at 31 December 2020	1,573,044	7,827	1,580,871	111,264	(121)	6,449	11,255	(87,979)	40,868	1,619,908	7,827	1,627,735

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

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2020 to 31 December 2020

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 Losses S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests ^(c) S\$'000	Total S\$'000
Balance as at 1 January 2020	1,780,289	8,316	1,788,605	113,517	(121)	3,152	12,491	(56,080)	72,959	1,854,171	8,316	1,862,487
Operations												
Decrease in net assets resulting from operations	(163,521)	(1,120)	(164,641)	-	-	-	-	(31,529)	(31,529)	(188,015)	(1,120)	(189,135)
Movements in revaluation reserve												
- Revaluation deficit on property, plant and equipment	(5,605)	-	(5,605)	-	-	-	(4,338)	-	(4,338)	(9,468)	-	(9,468)
- Tax effect on revaluation of property, plant and equipment	1,275	-	1,275	-	-	-	3,102	-	3,102	4,377	-	4,377
Decrease in revaluation reserve	(4,330)	-	(4,330)	-	-	-	(1,236)	-	(1,236)	(5,091)	-	(5,091)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	5,758	631	6,389	-	-	2,418	-	-	2,418	8,100	631	8,731
- Exchange differences on hedge of net investments in foreign operations	(953)	-	(953)	-	-	(1,347)	-	-	(1,347)	(4,661)	-	(4,661)
- Exchange differences on monetary items forming part of net investment in foreign operations	4,237	-	4,237	-	-	2,226	-	-	2,226	6,463	-	6,463
- Exchange differences transferred to statement of total return upon disposal of investment properties and related cessation of business of foreign operations	15,359	-	15,359	-	-	-	-	-	-	15,359	-	15,359
Increase in foreign currency translation reserve	24,401	631	25,032	-	-	3,297	-	-	3,297	25,261	631	25,892
Transactions with owners												
<u>Contributions by and distributions to owners</u>												
- Stapled Securities issued and to be issued	10,533	-	10,533	447	-	-	-	-	447	10,980	-	10,980
- Distribution to Stapled Securityholders	(74,328)	-	(74,328)	(2,700)	-	-	-	(370)	(3,070)	(77,398)	-	(77,398)
Decrease in net assets resulting from transactions with owners	(63,795)	-	(63,795)	(2,253)	-	-	-	(370)	(2,623)	(66,418)	-	(66,418)
Balance as at 31 December 2020	1,573,044	7,827	1,580,871	111,264	(121)	6,449	11,255	(87,979)	40,868	1,619,908	7,827	1,627,735

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 July 2019 to 31 December 2019

Footnote	H-REIT Group			HBT Group					CDL Hospitality Trusts			
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
	1,735,938	7,825	1,743,763	115,107	(121)	555	10,761	(46,653)	79,649	1,814,661	7,825	1,822,486
Operations												
Increase/(Decrease) in net assets resulting from operations	86,869	874	87,743	-	-	-	-	(8,725)	(8,725)	82,621	874	83,495
Movements in revaluation reserve												
- Revaluation surplus on property, plant and equipment	2,771	-	2,771	-	-	-	1,785	-	1,785	4,449	-	4,449
- Tax effect on revaluation of property, plant and equipment	-	-	-	-	-	-	(55)	-	(55)	(55)	-	(55)
Increase in revaluation reserve	2,771	-	2,771	-	-	-	1,730	-	1,730	4,394	-	4,394
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(2,213)	(244)	(2,457)	-	-	2,258	-	-	2,258	62	(244)	(182)
- Exchange differences on hedge of net investments in foreign operations	314	-	314	-	-	(1,903)	-	-	(1,903)	(4,127)	-	(4,127)
- Exchange differences on monetary items forming part of net investment in foreign operations	(665)	-	(665)	-	-	2,242	-	-	2,242	1,577	-	1,577
- Exchange differences reclassified to statement of total return on cessation of business of foreign operations	78	-	78	-	-	-	-	-	-	78	-	78
(Decrease)/Increase in foreign currency translation reserve	(2,486)	(244)	(2,730)	-	-	2,597	-	-	2,597	(2,410)	(244)	(2,654)
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities issued and to be issued	5,318	-	5,318	223	-	-	-	-	223	5,541	-	5,541
- Issue expenses	(230)	-	(230)	-	-	-	-	-	-	(230)	-	(230)
- Distribution to Stapled Securityholders	(47,891)	-	(47,891)	(1,813)	-	-	-	(702)	(2,515)	(50,406)	-	(50,406)
- Distribution to non-controlling interests	-	(93)	(93)	-	-	-	-	-	-	-	(93)	(93)
- Return of capital to non-controlling interests	-	(46)	(46)	-	-	-	-	-	-	-	(46)	(46)
Decrease in net assets resulting from transactions with owners	(42,803)	(139)	(42,942)	(1,590)	-	-	-	(702)	(2,292)	(45,095)	(139)	(45,234)
Balance as at 31 December 2019	1,780,289	8,316	1,788,605	113,517	(121)	3,152	12,491	(56,080)	72,959	1,854,171	8,316	1,862,487

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1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2019 to 31 December 2019

Footnote	H-REIT Group			HBT Group					CDL Hospitality Trusts			
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/(Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests ^(c) S\$'000	Total S\$'000
Balance as at 1 January 2019	1,754,809	7,659	1,762,468	117,863	(121)	1,838	10,771	(37,498)	92,853	1,847,663	7,659	1,855,322
Operations												
Increase/(Decrease) in net assets resulting from operations	126,606	1,326	127,932	-	-	-	-	(15,976)	(15,976)	112,731	1,326	114,057
Movements in revaluation reserve												
- Revaluation surplus on property, plant and equipment	2,771	-	2,771	-	-	-	1,785	-	1,785	4,449	-	4,449
- Tax effect on revaluation of property, plant and equipment	2	-	2	-	-	-	(65)	-	(65)	(63)	-	(63)
Increase in revaluation reserve	2,773	-	2,773	-	-	-	1,720	-	1,720	4,386	-	4,386
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(9,322)	(352)	(9,674)	-	-	1,167	-	-	1,167	(8,134)	(352)	(8,486)
- Exchange differences on hedge of net investments in foreign operations	366	-	366	-	-	(818)	-	-	(818)	(1,544)	-	(1,544)
- Exchange differences on monetary items forming part of net investment in foreign operations	(2,559)	-	(2,559)	-	-	965	-	-	965	(1,595)	-	(1,595)
- Exchange differences reclassified to statement of total return on cessation of business of foreign operations	78	-	78	-	-	-	-	-	-	78	-	78
(Decrease)/Increase in foreign currency translation reserve	(11,437)	(352)	(11,789)	-	-	1,314	-	-	1,314	(11,195)	(352)	(11,547)
Transactions with owners												
Contributions by and distributions to owners												
- Stapled Securities issued and to be issued	10,494	-	10,494	447	-	-	-	-	447	10,941	-	10,941
- Issue expenses	(230)	-	(230)	-	-	-	-	-	-	(230)	-	(230)
- Distribution to Stapled Securityholders	(102,726)	-	(102,726)	(4,793)	-	-	-	(2,606)	(7,399)	(110,125)	-	(110,125)
- Distribution to non-controlling interests	-	(222)	(222)	-	-	-	-	-	-	-	(222)	(222)
- Return of capital to non-controlling interests	-	(95)	(95)	-	-	-	-	-	-	-	(95)	(95)
Decrease in net assets resulting from transactions with owners	(92,462)	(317)	(92,779)	(4,346)	-	-	-	(2,606)	(6,952)	(99,414)	(317)	(99,731)
Balance as at 31 December 2019	1,780,289	8,316	1,788,605	113,517	(121)	3,152	12,491	(56,080)	72,959	1,854,171	8,316	1,862,487

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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 and acquisition fee for the acquisition of W Hotel completed. The Stapled Securities for H-REIT Manager and HBT Trustee-manager’s base fee and acquisition 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 2019 to 31 December 2019 and 1 January 2020 to 30 June 2020, which includes a capital distribution of S\$12,741,000 in FY 2020.*
- (c) *This relates to non-controlling minority shareholders which has an effective interest of 5.1% in Pullman Hotel Munich and 5% in Hotel Cerretani Firenze.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2018 to 31 December 2018 and 1 January 2019 to 30 June 2019, which includes a capital distribution of S\$7,634,000 in 2H 2019 and S\$16,682,000 in FY 2019.*

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YEAR ENDED 31 DECEMBER 2020**

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

		CDL Hospitality Trusts	
Foot-note		2H 2020	2H 2019
	Issued stapled securities at beginning of the period	1,216,632,022	1,210,777,156
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,866,722	1,806,557
	Issued stapled securities at end of the period	1,221,498,744	1,212,583,713
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,995,872	4,048,309
(a)			
	Total issued and issuable stapled securities at end of the period	1,226,494,616	1,216,632,022

		CDL Hospitality Trusts	
Foot-note		FY 2020	FY 2019
	Issued stapled securities at beginning of the period	1,212,583,713	1,205,465,379
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	8,915,031	7,118,334
	Issued stapled securities at end of the period	1,221,498,744	1,212,583,713
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	4,995,872	4,048,309
(a)			
	Total issued and issuable stapled securities at end of the period	1,226,494,616	1,216,632,022

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 is an estimated 2.0 million (FY 2019: 3.2 million) Stapled Securities for performance fee 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, and 1.9 million (FY 2019: Nil) acquisition fee which will be issued after the end of the financial year.*

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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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 2019, 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

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 2020. 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	
	2H 2020	2H 2019	FY 2020	FY 2019
EPS				
Basic EPS				
Weighted average number of Stapled Securities	1,223,422,086	1,212,627,715	1,220,095,762	1,211,259,519
Basic EPS ^(a) (cents)	(15.01)	6.81	(15.41)	9.31
Diluted EPS				
Weighted average number of Stapled Securities	1,223,422,086	1,216,632,022	1,220,095,762	1,216,632,022
Diluted EPS ^(b) (cents)	(15.01)	6.79	(15.41)	9.27

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	2H 2020	2H 2019	FY 2020	FY 2019
DPS				
Number of Stapled Securities entitled to distribution	1,222,631,911	1,213,475,493	1,222,631,911	1,213,475,493
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	1.19	3.33	2.42	5.99
- Tax exempt income	0.61	0.48	0.89	1.35
- Capital distribution	1.64	1.05	1.64	1.68
	3.44	4.86	4.95	9.02

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.

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

	CDL Hospitality Trusts	
	31 Dec 2020	31 Dec 2019
Net asset value/net tangible asset attributable to unitholders (S\$'000)	1,619,908	1,854,171
Number of Stapled Securities issued and to be issued at end of the period	1,226,494,616	1,216,632,022
Net asset value/net tangible asset per Stapled Security (S\$)	1.3208	1.5240

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8 Review of the performance for the half year and year ended 31 December 2020

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master leases									
<i>Singapore</i>									
- Hotels	16,937	48,115	(64.8)	-	-	-	16,937	48,115	(64.8)
- Claymore Connect	2,035	3,702	(45.0)	-	-	-	2,035	3,702	(45.0)
<i>Maldives</i>	(306)	2,578	N.M	-	-	-	(306)	2,578	N.M
<i>Australia</i>	3,925	4,515	(13.1)	-	-	-	3,925	4,515	(13.1)
<i>New Zealand</i>	10,947	7,843	39.6	-	-	-	10,947	7,843	39.6
<i>Germany</i>	4,393	5,172	(15.1)	-	-	-	4,393	5,172	(15.1)
<i>Italy</i>	696	1,377	(49.5)	-	-	-	696	1,377	(49.5)
	38,627	73,302	(47.3)	-	-	-	38,627	73,302	(47.3)
Managed hotels									
<i>Singapore</i>	6,070	-	N.M	15,987	-	N.M	15,987	-	N.M
<i>Maldives</i>	2,043	2,055	(0.6)	2,501	3,036	(17.6)	2,501	3,036	(17.6)
<i>Japan</i>	218	1,869	(88.3)	1,567	4,594	(65.9)	1,567	4,594	(65.9)
<i>United Kingdom</i>	-	-	-	6,817	22,173	(69.3)	6,817	22,173	(69.3)
	8,331	3,924	N.M	26,872	29,803	(9.8)	26,872	29,803	(9.8)
Total	46,958	77,226	(39.2)	26,872	29,803	(9.8)	65,499	103,105	(36.5)

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8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	FY 2020	FY 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master leases									
<i>Singapore</i>									
- Hotels	39,048	88,298	(55.8)	-	-	-	39,048	88,298	(55.8)
- Claymore Connect	4,638	7,506	(38.2)	-	-	-	4,638	7,506	(38.2)
<i>Maldives</i>	685	6,660	(89.7)	-	-	-	685	6,660	(89.7)
<i>Australia</i>	8,358	9,139	(8.5)	-	-	-	8,358	9,139	(8.5)
<i>NewZealand</i>	16,507	16,320	1.1	-	-	-	16,507	16,320	1.1
<i>Germany</i>	8,740	11,092	(21.2)	-	-	-	8,740	11,092	(21.2)
<i>Italy</i>	1,713	3,000	(42.9)	-	-	-	1,713	3,000	(42.9)
	79,689	142,015	(43.9)	-	-	-	79,689	142,015	(43.9)
Managed hotels									
<i>Singapore</i>									
	6,070	-	N.M	15,987	-	N.M	15,987	-	N.M
<i>Maldives</i>	4,141	4,096	1.1	4,100	3,070	33.6	4,100	3,070	33.6
<i>Japan</i>	833	4,037	(79.4)	3,830	9,411	(59.3)	3,830	9,411	(59.3)
<i>United Kingdom</i>	-	-	-	13,952	42,376	(67.1)	13,952	42,376	(67.1)
	11,044	8,133	35.8	37,869	54,857	(31.0)	37,869	54,857	(31.0)
Total	90,733	150,148	(39.6)	37,869	54,857	(31.0)	117,558	196,872	(40.3)

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

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)	2H 2020	2H 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	20,480	45,469	(55.0)	2,134	-	N.M	21,243	45,469	(53.3)
- Claymore Connect	1,037	2,467	(58.0)	-	-	-	1,037	2,467	(58.0)
<i>Maldives</i>									
(a) Maldives	1,357	4,209	(67.8)	(572)	(3,125)	81.7	(1,258)	(971)	(29.6)
<i>Australia</i>									
Australia	3,925	4,515	(13.1)	-	-	-	3,925	4,515	(13.1)
<i>New Zealand</i>									
New Zealand	10,947	7,843	39.6	-	-	-	10,947	7,843	39.6
<i>Germany</i>									
(b) Germany	1,507	4,440	(66.1)	-	-	-	1,507	4,440	(66.1)
<i>Italy</i>									
(c) Italy	1,616	1,376	17.4	-	-	-	1,616	1,376	17.4
<i>Japan</i>									
(d) Japan	49	1,696	(97.1)	18	80	(77.5)	67	1,776	(96.2)
<i>United Kingdom</i>									
(e) United Kingdom	-	-	-	520	6,718	(92.3)	520	6,718	(92.3)
Total	40,918	72,015	(43.2)	2,100	3,673	(42.8)	39,604	73,633	(46.2)

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	FY 2020	FY 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)	FY 2020	FY 2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	39,656	82,860	(52.1)	2,134	-	N.M	40,419	82,860	(51.2)
- Claymore Connect	2,445	5,020	(51.3)	-	-	-	2,445	5,020	(51.3)
<i>Maldives</i>									
(a) Maldives	4,009	9,925	(59.6)	(2,489)	(7,141)	65.1	(2,621)	(1,312)	(99.8)
<i>Australia</i>									
Australia	8,358	9,139	(8.5)	-	-	-	8,358	9,139	(8.5)
<i>New Zealand</i>									
New Zealand	16,507	16,320	1.1	-	-	-	16,507	16,320	1.1
<i>Germany</i>									
(b) Germany	2,676	9,862	(72.9)	-	-	-	2,676	9,862	(72.9)
<i>Italy</i>									
(c) Italy	1,472	2,818	(47.8)	-	-	-	1,472	2,818	(47.8)
<i>Japan</i>									
(d) Japan	494	3,698	(86.6)	(113)	94	N.M	381	3,792	(90.0)
<i>United Kingdom</i>									
(e) United Kingdom	-	-	-	(312)	12,663	N.M	(312)	12,663	N.M
Total	75,617	139,642	(45.8)	(780)	5,616	N.M	69,325	141,162	(50.9)

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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. Following the final utilisation of the remaining cumulative minimum rent top-ups in FY 2019, there has been no further top-ups available for FY 2020.

Previously in 2019, there was a minimum rent top-up cap of US\$6.0 million and no further minimum rent top-ups was payable by Lessee to Lessor after the cumulative top-ups reached US\$6.0 million. Accordingly, the yoy gross revenue declined as the cumulative minimum rent top-up has reached its limit. In the previous corresponding period, the revenue included a minimum rent of US\$500,000 per month (based on a minimum rent of US\$6.0 million per annum).

(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 to operate the resort. The resort underwent asset enhancements works during its closure since 1 June 2018 and was rebranded as Raffles Maldives Meradhoo in May 2019 to join the iconic collection of Raffles Hotels and Resorts.

For the H-REIT Group, the revenue for 2H 2020 and FY 2020 includes S\$2.0 million (US\$1.5 million) and S\$4.1 million (US\$3.0 million) rental income from HBT Group respectively. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the 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 base rent of €3.6 million per annum. In 2H 2020, an impairment of S\$2.3 million (€1.4 million) was recognised in relation to the rental receivables from this Lessee. For FY 2020, an impairment of S\$4.7 million (€3.0 million) was recognised in relation to the rental receivables from this Lessee.*

As the hotel operations had been severely impacted by the pandemic, the Lessee has requested for a temporary rent abatement arrangement similar to that disclosed under footnote (c) below. A rent abatement agreement is expected to be concluded soon.

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

Due to the COVID-19 pandemic, the Lessor entered into discussions on temporary rent abatement with its Lessee. A temporary 5-year rent abatement agreement for Hotel Cerretani Firenze was signed in December 2020 (“Temporary Arrangement”). Pursuant to the Temporary Arrangement, from 2020 to 2024, the annual base rent level of the Hotel Cerretani Firenze has been reduced, starting with €0.2 million in 2020, stepping up annually to a base rent level of €0.9 million in 2024, before reverting to the original base rent level of €1.3 million per annum in 2025. Notwithstanding this arrangement, under SFRS (1) 16/FRS 116 Leases, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S\$1.7 million (€1.1 million) per annum. Accordingly, the gross revenue and NPI has been adjusted to reflect this new arrangement and the impairment recognised previously of €0.7 million has been reversed in 2H 2020.

Under the Temporary Arrangement, between March 2020 to December 2024 (the “Restructured Term”), after paying for its rent obligations and relevant hotel related expenses, any losses suffered by the lessee during the Restructured Term will be first funded by the Lessee, but the Lessee will be allowed to clawback the cumulative losses incurred from future variable rent payment obligations. The variable rent formula remains unchanged throughout the Restructured Term or after, except that variable rent will be suspended until the cumulative losses are clawbacked by the Lessee. As soon as the cumulative losses are fully clawed back, the Lessor shall be entitled to receive the variable rent thereafter. Lowering the base rent level in the five-year period serves to lower the level of cumulative losses suffered by the lessee and hence lower the amount of clawbacks from future available variable rent. The rationale for the Temporary Arrangement is for business continuity and working together with the lessees is important to navigate the hotel out of the crisis successfully.

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

For H-REIT Group, the revenue for 2H 2020 and FY 2020 includes S\$0.2 million (JPY16.9 million) and S\$0.8 million (JPY64.6 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S\$0.3 million (JPY26.0 million), after deducting operating expenses, was included in the income available for distribution in 1H 2020 and FY 2020 as the financial results for the fiscal period ended 30 March 2020 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 31 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(e) *The UK Hotels includes:*

(i) *Hilton Cambridge City Centre*

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

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

(ii) *The Lowry Hotel*

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

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

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8 (iii) Review of the Performance

Six months period ended 31 December 2020

The COVID-19 crisis continue to have a profound impact on the Group's overall performance, where community lockdowns, social distancing, travel and mobility restrictions had severely affected its hospitality and conference businesses. With the exception of the five Singapore Hotels and the New Zealand Hotel which were supported by demand for accommodation facilities used for isolation purposes, most of the Group's hotels were operating at mid to low occupancies. Even though there was inorganic NPI contribution from W Hotel (acquired 16 July 2020) in 2H 2020, this was more than offset by the absence of contribution from NCQ and Novotel Brisbane (divested on 15 July 2020 and 30 October 2020 respectively). Accordingly, CDLHT's gross revenue and NPI declined by 36.5% and 46.2% year-on-year (“yoy”) to S\$65.5 million and S\$39.6 million respectively for 2H 2020. The substantive contributions to portfolio revenue from the Singapore, New Zealand and Australia Hotels, which amounted to S\$47.8 million (inclusive of S\$22.4 million fixed rent), partially insulated the group from the severe effects of the pandemic.

Total arrivals to Singapore declined sharply by 99.2% yoy to 77,342 for the July to December 2020 period, with suppressed arrivals throughout the period¹, due to continued border closures since March 2020. Whilst room occupancies remain supported by continued demand for dedicated isolation facilities and from foreign workers affected by border closures, the average room rates recorded for the period were much lower compared to the same period last year. Furthermore, the performance of the Singapore Hotels was also impacted by the absence of major MICE events, wedding banquets and social functions, which were either postponed or cancelled. Accordingly, 2H 2020 RevPAR for the Singapore Hotels decreased by 53.5%² yoy. Overall, revenue contribution from the Singapore Hotels (including NCQ which was divested on 15 July 2020) declined by 31.6% yoy.

In the Maldives, the borders reopened on 15 July 2020 and a total of 172,604 tourists arrived in 2H 2020³. Whilst arrivals decreased by 79.5% compared to 2H 2019⁴, there has been gradual recovery with arrivals incrementally supported by greater flight connectivity to the Maldives. Although the two resorts were largely unoccupied for most of 2H 2020, business activity picked up in December 2020 as Maldives remains one of the few countries in Asia that kept its borders opened to international tourists despite second waves of the pandemic. For December 2020, Angsana Velavaru achieved an occupancy of 45.7%, while RevPAR decreased by 6.9% yoy. At Raffles Maldives Meradhoo, the resort achieved an occupancy of 39.2% for December 2020, while RevPAR for the month increased by 21.6% yoy. The Raffles Royal Residence, a newly constructed presidential villa in 2H 2020, welcomed its first guests in December 2020.

The Australia Hotels are largely on a fixed rent structure, insulating CDLHT from the underlying trading conditions. Following the divestment of Novotel Brisbane on 30 October 2020, there are two Perth hotels remaining in CDLHT's Australia portfolio. The overall gross revenue contribution from Australia consisting all fixed rent (in SGD terms) was 13.1% lower yoy. A rent deferment and instalment plan was agreed with the lessee to progressively collect the rent in arrears for the two remaining Perth Hotels.

In New Zealand, Grand Millennium Auckland was contracted as a managed isolation facility throughout 2H 2020. This helped mitigate business attrition owing to a second lockdown from mid-August 2020. RevPAR for 2H 2020 was 5.5% lower against 2H 2019. Overall, the higher rental income was assisted by the increased food and beverage contribution driven from the government managed isolation business.

CDLHT's Japan Hotels in Tokyo experienced an increase in business volumes in 4Q 2020 after Tokyo's inclusion in the “Go To Travel” campaign, a government-subsidised program introduced in July 2020 to encourage domestic tourism, from 1 October 2020⁵. The Japan Hotels achieved occupancy of 47.0% for 2H 2020, supported by higher occupancy of 56.8% in 4Q 2020. This was driven by increased corporate activity as well as quarantine stay demand with the introduction of phased measures towards resuming cross border travel arising from its “Business Tracks” and “Residence Tracks”, effective 1 October 2020 until its suspension on 28 December 2020⁶. Collectively, the Japan Hotels posted a yoy RevPAR decline of 69.6% for 2H 2020.

¹ Singapore Tourism Board (“STB”)

² Assumes CDLHT owns W Hotel from 1 July for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

³ Ministry of Tourism, Republic of Maldives, “Monthly Statistics – December 2020”, 17 January 2021

⁴ Ministry of Tourism, Republic of Maldives, “Monthly Statistics – December 2019”, 14 January 2020

⁵ The Japan Times, “Breaking down Japan's Go To Travel campaign”, 18 October 2020

⁶ Ministry of Foreign Affairs of Japan, “Phased Measures for Resuming Cross-Border Travel”, 13 January 2021

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In the UK, the resurgence of the pandemic resulted in a second nationwide lockdown from 5 November 2020. Having reopened on 1 July 2020 after the first lockdown, Hilton Cambridge City Centre remained open through the second lockdown providing accommodation to flight crew and essential workers. Due to weak festive demand, the hotel closed temporarily from 20 December 2020 to 4 January 2021 in order to minimise operating costs.

Prior to and post the second nationwide lockdown introduced in early November 2020, the Greater Manchester region was subject to local lockdown measures and was placed in Tier 3 of the COVID-19 alert system in the UK⁷, which greatly weakened the domestic leisure demand for The Lowry Hotel. The Lowry Hotel closed intermittently throughout the second lockdown, only opening to house elite sports teams and entertainment groups. Collectively, the UK Hotels registered a 68.8% yoy decline in RevPAR for 2H 2020. Both UK Hotels are operating at minimal staffing levels, with payroll heavily subsidised by the UK government’s furlough scheme, which has been extended to April 2021.

Travel restrictions within the EU were largely lifted from June 2020 and a slow recovery took place in 3Q 2020 across Germany and Italy. Both countries faced a slew of tightened measures from early November 2020 which ended in a lockdown as the second wave of the pandemic swept across Europe. While Pullman Hotel Munich remained open for key workers and essential business travelers, RevPAR decreased by 84.1% yoy for 2H 2020. With operating performance of the Germany Hotel being adversely affected, an impairment of S\$2.3 million (€1.4 million) was recognised in 2H 2020 against the rental receivables due from the lessee. A restructuring of the rental agreement with the lessee of the German Hotel is expected to be concluded in due course.

Hotel Cerretani Firenze, which reopened on 14 August 2020 after a five-month closure, went into a temporary closure from 30 October 2020 due to the lack of demand following the implementation of a nationwide curfew and lockdown. In end 2020, CDLHT entered into a lease amendment agreement with the Italy Hotel lessee to restructure the rental arrangement. Under SFRS(I) 16/FRS 116 Leases, the rental income under this lease modification will be accounted for on a straight-line basis over the remaining lease tenure at S\$1.7 million (€1.1 million) per annum. Accordingly, the revenue and NPI has been adjusted to reflect this new arrangement and the impairment previously recognised of S\$1.0 million (€0.7 million) has been reversed in 2H 2020.

At Claymore Connect, the retail performance remained soft during 2H 2020. Despite rental reliefs and temporary assistance extended to its tenants, the lockdown from April 2020 and the subsequent gradual easing from 3Q 2020 had severely impacted business at the mall, resulting in some tenants being unable to reopen and some eventually closing down. These factors led to a reduction in rental income by 45.0% yoy and a decline in committed occupancy to 75.3% as at 31 December 2020. The operating environment remained challenging during the period due to increasing citywide vacancies.

Interest costs for 2H 2020 decreased by 14.9% (S\$1.7 million) against the same period last year, mainly as a result of lower funding costs on the Group’s floating rate loans.

CDLHT revalued its properties as at 31 December 2020 and recorded an overall net fair value loss of S\$185.5 million, largely due to the impact of the COVID-19 pandemic across the Group’s properties (refer to Section 1(b)(i) footnote (b) and (c) on page 11 to 12 of the Announcement for details). Accordingly, CDLHT’s total investment properties and property, plant and equipment value (excluding ROU assets) decreased by 8.8% or S\$250.4 million yoy to S\$2.6 billion. This decline was also partly attributed to the divestment of NCQ and Novotel Brisbane (collectively S\$437.2 million), which more than offset the acquisition of W Hotel (S\$326.0 million) during the year. On the same store basis (assuming NCQ and Novotel Brisbane were excluded and W Hotel was included as part of the portfolio as at 31 December 2019), the total investment properties and property, plant and equipment value (excluding ROU assets) would have decreased by 5.1% or S\$139.2 million yoy. These revaluation losses do not have any impact on the distribution to Stapled Securityholders.

Total distribution (after deducting income retained for working capital) in 2H 2020 was S\$42.1 million, 28.7% lower yoy. Included therein is a capital distribution of S\$20.0 million which relates to a partial distribution of the proceeds from the divestment of NCQ during the year.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 2H 2020 declined by 29.2% yoy to 3.44 cents.

⁷ BBC News, “Coronavirus: Greater Manchester remains in tier 3 restrictions”, 17 December 2020

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Twelve months period ended 31 December 2020

CDLHT’s gross revenue and NPI for FY 2020 declined by 40.3% and 50.9% yoy to S\$117.6 million and S\$69.3 million respectively as a result of the COVID-19 outbreak. Due to the absence of tourism demand and enforcement of international travel restrictions, most of CDLHT’s properties, with the exception of the Singapore and New Zealand Hotels, were either closed on a temporary basis or have experienced a varying degree of occupancy declines since March 2020. Occupancies for the New Zealand and Singapore Hotels were supported by demand for accommodation facilities which are used for isolation purposes. The Group’s results were also partially insulated by substantive contribution from the Singapore, New Zealand and Australia Hotels amounting to S\$79.9 million (inclusive of S\$45.1 million fixed rent).

Total arrivals to Singapore declined sharply by 85.7% yoy to 2.7 million for 2020, with depressed arrivals from 2Q 2020 onwards⁸, due to the border closure since March 2020. Room occupancies were supported by government contracted demand for dedicated isolation facilities from 2Q 2020 and from corporate demand generated by foreign workers affected by border closures. Average room rates declined substantially compared to the same period last year. The performance of the Singapore Hotels in FY 2020 was also impacted by the absence of major MICE events, wedding banquets and social functions, which were either postponed or cancelled due to travel, capacity and social distancing restrictions from 2Q 2020 onwards. Consequently, FY 2020 RevPAR for the Singapore Hotels decreased by 51.4%⁹ while gross revenue contribution (including NCQ) was 37.7% lower yoy.

In the Maldives, total tourist arrivals recorded a steep decline of 67.4% for YTD December 2020¹⁰. Accordingly, RevPAR for Angsana Velavaru decreased by 54.1% yoy for FY 2020 and rental contribution was also significantly lower in the absence of a minimum rent top up for the year. In response to a blanket suspension of visas-on-arrival from end March 2020¹¹, Raffles Maldives Meradhoo was closed from 1 April 2020 for a six-month period in order to minimise operating losses. Both resorts operated with highly reduced manning levels to commensurate with the business levels, as well as temporary salary reductions to reduce operating costs.

The lease structure of the Australia Hotels is largely a fixed rent structure, hence CDLHT is insulated from the downturn in trading conditions. With the divestment of Novotel Brisbane completed on 30 October 2020, the rental contribution (in SGD terms) was correspondingly lower by 8.5% yoy for FY 2020.

In New Zealand, visitor arrivals declined by 51.4% yoy for YTD October 2020¹² as the country closed its borders to international travelers from mid-March 2020 and commenced a six-week countrywide lockdown thereafter. With the implementation of a mandatory 14-day quarantine period for returning New Zealand residents, Grand Millennium Auckland was contracted by the government as a managed isolation facility towards the end of 2Q 2020. Accordingly, the New Zealand Hotel’s FY 2020 RevPAR declined by 19.2% yoy. The steady food and beverage contribution driven from the government managed isolation business mitigated the shortfall from rooms revenue, while payroll costs were largely managed through the wage subsidy scheme which was in place for five months. Consequently, contribution from the New Zealand Hotel remained stable yoy.

Visitor arrivals to Japan declined by 86.2% yoy for YTD November 2020¹³, as travel bans and a nationwide state of emergency was declared by the Government of Japan in mid-April 2020 in response to the pandemic. While border restrictions were gradually lifted from September 2020, this was limited to business travelers to Japan from low-risk countries. A build-up of domestic demand and corporate activity was observed in 4Q 2020 supported by the “Go To Travel” and “Go To Eat” campaigns, two domestic programs aimed at boosting local travel and spending. However, the spike in COVID-19 cases in Tokyo and across Japan resulted in the suspension of the “Go To Travel” campaign from December 2020, as well as a second state of emergency declared in Tokyo from early January 2021. Collectively, the Japan Hotels suffered a RevPAR decrease of 63.0% yoy for FY 2020.

CDLHT’s UK Hotels were temporarily closed for four to five months during the first nationwide lockdown. Hilton Cambridge City Centre operated throughout the second lockdown, while The Lowry Hotel closed intermittently, only opening to house elite sports teams and entertainment groups. Clouded by an air of uncertainty with fast-changing restrictions and the emergence of a fast-spreading coronavirus variant in the UK, demand and booking activity was curtailed in 4Q 2020. Collectively, the Group’s UK Hotels posted a yoy RevPAR decline of 68.5% for FY 2020, with operating costs and losses partially contained through continued support from the UK government’s furlough wage subsidy scheme.

⁸ Singapore Tourism Board (“STB”)

⁹ Assumes CDLHT owns W Hotel from 1 July for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

¹⁰ Ministry of Tourism, Republic of Maldives, Daily Updates – 01 January 2021, Tourist Arrivals: January – December 2020

¹¹ Maldives Insider, “Maldives cuts tourism prospects further, says 2020 arrivals could drop by half”, 2 April 2020

¹² Statistics – Tourism New Zealand

¹³ Japan National Tourism Organization

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In Munich, the absence of two major trade fairs and conferences (the biennial BAU and triennial bauma) together with the lockdown measures and international travel bans in Germany, resulted in a yoy RevPAR decline of 75.5% for FY 2020 for Pullman Hotel Munich. As the operating performance of the hotel was adversely affected by the pandemic, an impairment of S\$4.7 million (€3.0 million) has been recognised for FY 2020 against rental receivables due from the lessee of the hotel.

In Italy, Hotel Cerretani Firenze was closed for seven months out of the twelve-month period and consequently, its RevPAR was 85.5% lower yoy for YTD December 2020. During the reporting period, CDLHT entered into a lease amendment agreement with the Italy Hotel lessee to restructure the rental arrangement. Under SFRS(I) 16/FRS 116 Leases, rental income under this lease modification will be accounted for on a straight-line basis at S\$1.7 million (€1.1 million) per annum. Accordingly, the revenue and NPI has been adjusted to reflect this new arrangement.

Revenue contribution from Claymore Connect declined 38.2% yoy due to the impact of the citywide lockdown and cost of tenant relief packages. Retail sector recovery in 4Q 2020 was muted and uneven from trade to trade. CDLHT extended short term rent concession to tenants affected by COVID-19 to maintain mall occupancy.

The Group’s interest costs for FY 2020 was 12.0% or S\$2.8 million lower yoy as a result of lower funding costs on its floating rate loans.

CDLHT revalued its properties as at 31 December 2020 and recorded an overall net revaluation loss of S\$185.5 million, largely due to the impact of the COVID-19 pandemic across the Group’s properties (refer to Section 1(b) footnote (b) and (c) on page 11 to 12 of the Announcement for details). Accordingly, CDLHT’s total investment properties and property, plant and equipment value (excluding ROU assets) decreased by 8.8% or S\$250.4 million yoy to S\$2.6 billion. This decline was also partly attributed to the divestment of NCQ and Novotel Brisbane (collectively S\$437.2 million), which more than offset the acquisition of W Hotel (S\$326.0 million) during the year. On the same store basis (assuming NCQ and Novotel Brisbane were excluded and W Hotel was included as part of the portfolio as at 31 December 2019), the total investment properties and property, plant and equipment value (excluding ROU assets) would have decreased by 5.1% or S\$139.2 million yoy. These revaluation losses do not have any impact on the distribution to Stapled Securityholders.

Total distribution (after deducting income retained for working capital) was S\$60.4 million in FY 2020, 44.8% lower yoy. Included therein is a capital distribution of about S\$20.0 million which relates to a partial distribution of the proceeds from the divestment of NCQ during the year.

DPS (after deducting income retained for working capital) for FY 2020 was 4.95 cents, 45.1% lower yoy.

Statistics for CDLHT’s hotels are set out below:

Singapore Hotels Statistics

5 Singapore Hotels¹⁴

	4Q 2020*	4Q 2019	Increase/ (Decrease)	2H 2020*	2H 2019	Increase/ (Decrease)	FY 2020*	FY 2019	Increase/ (Decrease)
Average Occupancy Rate	86.8%	86.4%	0.4pp	89.6%	88.6%	1.0pp	79.6%	86.8%	(7.2)pp
Average Daily Rate	S\$76	S\$183	(58.6)%	S\$73	S\$182	(60.1)%	S\$88	S\$177	(50.3)%
RevPAR	S\$66	S\$159	(58.4)%	S\$65	S\$162	(59.7)%	S\$70	S\$153	(54.4)%

* Room refurbishment was carried out until April 2020 at Copthorne King’s Hotel while Studio M Hotel commenced its room refurbishment from May 2020. Excluding the out-of-order rooms, occupancy would be 95.6% and 83.4% for 2H 2020 and FY 2020 respectively while RevPAR would be S\$70 and S\$73 for 2H 2020 and FY 2020 respectively.

¹⁴ Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel and Studio M Hotel (collectively, the “5 Singapore Hotels”). Excludes NCQ which was divested on 15 July 2020.

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6 Singapore Hotels¹⁵ (including W Hotel)

	4Q 2020*	4Q 2019	Increase/ (Decrease)	2H 2020*	2H 2019	Increase/ (Decrease)	FY 2020*	FY 2019	Increase/ (Decrease)
Average Occupancy Rate	84.5%	85.9%	(1.3)pp	86.1%	88.0%	(1.9)pp	78.2%	86.5%	(8.3)pp
Average Daily Rate	S\$106	S\$203	(47.8)%	S\$96	S\$201	(52.4)%	S\$101	S\$187	(46.2)%
RevPAR	S\$89	S\$174	(48.7)%	S\$82	S\$177	(53.5)%	S\$79	S\$162	(51.4)%

* Room refurbishment was carried out until April 2020 at Copthorne King’s Hotel while Studio M Hotel commenced its room refurbishment from May 2020. Excluding the out-of-order rooms, occupancy would be 91.3% and 81.8% for 2H 2020 and FY 2020 respectively while RevPAR would be S\$87 and S\$82 for 2H 2020 and FY 2020 respectively.

Overseas Hotels – RevPAR by Geography¹⁶

	4Q 2020	4Q 2019	Increase/ (Decrease) (%)	2H 2020	2H 2019	Increase/ (Decrease) (%)	FY 2020	FY 2019	Increase/ (Decrease) (%)
Maldives (US\$)#	84	144	(41.6)	44	112	(60.7)	69	151	(54.1)
New Zealand (NZ\$)	177	197	(9.9)	164	173	(5.5)	144	179	(19.2)
Germany (€)	10	105	(90.4)	18	111	(84.1)	27	109	(75.5)
Italy (€)	10	135	(92.3)	13	157	(91.8)	23	158	(85.5)
Japan (¥)	2,769	7,888	(64.9)	2,287	7,516	(69.6)	2,906	7,850	(63.0)
United Kingdom (£)	30	130	(77.2)	42	135	(68.8)	40	128	(68.5)

RevPAR only accounts for Angsana Velavaru and excludes Raffles Maldives Meradhoo. Raffles Maldives Meradhoo was closed during most part of 2019 for renovation and was still undergoing gestation after it reopened in September 2019, before it closed temporarily from 1 April 2020 to 30 September 2020 due to the pandemic. The RevPAR for the Maldives Resorts collectively for 4Q 2020 and 4Q 2019 was US\$146 and US\$181 respectively.

¹⁵ Comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel and W Hotel (collectively, the “6 Singapore Hotels”). Assumes CDLHT owns W Hotel from 1 July for each period for comparison on same store basis. W Hotel was acquired on 16 July 2020. Excludes NCQ which was divested on 15 July 2020.

¹⁶ RevPAR for Australia Hotels is not included as CDLHT receives fixed rent

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

No forecast has been disclosed.

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

The hospitality and tourism industry globally continues to face headwinds as a result of restrictions on travel in response to the COVID-19 pandemic. International tourism declined by 72% in the first 10 months of 2020, with tourism numbers back to levels seen in the 1990s, recording the worst year on record in the history of tourism¹.

With domestic tourism as an immediate priority, countries across the world, including those where CDLHT has a presence in, have developed and implemented several initiatives targeted at promoting domestic travel and restoring confidence in the tourism sector. These initiatives were dampened by a resurgence of the virus, which has resulted in lockdowns being re-imposed across major destinations, including Japan, Germany, Italy and the UK. The situation remains highly fluid and CDLHT's financial performance in 2021 will continue to be largely dependent on the containment of the pandemic globally and consequently on the recovery of international travel.

A sustainable and meaningful recovery of travel is dependent on the availability of a viable medical solution for the masses. Vaccination exercises have commenced in some countries and this is expected to extend into 2022².

As of 28 January 2021, with the exception of Hotel Cerretani Firenze, all of CDLHT's properties are open. Amid the current downtime, the Managers are taking the opportunity to perform essential refurbishment and maintenance works, to minimise disruptions when the properties return to normal operations.

The proceeds from the divestment of Novotel Brisbane on 30 October 2020 has further bolstered CDLHT's financial position. With a healthy balance sheet and strong liquidity, CDLHT is well-positioned to weather the pandemic and ride on the market recovery. CDLHT will continue to evaluate suitable acquisition and/or divestment opportunities as they arise to recycle capital for better returns.

Portfolio Markets

In Singapore, the government has launched several initiatives to promote domestic tourism. These initiatives include the S\$45 million SingapoRediscover campaign³ and S\$320 million worth of SingapoRediscover Vouchers for Singaporeans to spend on local hotel stays, attractions and tours⁴. Singapore has been actively stepping up its border reopening efforts with bilateral or unilateral travel arrangements currently in place with 11 countries⁵, which will pave the way for reviving inbound travel when the pandemic situation globally comes under control.

On 28 December 2020, Singapore moved into Phase 3 of re-opening and the maximum number of physical attendees for MICE events has been increased to 250 (subject to relevant approvals)⁶. With international organisations placing priority on safeguarding the health and safety of participants, countries that have demonstrated strong ability to manage COVID-19 measures for large scale events are likely to be among the top choices for MICE destinations in the near future. In May 2021, Singapore will be hosting the World Economic Forum's annual meeting, reflecting the international community's trust and confidence in Singapore's handling of the pandemic⁷.

Four of CDLHT's six Singapore Hotels continue to operate as facilities used for isolation purposes and the demand for such facilities should continue to support the occupancy into 1Q 2021. For the two remaining CDLHT Singapore Hotels, staycation, project groups, essential foreign worker housing and reciprocal green-lane travel arrangements will be the key to supporting occupancies.

¹ UNWTO, "Tourism Back to 1990 Levels as Arrivals Fall by More than 70%", 17 December 2020

² CNA, "2021 set to be Year of the COVID-19 vaccine but production and delivery challenges remain", 23 December 2020

³ STB, "Enterprise Singapore, Sentosa Development Corporation and Singapore Tourism Board team up with industry to encourage locals to rediscover Singapore", 22 July 2020

⁴ STB, "Factsheet: SingapoRediscover and Expanded Attractions Guidelines", 16 September 2020

⁵ Immigration & Checkpoints Authority, "Travelling to Singapore", 18 January 2021

⁶ STB, "Safe Management Measures for MICE Events", 28 December 2020

⁷ The Straits Times, "Health and safety of participants top priority for WEF event", 19 January 2021

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In New Zealand, entry to the country remains strictly controlled to help prevent the spread of COVID-19, with the borders currently only open to New Zealand citizens or residents, or travellers with specific approval granted⁸. Since early October 2020, New Zealand moved to Alert Level 1 and lifted all COVID-19 restrictions. MICE activities can resume without a limit on the number of attendees and domestic travel is allowed with no social distancing requirements⁹. Grand Millennium Auckland continues to be contracted as a managed isolation facility and this arrangement is expected to continue supporting occupancy through 1Q 2021.

The Australia Hotels enjoy an essentially fixed rent structure. This insulates CDLHT from downside in the underlying trading conditions, particularly amidst the COVID-19 pandemic. The Managers are exploring various options ahead of the expiry of the remaining two Perth hotels' leases on 30 April 2021 after the divestment of Novotel Brisbane last year. At the expiration of the leases, the contribution from the Australia Hotels will be exposed to the trading conditions at that point in time.

In response to the spikes in COVID-19 infection cases, Japan imposed new measures in the last two months. The Go To Travel domestic campaign was suspended on 28 December 2020¹⁰, Tokyo entered into a state of emergency on 8 January 2021¹¹ and the country temporarily suspended the entry non-resident foreign nationals on 14 January 2021¹². The accommodation demand for the Japan Hotels is expected to be impacted by the latest measures.

In the Maldives, tourist arrivals have gradually increased after the re-opening of the border. For December 2020, Maldives achieved tourist arrivals of 96,412, representing over 50% of the 171,348 tourist arrivals recorded in December 2019¹³. The Ministry of Tourism has expressed optimism in the recovery of arrivals in 2021 and estimated one million tourist arrivals for the year¹⁴. However, with many of the top inbound markets comprising the UK and EU nations such as Italy, Germany, and France, mired in the second wave of infections and lockdowns, the nascent recovery in the bookings for the Maldives Resorts is expected to be affected.

In the UK, a new lockdown took effect in early January 2021¹⁵. Hilton Cambridge City Centre and The Lowry Hotel remain open to essential workers, while operating on reduced headcount with payroll supported by the furlough scheme which has been extended to 30 April 2021. In Europe, Germany and Italy imposed new restrictions in December 2020¹⁵. Pullman Hotel Munich continues to operate to provide accommodation for essential business travellers, while Hotel Cerretani Firenze closed on 30 October 2020 and the reopening is dependent on the easing of government restrictions on travel and leisure activities.

Notwithstanding that restrictions have been re-imposed in a number of countries due to the resurgence in the COVID-19 infections recorded, with the gradual deployment of the vaccine worldwide, it is expected that the tourism industry should see a progressive recovery over the course of the year.

⁸ New Zealand Immigration, “New Zealand border entry requirements”, 15 January 2021

⁹ New Zealand Government, “Auckland will move to Alert Level 1”, 5 October 2020

¹⁰ Nippon.com, “Japan to Continue “Go To Travel” Suspension until Feb. 7”, 8 January 2021

¹¹ CNA, “Tokyo starts first day under COVID-19 state of emergency”, 8 January 2021

¹² The Japan Times, “Japan to halt all business travel in new step to curb COVID-19”, 13 January 2021

¹³ Ministry of Tourism, Republic of Maldives, “Monthly Statistics – December 2020”, 17 January 2021

¹⁴ Ministry of Tourism, Republic of Maldives, “Maldives Tourism Bulletin”, 1 January 2021

¹⁵ The Straits Times, “Europe back in lockdown due to COVID-19”, 10 January 2021

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution Distribution for the period from 1 July 2020 to 31 December 2020

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	1.19	0.61	1.64	3.44

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 will receive their distributions after deduction of tax at the rate of 10%.

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

Tax exempt income distribution

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

Capital distribution

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

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11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period? Yes

Name of distribution Distribution for the period from 1 July 2019 to 31 December 2019

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	3.33	0.48	1.05	4.86

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 8 February 2021

11 (d) Date payable

26 February 2021

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

Not applicable.

13 General mandate relating to Interested Person Transactions

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

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

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

15 Segmented revenue and results for operating segments

	CDL Hospitality Trusts		
	FY 2020	FY 2019	Variance
	S\$'000	S\$'000	%
<u>Gross Revenue</u>			
Singapore	55,035	88,298	(37.7)
New Zealand	16,507	16,320	1.1
Australia	8,358	9,139	(8.5)
Maldives	4,785	9,730	(50.8)
Japan	3,830	9,411	(59.3)
United Kingdom	13,952	42,376	(67.1)
Germany	8,740	11,092	(21.2)
Italy	1,713	3,000	(42.9)
Others	4,638	7,506	(38.2)
	117,558	196,872	(40.3)
<u>Net Property Income</u>			
Singapore	40,419	82,860	(51.2)
New Zealand	16,507	16,320	1.1
Australia	8,358	9,139	(8.5)
Maldives	(2,621)	(1,312)	(99.8)
Japan	381	3,792	(90.0)
United Kingdom	(312)	12,663	N.M
Germany	2,676	9,862	(72.9)
Italy	1,472	2,818	(47.8)
Others	2,445	5,020	(51.3)
	69,325	141,162	(50.9)

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

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

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17 Breakdown of sales

CDL Hospitality Trusts		
FY 2020 S\$'000	FY 2019 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	52,059	93,767 (44.5)
Total return for first half year	(4,379)	30,562 N.M
Gross revenue reported for second half year	65,499	103,105 (36.5)
Total return for second half year	(184,756)	83,495 N.M

18 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2020

CDL Hospitality Trusts	
1 Jan 2020 to 31 Dec 2020 S\$'000	1 Jan 2019 to 31 Dec 2019 S\$'000
1 July 2018 to 31 December 2018	- 59,719
1 January 2019 to 30 June 2019	- 50,406
1 July 2019 to 31 December 2019	58,976 -
1 January 2020 to 30 June 2020	18,422 -

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

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

On behalf of the Board of Directors

CHAN SOON HEE ERIC
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

29 January 2021

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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)

29 January 2021

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)

29 January 2021