



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 THIRD QUARTER AND NINE
MONTHS ENDED 30 SEPTEMBER 2018**

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

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INTRODUCTION

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

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

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

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

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

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

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NINE MONTHS ENDED 30 SEPTEMBER 2018**

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jul 2018 to 30 Sep 2018 ("3Q 2018") S\$'000	1 Jul 2017 to 30 Sep 2017 ("3Q 2017") S\$'000	Increase/ (Decrease) %	1 Jan 2018 to 30 Sep 2018 ("YTD Sep 2018") S\$'000	1 Jan 2017 to 30 Sep 2017 ("YTD Sep 2017") S\$'000	Increase/ (Decrease) %
Revenue	50,014	54,826	(8.8)	149,522	149,075	0.3
Net property income	36,226	40,358	(10.2)	107,642	111,136	(3.1)
Total return	22,315	25,751	(13.3)	67,608	56,358	20.0
Income available for distribution to Stapled Securityholders (before retention)	27,249	30,432	(10.5)	80,522	82,437	(2.3)
Less:						
Income retained for working capital	(2,725)	(3,043)	(10.5)	(8,052)	(8,244)	(2.3)
Income to be distributed to Stapled Securityholders (after retention)	24,524	27,389	(10.5)	72,470	74,193	(2.3)
Capital distribution ¹	1,801	-	N.M	5,700	2,215	N.M
Total distribution to Stapled Securityholders (after retention)	26,325	27,389	(3.9)	78,170	76,408	2.3
Total distribution per Stapled Security (before retention)² (cents)						
For the period	2.41	2.54	(5.1)	7.16	7.07	1.3
Total distribution per Stapled Security (after retention)² (cents)						
For the period	2.18	2.29	(4.8)	6.49	6.39	1.6

¹ Includes partial distribution of proceeds from the sale of Mercure and Ibis Brisbane amounting to S\$0.9 million and S\$3.5 million for 3Q 2018 and YTD Sep 2018 respectively.

² This includes capital distribution.

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %
	Revenue								
	38,327	39,565	(3.1)	-	-	-	36,092	37,892	(4.8)
	-	-	-	13,922	16,934	(17.8)	13,922	16,934	(17.8)
(a)	38,327	39,565	(3.1)	13,922	16,934	(17.8)	50,014	54,826	(8.8)
	Property expenses								
	-	-	-	(2,820)	(3,573)	(21.1)	(2,820)	(3,573)	(21.1)
	-	-	-	(3,675)	(3,832)	(4.1)	(3,675)	(3,832)	(4.1)
	-	-	-	(2,415)	(1,847)	30.8	(180)	(174)	3.4
(c)	(1,936)	(1,982)	(2.3)	(582)	(564)	3.2	(2,518)	(2,546)	(1.1)
(d)	(1,264)	(1,259)	0.4	(3,331)	(3,084)	8.0	(4,595)	(4,343)	5.8
	(3,200)	(3,241)	(1.3)	(12,823)	(12,900)	(0.6)	(13,788)	(14,468)	(4.7)
	35,127	36,324	(3.3)	1,099	4,034	(72.8)	36,226	40,358	(10.2)
	(3,217)	(3,412)	(5.7)	-	-	-	(3,217)	(3,412)	(5.7)
	(93)	(71)	31.0	-	-	-	(93)	(71)	31.0
(e)	-	-	-	(156)	-	N.M	(156)	-	N.M
	-	-	-	(57)	(58)	(1.7)	(57)	(58)	(1.7)
	(38)	(57)	(33.3)	(12)	(7)	71.4	(50)	(64)	(21.9)
(f)	(535)	(333)	60.7	(1,717)	(1,687)	1.8	(2,990)	(2,807)	6.5
(g)	(793)	(601)	31.9	(273)	(377)	(27.6)	(1,066)	(978)	9.0
	1,368	691	98.0	21	100	(79.0)	1,389	682	N.M
	(5,245)	(8,355)	(37.2)	(721)	(882)	(18.3)	(6,200)	(6,335)	(2.1)
(j)	(3,877)	(7,664)	(49.4)	(700)	(782)	(10.5)	(4,811)	(5,653)	(14.9)
	26,574	24,186	9.9	(1,816)	1,123	N.M	23,786	27,315	(12.9)
(k)	(854)	(1,025)	(16.7)	(617)	(539)	14.5	(1,471)	(1,564)	(5.9)
(l)	25,720	23,161	11.0	(2,433)	584	N.M	22,315	25,751	(13.3)
	Attributable to:								
	25,623	23,096	10.9	(2,433)	584	N.M	22,218	25,686	(13.5)
(i)	97	65	49.2	-	-	-	97	65	49.2
	25,720	23,161	11.0	(2,433)	584	N.M	22,315	25,751	(13.3)

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue									
	112,076	112,289	(0.2)	-	-	-	105,317	105,653	(0.3)
	-	-	-	44,205	43,422	1.8	44,205	43,422	1.8
(a)	112,076	112,289	(0.2)	44,205	43,422	1.8	149,522	149,075	0.3
Property expenses									
	-	-	-	(9,326)	(8,848)	5.4	(9,326)	(8,848)	5.4
	-	-	-	(11,344)	(9,300)	22.0	(11,344)	(9,300)	22.0
	-	-	-	(7,263)	(7,034)	3.3	(504)	(398)	26.6
(c)	(5,831)	(6,112)	(4.6)	(1,775)	(1,272)	39.5	(7,606)	(7,384)	3.0
(d)	(3,833)	(3,499)	9.5	(9,267)	(8,510)	8.9	(13,100)	(12,009)	9.1
	(9,664)	(9,611)	0.6	(38,975)	(34,964)	11.5	(41,880)	(37,939)	10.4
	102,412	102,678	(0.3)	5,230	8,458	(38.2)	107,642	111,136	(3.1)
	(9,546)	(9,699)	(1.6)	-	-	-	(9,546)	(9,699)	(1.6)
	(250)	(206)	21.4	-	-	-	(250)	(206)	21.4
(e)	-	-	-	(251)	(35)	N.M	(251)	(35)	N.M
	-	-	-	(173)	(138)	25.4	(173)	(138)	25.4
	-	-	-	-	(94)	N.M	-	(94)	N.M
	(115)	(152)	(24.3)	(22)	(20)	10.0	(137)	(172)	(20.3)
(f)	(1,589)	(1,303)	21.9	(5,042)	(10,461)	(51.8)	(8,811)	(14,117)	(37.6)
(g)	(2,412)	(1,635)	47.5	(1,133)	(2,124)	(46.7)	(3,545)	(3,727)	(4.9)
	4,282	2,165	97.8	72	112	(35.7)	4,354	308	N.M
	(20,339)	(25,478)	(20.2)	(2,162)	(2,285)	(5.4)	(22,500)	(23,001)	(2.2)
(j)	(16,057)	(23,313)	(31.1)	(2,090)	(2,173)	(3.8)	(18,146)	(22,693)	(20.0)
	72,443	66,370	9.2	(3,481)	(6,587)	(47.2)	66,783	60,255	10.8
(h)	5,367	-	N.M	-	-	-	5,367	-	N.M
	77,810	66,370	17.2	(3,481)	(6,587)	(47.2)	72,150	60,255	19.7
(k)	(2,343)	(2,970)	(21.1)	(2,199)	(927)	N.M	(4,542)	(3,897)	16.6
(l)	75,467	63,400	19.0	(5,680)	(7,514)	(24.4)	67,608	56,358	20.0
Attributable to:									
	75,295	63,335	18.9	(5,680)	(7,514)	(24.4)	67,436	56,293	19.8
(i)	172	65	N.M	-	-	-	172	65	N.M
	75,467	63,400	19.0	(5,680)	(7,514)	(24.4)	67,608	56,358	20.0

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

	HBT Group			HBT Group		
	3Q 2018	3Q 2017	Increase/ (Decrease)	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period	(2,433)	584	N.M	(5,680)	(7,514)	(24.4)
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Revaluation surplus on property, plant and equipment	-	-	-	-	3,512	N.M
Tax effect on revaluation surplus on property, plant and equipment	10	(2)	N.M	(606)	(604)	0.3
	10	(2)	N.M	(606)	2,908	N.M
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences:						
- foreign operations	(238)	3,947	N.M	(15)	3,917	N.M
- hedge of net investment in a foreign operation	176	-	N.M	-	-	-
- monetary items forming part of net investment in a foreign operation	(207)	-	N.M	-	-	-
	(269)	3,947	N.M	(15)	3,917	N.M
Other comprehensive income for the period, net of tax	(259)	3,945	N.M	(621)	6,825	N.M
Total comprehensive income for the period	(2,692)	4,529	N.M	(6,301)	(689)	N.M

Footnotes

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 26 to 27 of the Announcement.
- (b) Revenue and property expenses for HBT Group have decreased in 3Q 2018 as compared to the corresponding period last year as Dhevanafushi Maldives Luxury Resort has suspended its operations since 1 June 2018 for rebranding works. However, revenue and property expenses increased for YTD Sep 2018 mainly due to the inclusion of the full 9 months' of operating results of The Lowry Hotel (acquired on 4 May 2017) which offset the impact from Dhevanafushi Maldives Luxury Resort closure.
- (c) Property tax of the H-REIT Group was lower in 3Q 2018 and YTD Sep 2018 as compared to the corresponding period last year, arising mainly from revision of prior years' property tax assessments for the Singapore Hotels. In contrast, HBT Group's property tax expenses increased year-on-year ("yoy") for YTD Sep 2018 due to the inclusion of The Lowry Hotel's property tax for the full reporting period.
- (d) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses. These expenses have increased yoy primarily due to the inclusion of expenses for The Lowry Hotel and Pullman Hotel Munich which were acquired last year.

Also included in other property expenses for YTD Sep 2018 is a write-back of prior year impairment loss of S\$86K relating to the rental receivables of Claymore Connect. In YTD Sep 2017, Claymore Connect recognised an impairment loss of S\$76K which was offset by a write-back of S\$26K relating to rental receivables from its tenants.

- (e) The increase in HBT Trustee-Manager's management fees is attributed to the alignment of its fee structure to H-REIT Manager which was approved by Stapled Securityholders through an Extraordinary General Meeting held on 27 April 2018. With effect from 1 May 2018, HBT Trustee-Manager's management fees comprises a base fee of 0.25% per annum of the value of HBT's deposited property and a performance fee of 5.0% per annum of HBT's net property income.

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2018	3Q 2017	3Q 2018	3Q 2017	3Q 2018	3Q 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	535	333	1,717	1,595	2,918	2,650
Amortisation of prepaid land lease	-	-	-	-	72	65
Goodwill impairment ⁽ⁱ⁾	-	-	-	92	-	92
	535	333	1,717	1,687	2,990	2,807

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2018	YTD Sep 2017	YTD Sep 2018	YTD Sep 2017	YTD Sep 2018	YTD Sep 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,589	1,303	5,042	3,813	8,597	7,270
Amortisation of prepaid land lease	-	-	-	-	214	199
Goodwill impairment ⁽ⁱ⁾	-	-	-	6,648	-	6,648
	1,589	1,303	5,042	10,461	8,811	14,117

- (i) *The goodwill impairment in 3Q 2017 and YTD Sep 2017 arose from a purchase price allocation exercise performed for the acquisition of The Lowry Hotel.*
- (g) *Other trust expenses comprise mainly professional fees and administrative expenses. CDLHT recorded lower fees and administrative expenses in YTD Sep 2018 due mainly to the absence of acquisition related transaction costs incurred last year for The Lowry Hotel. This was partially offset by higher expenses arising from the newly acquired assets, The Lowry Hotel and Pullman Hotel Munich, which accounts for the year increase in 3Q 2018.*
- (h) *On 22 December 2017, CDLHT entered into a sale and purchase agreement to sell Mercure Brisbane and Ibis Brisbane in Australia for a total consideration of A\$77.0 million. The sale was completed on 11 January 2018 and CDLHT recognised a gain on disposal of S\$5.4 million.*
- (i) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to Pullman Hotel Munich.*

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(j) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	3Q 2018	3Q 2017	Increase/ (Decrease)	YTD Sep	YTD Sep	Increase/ (Decrease)
	S\$'000	S\$'000	%	2018	2017	%
				S\$'000	S\$'000	
Interest income received/receivable from banks	390	46	N.M	1,044	178	N.M
Interest income received/receivable from HBT Group ⁽ⁱ⁾	-	569	N.M	-	1,735	N.M
Fair value gain on derivatives ⁽ⁱⁱ⁾	978	76	N.M	3,238	252	N.M
Finance income	1,368	691	98.0	4,282	2,165	97.8
Exchange loss	(181)	(2,274)	(92.0)	(6,348)	(7,855)	(19.2)
Interest paid/payable to banks ^(iv)	(4,743)	(5,758)	(17.6)	(12,972)	(16,577)	(21.7)
Amortisation of transaction costs capitalised ^(v)	(265)	(270)	(1.9)	(852)	(886)	(3.8)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(56)	(53)	5.7	(167)	(160)	4.4
Finance costs	(5,245)	(8,355)	(37.2)	(20,339)	(25,478)	(20.2)
Net finance costs	(3,877)	(7,664)	(49.4)	(16,057)	(23,313)	(31.1)

	HBT Group			HBT Group		
	3Q 2018	3Q 2017	Increase/ (Decrease)	YTD Sep	YTD Sep	Increase/ (Decrease)
	S\$'000	S\$'000	%	2018	2017	%
				S\$'000	S\$'000	
Interest income received/receivable from banks	1	1	-	1	1	-
Fair value gain on derivatives ⁽ⁱⁱ⁾	20	-	N.M	71	-	N.M
Exchange gain	-	99	N.M	-	111	N.M
Finance income	21	100	(79.0)	72	112	(35.7)
Exchange loss	(5)	-	N.M	(27)	-	N.M
Interest paid/payable to banks	(677)	(253)	N.M	(2,020)	(425)	N.M
Interest paid/payable to H-REIT Group ⁽ⁱ⁾	-	(569)	N.M	-	(1,735)	N.M
Fair value loss on derivatives ⁽ⁱⁱ⁾	-	(57)	N.M	-	(122)	N.M
Amortisation of transaction costs capitalised ^(v)	(39)	(3)	N.M	(115)	(3)	N.M
Finance costs	(721)	(882)	(18.3)	(2,162)	(2,285)	(5.4)
Net finance costs	(700)	(782)	(10.5)	(2,090)	(2,173)	(3.8)

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	3Q 2018	3Q 2017	Increase/ (Decrease)	YTD Sep	YTD Sep	Increase/ (Decrease)
	S\$'000	S\$'000	%	2018	2017	%
				S\$'000	S\$'000	
Interest income received/receivable from banks	391	46	N.M	1,045	178	N.M
Fair value gain on derivatives ⁽ⁱⁱ⁾	998	19	N.M	3,309	130	N.M
Exchange gain ⁽ⁱⁱⁱ⁾	-	617	N.M	-	-	-
Finance income	1,389	682	N.M	4,354	308	N.M
Exchange loss ⁽ⁱⁱⁱ⁾	(420)	-	N.M	(6,374)	(4,952)	28.7
Interest paid/payable to banks ^(iv)	(5,436)	(6,009)	(9.5)	(15,008)	(17,000)	(11.7)
Amortisation of transaction costs capitalised ^(v)	(288)	(273)	5.5	(951)	(889)	7.0
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(56)	(53)	5.7	(167)	(160)	4.4
Finance costs	(6,200)	(6,335)	(2.1)	(22,500)	(23,001)	(2.2)
Net finance costs	(4,811)	(5,653)	(14.9)	(18,146)	(22,693)	(20.0)

**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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- (i)* The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the acquisition of Hilton Cambridge City Centre (“Intra-group loan”). At the end of 3Q 2017, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan. Accordingly, no intra-group interest income/expenses were recorded in 3Q 2018 and YTD Sep 2018.
- (ii)* Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT’s and HBT’s income from overseas as well as a EUR/USD cross-currency interest rate swap contract entered into by H-REIT in 4Q 2017 to partially hedge its interest cost.
- (iii)* The exchange loss of CDLHT for 3Q 2018 and YTD Sep 2018 mainly arose from translation losses from the group’s United States dollar (“USD”) denominated bank loans as well as the depreciation of Australian dollar (“AUD”) receivables and cash balances against SGD. During the comparative period last year, the exchange loss arose mainly from the foreign currency translation loss on the repayment of a New Zealand dollar loan. These exchange differences (apart from those which are revenue in nature) do not have an impact on the distributable income of CDLHT.
- (iv)* The interest paid/payable to banks for 3Q 2018 and YTD Sep 2018 for H-REIT Group were lower yoy mainly due to continued interest savings derived from the repayment of certain loans arising from proceeds raised from CDLHT’s rights issue in 3Q 2017. Interest payable to banks for 3Q 2018 and YTD Sep 2018 for HBT Group was higher due to the recognition of a full period of interest cost (refinanced as a fixed rate 5-year term loan) arising from The Lowry Hotel as compared to only 5 months last year.
- (v)* The amortisation costs in 3Q 2018 and YTD Sep 2018 relate to the amortisation of transaction costs arising from CDLHT’s borrowings.

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2018 S\$’000	3Q 2017 S\$’000	3Q 2018 S\$’000	3Q 2017 S\$’000	3Q 2018 S\$’000	3Q 2017 S\$’000
Corporate income tax	(773)	(981)	(397)	(234)	(1,170)	(1,215)
Deferred tax	(82)	(45)	18	78	(64)	33
Withholding tax	-	1	(238)	(200)	(238)	(199)
Over/(Under)provision in respect of prior year tax	1	-	-	(183)	1	(183)
	(854)	(1,025)	(617)	(539)	(1,471)	(1,564)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2018 S\$’000	YTD Sep 2017 S\$’000	YTD Sep 2018 S\$’000	YTD Sep 2017 S\$’000	YTD Sep 2018 S\$’000	YTD Sep 2017 S\$’000
Corporate income tax	(2,638)	(2,814)	(671)	(459)	(3,309)	(3,273)
Deferred tax	(345)	(92)	(810)	164	(1,155)	72
Withholding tax	(40)	(60)	(718)	(391)	(758)	(451)
Over/(Under)provision in respect of prior year tax	680	(4)	-	(241)	680	(245)
	(2,343)	(2,970)	(2,199)	(927)	(4,542)	(3,897)

During the reporting quarter, the Australian Taxation Office (ATO) commenced a tax audit on the Group’s Australian investments. The Group is in the process of compiling its responses to queries raised by ATO. As the audit is in the information gathering stage and the outcome of the audit is uncertain, no provision has been made.

(l) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2018 S\$’000	3Q 2017 S\$’000	YTD Sep 2018 S\$’000	YTD Sep 2017 S\$’000
H-REIT	23,363	23,778	67,498	73,819
Other H-REIT group entities (including consolidation adjustments)	2,357	(617)	7,969	(10,419)
HBT	1,025	2,276	2,245	4,204
Other HBT group entities (including consolidation adjustments)	(3,458)	(1,692)	(7,925)	(11,718)
CDL Hospitality Trusts’ consolidation adjustments	(972)	2,006	(2,179)	472
	22,315	25,751	67,608	56,358

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2018	3Q 2017	YTD Sep 2018	YTD Sep 2017
	S\$'000	S\$'000	S\$'000	S\$'000
Total return of H-REIT	23,363	23,778	67,498	73,819
Total comprehensive income of HBT	1,025	2,276	2,245	4,204
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	254	239	847	786
- Income in relation to gain on disposal of investment properties	-	-	(7,567)	-
- Fair value (gain)/ loss on financial derivatives	(978)	(76)	(3,238)	(251)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	56	53	167	160
- Exchange loss/(gain)	608	292	11,715	(5,642)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,574	2,729	7,637	7,759
- H-REIT Trustee's fees	93	71	250	206
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	125	-	201	28
- HBT Trustee-Manager's trustee fees	57	58	173	138
- Other items	72	1,012	594	1,230
Income available for distribution to Stapled Securityholders (before retention)	27,249	30,432	80,522	82,437
Less :				
Income retained for working capital	(2,725)	(3,043)	(8,052)	(8,244)
Income to be distributed to Stapled Securityholders (after retention)	24,524	27,389	72,470	74,193
Capital distribution ⁽ⁱⁱ⁾	1,801	-	5,700	2,215
Total distribution to Stapled Securityholders (after retention)	26,325	27,389	78,170	76,408
Comprising :				
- Taxable income	18,434	19,524	54,445	54,791
- Tax exempt income	6,090	7,865	18,025	19,402
- Capital distribution	1,801	-	5,700	2,215
	26,325	27,389	78,170	76,408

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

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

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

	Footnote	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts	
		30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000
ASSETS							
Non-current assets							
Investment properties	(b)	2,384,913	2,386,430	-	-	2,324,491	2,331,433
Property, plant and equipment	(c)	78,632	78,183	203,596	206,192	333,775	332,666
Prepaid land lease		-	-	-	-	6,653	6,707
Deferred tax assets		623	297	-	-	623	297
Financial derivative assets	(d)	3,070	-	-	-	3,070	-
Other receivables		149	149	-	-	149	149
		2,467,387	2,465,059	203,596	206,192	2,668,761	2,671,252
Current assets							
Inventories		-	-	940	1,161	940	1,161
Trade and other receivables		38,791	20,909	9,872	8,297	35,681	20,758
Financial derivative assets	(d)	151	245	64	7	215	252
Cash and cash equivalents		109,394	78,591	12,055	17,278	121,449	95,869
Assets held for sale	(b)	-	72,863	-	-	-	72,863
		148,336	172,608	22,931	26,743	158,285	190,903
Total assets		2,615,723	2,637,667	226,527	232,935	2,827,046	2,862,155
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(e)	660,868	547,719	96,350	96,264	757,218	643,983
Rental deposits	(f)	9,499	9,397	-	-	9,499	9,397
Deferred tax liabilities	(g)	11,421	17,771	14,885	13,481	26,306	31,251
		681,788	574,887	111,235	109,745	793,023	684,631
Current liabilities							
Loans and borrowings	(e)	196,464	286,227	-	-	196,464	286,227
Trade and other payables	(h)	22,989	34,113	21,138	16,275	31,145	41,941
Financial derivative liabilities	(d)	-	262	-	14	-	276
Provision for taxation		4,959	3,296	857	521	5,816	3,817
		224,412	323,898	21,995	16,810	233,425	332,261
Total liabilities		906,200	898,785	133,230	126,555	1,026,448	1,016,892
Net assets/(liabilities)		1,709,523	1,738,882	93,297	106,380	1,800,598	1,845,263
Represented by:							
Unitholders' funds		1,704,434	1,733,892	93,297	106,380	1,795,509	1,840,273
Non-controlling interests	(i)	5,089	4,990	-	-	5,089	4,990
		1,709,523	1,738,882	93,297	106,380	1,800,598	1,845,263

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Footnotes

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

(b) *The slight decrease in investment properties at CDLHT was mainly attributed to a net translation loss of S\$13.8 million recorded during the reporting quarter, offset by additional capital expenditure of S\$6.9 million.*

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

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

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

The increase in property, plant and equipment at CDLHT is mainly due to a net translation gain of S\$2.5 million and net additions of S\$7.2 million for the period, offset by depreciation expenses of S\$8.6 million.

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

(e) *Loans and borrowings of CDLHT of S\$953.7 million (as at 31 December 2017: S\$930.2 million), which are measured at amortised cost, comprise JPY3.1 billion (S\$37.2 million) TMK bond and S\$916.5 million bank borrowings, as explained under Section 1(b)(ii) on pages 12 to 14 of the Announcement.*

In 3Q 2018, an additional S\$10.3 million was drawn from H-REIT’s revolving credit facility for capital expenditures on the Group’s properties including the Dhevanafushi Maldives Luxury Resort’s rebranding renovations.

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

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

(h) *Trade and other payables for the Group relates mainly to payables for operational and trust expenses. The movement in trade and other payables includes the reversal of over-accruals of acquisition expenses no longer required for the German Hotel under H-REIT Group and increased accruals relating to the Dhevanafushi Maldives Luxury Resort rebranding works in the HBT Group.*

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

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000	30 Sep 2018 S\$'000	31 Dec 2017 S\$'000
Amount repayable after one year						
Secured borrowings	70,675	-	-	-	70,675	-
Secured TMK bond	37,510	36,735	-	-	37,510	36,735
Unsecured borrowings	555,291	513,525	96,989	96,989	652,280	610,514
	663,476	550,260	96,989	96,989	760,465	647,249
Amount repayable within one year						
Unsecured medium term note	-	120,000	-	-	-	120,000
Unsecured borrowings	196,690	166,481	-	-	196,690	166,481
	196,690	286,481	-	-	196,690	286,481
Total borrowings^(a)	860,166	836,741	96,989	96,989	957,155	933,730

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

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

Details of borrowings

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

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		30 Sep 2018			30 Sep 2018			30 Sep 2018		
Currency	Type	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000
JPY	TMK bond (¥3.1 billion)	37,510	37,510	-	-	-	-	37,510	37,510	-
JPY	5-year term loan (¥3.27 billion)	39,567	39,567	-	-	-	-	39,567	39,567	-
SGD	Medium term note	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan	300,000	-	300,000	200,000	-	200,000	500,000	-	500,000
SGD	3 to 3.25-year revolving credit (committed)	250,000	126,690	123,310	-	-	-	250,000	126,690	123,310
SGD	5-year term loans	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US\$141.2 million)	192,683	192,683	-	-	-	-	192,683	192,683	-
EUR	7-year term loan (€44.0 million)	70,675	70,675	-	-	-	-	70,675	70,675	-
GBP	5-year term loans (£120.5 million)	119,441	119,441	-	96,989	96,989	-	216,430	216,430	-
		2,283,476	860,166	1,423,310	296,989	96,989	200,000	2,580,465	957,155	1,623,310

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Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$37.5 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“TMK”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

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

Secured borrowing

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

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

Unsecured medium term note

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

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

Unsecured bridge loan

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

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

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

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1 (c) Consolidated Statements of Cash Flows

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2018	3Q 2017	3Q 2018	3Q 2017	3Q 2018	3Q 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities						
Net income/(Net loss) before tax	26,574	24,186	(1,816)	1,123	23,786	27,315
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a) 2,574	2,729	125	-	2,699	2,729
Depreciation of property, plant and equipment	535	333	1,717	1,595	2,918	2,650
Amortisation of prepaid land lease	-	-	-	-	72	65
Impairment of goodwill	-	-	-	92	-	92
Impairment loss on trade receivables	-	25	45	4	46	28
Net finance costs	3,877	7,664	700	782	4,811	5,653
Transaction costs on acquisition of a subsidiary	-	-	-	3	-	3
Operating income before working capital changes	33,560	34,937	771	3,599	34,332	38,535
Changes in working capital:						
Inventories	-	-	15	118	15	118
Trade and other receivables	(6,338)	11,578	(344)	100	(4,157)	10,033
Trade and other payables	2,136	(6,126)	1,372	(164)	982	(4,647)
Cash generated from operating activities	29,358	40,389	1,814	3,653	31,172	44,039
Income tax paid	(384)	(70)	(401)	(548)	(785)	(618)
Net cash generated from operating activities	28,974	40,319	1,413	3,105	30,387	43,421
Investing activities						
Acquisition of subsidiaries, net of cash acquired	-	(153,664)	-	-	-	(153,664)
Capital expenditure on investment properties	(9,451)	(3,624)	-	-	(5,085)	(3,313)
Addition of property, plant and equipment	-	(139)	(1,348)	(252)	(5,714)	(699)
Movement in other (receivables)/payables	-	115,998	-	-	-	-
Interest received	453	1,605	-	-	453	48
Cash used in investing activities	(8,998)	(39,824)	(1,348)	(252)	(10,346)	(157,628)
Financing activities						
Movement in other (receivables)/payables	-	-	-	(115,998)	-	-
Proceeds from rights issue	-	138,325	-	117,093	-	255,418
Payment of transaction costs related to rights issue	-	(4,048)	-	-	-	(4,048)
Proceeds from bank loans	10,345	145,959	-	-	10,345	145,959
Repayment of bank loans	(595)	(250,903)	-	-	(595)	(250,903)
Payment of transaction costs related to bank loans	(9)	(9)	-	(8)	(9)	(17)
Finance costs paid	(4,101)	(1,889)	(676)	(1,913)	(4,777)	(2,246)
Distribution to holders of Stapled Securities	(49,960)	(47,099)	(1,956)	(2,020)	(51,916)	(49,119)
Distribution to non-controlling interests	(39)	-	-	-	(39)	-
Return of capital to non-controlling interests	(25)	-	-	-	(25)	-
Movement in restricted cash	(8)	282	-	-	(8)	282
Cash (used in)/generated from financing activities	(44,392)	(19,382)	(2,632)	(2,846)	(47,024)	95,326
Net (decrease)/increase in cash and cash equivalents	(24,416)	(18,887)	(2,567)	7	(26,983)	(18,881)
Cash and cash equivalents at beginning of the period	133,584	63,647	14,694	14,605	148,278	78,253
Effect of exchange rate changes on cash and cash equivalents	(894)	(175)	(72)	226	(966)	51
Cash and cash equivalents at end of the period	108,274	44,585	12,055	14,838	120,329	59,423

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

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

1 (c) Consolidated Statements of Cash Flows

Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000
Operating activities						
Net income/(Net loss) before tax	77,810	66,370	(3,481)	(6,587)	72,150	60,255
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a) 7,637	7,759	201	28	7,838	7,787
Depreciation of property, plant and equipment	1,589	1,303	5,042	3,813	8,597	7,270
Amortisation of prepaid land lease	-	-	-	-	214	199
Impairment of goodwill	-	-	-	6,648	-	6,648
(Write-back)/ Impairment loss on trade receivables	(86)	54	123	28	37	81
Gain on disposal of investment properties and related cessation of business of foreign operations	(5,367)	-	-	-	(5,367)	-
Net finance costs	16,057	23,313	2,090	2,173	18,146	22,693
Transaction costs on acquisition of a subsidiary	-	-	-	1,451	-	1,451
Operating income before working capital changes	97,640	98,799	3,975	7,554	101,615	106,384
Changes in working capital:						
Inventories	-	-	231	156	231	156
Trade and other receivables	(16,827)	(529)	(1,590)	(1,885)	(14,103)	590
Trade and other payables	(7,090)	(204)	4,889	1,560	(6,499)	(1,512)
Cash generated from operating activities	73,723	98,066	7,505	7,385	81,244	105,618
Income tax paid	(960)	(1,679)	(1,049)	(797)	(2,009)	(2,476)
Net cash generated from operating activities	72,763	96,387	6,456	6,588	79,235	103,142
Investing activities						
Acquisition of subsidiaries, net of cash acquired	(800)	(153,664)	-	(92,638)	(800)	(246,302)
Capital expenditure on investment properties	(14,493)	(9,761)	-	-	(10,119)	(9,088)
Addition of property, plant and equipment	(384)	(355)	(2,672)	(746)	(7,445)	(1,940)
Proceeds from disposal of investment properties (net)	80,149	-	-	-	80,149	-
Movement in other (receivables)/payables	-	115,998	-	-	-	-
Interest received	1,022	2,685	-	-	1,022	177
Cash generated from/(used in) investing activities	65,494	(45,097)	(2,672)	(93,384)	62,807	(257,153)
Financing activities						
Movement in other (receivables)/payables	-	-	-	(115,998)	-	-
Proceeds from rights issue	-	138,325	-	117,093	-	255,418
Payment of transaction costs related to rights issue	(30)	(4,048)	-	-	(30)	(4,048)
Proceeds from bank loans	204,695	154,702	-	93,958	204,695	248,660
Repayment of bank loans	(187,948)	(252,482)	-	-	(187,948)	(252,482)
Payment of transaction costs related to bank loans	(882)	(18)	(29)	(8)	(911)	(26)
Finance costs paid	(10,581)	(10,566)	(2,026)	(2,864)	(12,607)	(10,923)
Distribution to holders of Stapled Securities	(106,353)	(99,250)	(6,983)	(4,964)	(113,336)	(104,214)
Distribution to non-controlling interests	(218)	-	-	-	(218)	-
Return of capital to non-controlling interests	(25)	-	-	-	(25)	-
Repayment of loan to non-controlling interests	(3,669)	-	-	-	(3,669)	-
Movement in restricted cash	129	402	-	-	129	402
Cash (used in)/generated from financing activities	(104,882)	(72,935)	(9,038)	87,217	(113,920)	132,787
Net increase/(decrease) in cash and cash equivalents	33,375	(21,645)	(5,254)	421	28,122	(21,224)
Cash and cash equivalents at beginning of the period	77,370	66,471	17,278	14,301	94,648	80,772
Effect of exchange rate changes on cash and cash equivalents	(2,471)	(241)	31	116	(2,441)	(125)
Cash and cash equivalents at end of the period	(b) 108,274	44,585	12,055	14,838	120,329	59,423

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

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

Footnotes

(a) Significant non-cash transactions

3Q 2018

1,745,069 (3Q 2017: 1,689,293) Stapled Securities amounting to S\$2.7 million (3Q 2017: S\$2.7 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fees payable in units in respect of the quarter.

YTD Sep 2018

4,926,797 (YTD Sep 2017: 4,975,258) Stapled Securities amounting to S\$7.8 million (YTD Sep 2017: S\$7.8 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 nine months ended 30 September 2018.

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

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	109,394	121,449
Restricted cash ^(a)	(1,120)	(1,120)
Cash and cash equivalents in the Statement of Cash Flows	108,274	120,329

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

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

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/(Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 July 2018	1,733,434	5,057	1,738,491	118,047	(121)	5,558	6,370	(32,034)	97,820	1,829,775	5,057	1,834,832
Operations												
Increase/(decrease) in net assets resulting from operations	25,623	97	25,720	-	-	-	-	(2,433)	(2,433)	22,218	97	22,315
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	16	-	16	-	-	-	10	-	10	26	-	26
Increase in revaluation reserve	16	-	16	-	-	-	10	-	10	26	-	26
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(6,741)	58	(6,683)	-	-	(238)	-	-	(238)	(6,984)	58	(6,926)
- Exchange differences on hedge of net investment in a foreign operation	900	-	900	-	-	176	-	-	176	1,310	-	1,310
- Exchange differences on monetary items forming part of net investment in a foreign operation	(1,412)	-	(1,412)	-	-	(207)	-	-	(207)	(1,619)	-	(1,619)
(Decrease)/Increase in foreign currency translation reserve	(7,253)	58	(7,195)	-	-	(269)	-	-	(269)	(7,293)	58	(7,235)
Transactions with owners												
- Stapled Securities to be issued (a)	2,574	-	2,574	125	-	-	-	-	125	2,699	-	2,699
- Distribution to Stapled Securityholders (b)	(49,960)	-	(49,960)	(438)	-	-	-	(1,518)	(1,956)	(51,916)	-	(51,916)
- Distribution to non-controlling interests (c)	-	(123)	(123)	-	-	-	-	-	-	-	(123)	(123)
Decrease in net assets resulting from transactions with owners	(47,386)	(123)	(47,509)	(313)	-	-	-	(1,518)	(1,831)	(49,217)	(123)	(49,340)
Balance as at 30 September 2018	1,704,434	5,089	1,709,523	117,734	(121)	5,289	6,380	(35,985)	93,297	1,795,509	5,089	1,800,598

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

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

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
Balance as at 1 January 2018	1,733,892	4,990	1,738,882	117,971	(121)	5,304	6,986	(23,760)	106,380	1,840,273	4,990	1,845,263
Operations												
Increase/(decrease) in net assets resulting from operations	75,295	172	75,467	-	-	-	-	(5,680)	(5,680)	67,436	172	67,608
Movements in revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	49	-	49	-	-	-	(606)	-	(606)	(557)	-	(557)
Increase/(decrease) in revaluation reserve	49	-	49	-	-	-	(606)	-	(606)	(557)	-	(557)
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	(8,346)	117	(8,229)	-	-	(15)	-	-	(15)	(8,405)	117	(8,288)
- Exchange differences on hedge of net investment in a foreign operation	(1,669)	-	(1,669)	-	-	-	-	-	-	(1,669)	-	(1,669)
- Exchange differences on monetary items forming part of net investment in a foreign operation	(4,065)	-	(4,065)	-	-	-	-	-	-	(4,065)	-	(4,065)
- Exchange differences reclassified to statement of total return on cessation of business of foreign operations	8,024	-	8,024	-	-	-	-	-	-	8,024	-	8,024
(Decrease)/Increase in foreign currency translation reserve	(6,056)	117	(5,939)	-	-	(15)	-	-	(15)	(6,115)	117	(5,998)
Transactions with owners												
- Stapled Securities to be issued	7,637	-	7,637	201	-	-	-	-	201	7,838	-	7,838
- Issue expenses	(30)	-	(30)	-	-	-	-	-	-	(30)	-	(30)
- Distribution to Stapled Securityholders	(106,353)	-	(106,353)	(438)	-	-	-	(6,545)	(6,983)	(113,336)	-	(113,336)
- Distribution to non-controlling interests	-	(218)	(218)	-	-	-	-	-	-	-	(218)	(218)
Decrease in net assets resulting from transactions with owners	(98,746)	(218)	(98,964)	(237)	-	-	-	(6,545)	(6,782)	(105,528)	(218)	(105,746)
Ownership interests in subsidiaries												
- Acquisition of subsidiary with non-controlling interest	-	28	28	-	-	-	-	-	-	-	28	28
Changes in ownership interests in subsidiaries	-	28	28	-	-	-	-	-	-	-	28	28
Decrease in net assets resulting from Stapled Securityholders’ transactions	(98,746)	(190)	(98,936)	(237)	-	-	-	(6,545)	(6,782)	(105,528)	(190)	(105,718)
Balance as at 30 September 2018	1,704,434	5,089	1,709,523	117,734	(121)	5,289	6,380	(35,985)	93,297	1,795,509	5,089	1,800,598

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

Footnote	H-REIT Group	HBT Group					CDL Hospitality Trusts			
	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non- controlling Interests	Total S\$'000
Balance as at 1 July 2017	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587	-	1,545,587
Operations										
Increase in net assets resulting from operations	23,161	-	-	-	-	584	584	25,686	65	25,751
Movements in revaluation reserve	6	-	-	-	(2)	-	(2)	4	-	4
Movements in foreign currency translation reserve										
- Translation differences relating to financial statements of foreign subsidiaries	(7,847)	-	-	3,947	-	-	3,947	(3,942)	76	(3,866)
- Exchange differences on hedge of net investment in a foreign operation	(913)	-	-	-	-	-	-	(3,706)	-	(3,706)
- Exchange differences on monetary items forming part of net investment in a foreign operation	2,875	-	-	-	-	-	-	2,875	-	2,875
(Decrease)/Increase in foreign currency translation reserve	(5,885)	-	-	3,947	-	-	3,947	(4,773)	76	(4,697)
Transactions with owners										
- Stapled Securities to be issued (a)	2,729	-	-	-	-	-	-	2,729	-	2,729
- Rights issue	138,325	117,093	-	-	-	-	117,093	255,418	-	255,418
- Issue expenses	(4,048)	-	-	-	-	-	-	(4,048)	-	(4,048)
- Distribution to Stapled Securityholders (d)	(47,099)	-	-	-	-	(2,020)	(2,020)	(49,119)	-	(49,119)
- Distribution to non-controlling interests (c)	(65)	-	-	-	-	-	-	-	(65)	(65)
Increase/ (Decrease) in net assets resulting from transactions with owners	89,842	117,093	-	-	-	(2,020)	115,073	204,980	(65)	204,915
Ownership interests in subsidiaries										
- Acquisition of subsidiary with non-controlling interest	5,027	-	-	-	-	-	-	-	5,027	5,027
Changes in ownership interests in subsidiaries	5,027	-	-	-	-	-	-	-	5,027	5,027
Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions	94,869	117,093	-	-	-	(2,020)	115,073	204,980	4,962	209,942
Balance as at 30 September 2017	1,675,429	117,971	(121)	6,133	2,908	(23,467)	103,424	1,771,484	5,103	1,776,587

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

Footnote	H-REIT Group	HBT Group					CDL Hospitality Trusts			
	Total S\$’000	Units in Issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Revaluation Reserve S\$’000	Accumulated Profits/ (Losses) S\$’000	Total S\$’000	Attributable to Stapled Securityholders S\$’000	Non- controlling Interests	Total S\$’000
Balance as at 1 January 2017	1,554,465	850	(121)	2,216	-	(10,989)	(8,044)	1,546,421	-	1,546,421
Operations										
Increase/(decrease) in net assets resulting from operations	63,400	-	-	-	-	(7,514)	(7,514)	56,293	65	56,358
Movements in revaluation reserve	7,948	-	-	-	2,908	-	2,908	10,856	-	10,856
Movements in foreign currency translation reserve										
- Translation differences relating to financial statements of foreign subsidiaries	(11,743)	-	-	3,917	-	-	3,917	(7,847)	76	(7,771)
- Exchange differences on hedge of net investment in a foreign operation	6,000	-	-	-	-	-	-	3,207	-	3,207
- Exchange differences on monetary items forming part of net investment in a foreign operation	7,611	-	-	-	-	-	-	7,611	-	7,611
Increase in foreign currency translation reserve	1,868	-	-	3,917	-	-	3,917	2,971	76	3,047
Transactions with owners										
- Stapled Securities to be issued (a)	7,759	28	-	-	-	-	28	7,787	-	7,787
- Rights issue	138,325	117,093	-	-	-	-	117,093	255,418	-	255,418
- Issue expenses	(4,048)	-	-	-	-	-	-	(4,048)	-	(4,048)
- Distribution to Stapled Securityholders (d)	(99,250)	-	-	-	-	(4,964)	(4,964)	(104,214)	-	(104,214)
- Distribution to non-controlling interests (c)	(65)	-	-	-	-	-	-	-	(65)	(65)
Increase/(decrease) in net assets resulting from transactions with owners	42,721	117,121	-	-	-	(4,964)	112,157	154,943	(65)	154,878
Ownership interests in subsidiaries										
- Acquisition of subsidiary with non-controlling interest	5,027	-	-	-	-	-	-	-	5,027	5,027
Changes in ownership interests in subsidiaries	5,027	-	-	-	-	-	-	-	5,027	5,027
Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions	47,748	117,121	-	-	-	(4,964)	112,157	154,943	4,962	159,905
Balance as at 30 September 2017	1,675,429	117,971	(121)	6,133	2,908	(23,467)	103,424	1,771,484	5,103	1,776,587

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Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. The Stapled Securities for H-REIT Manager and HBT Trustee-manager’s base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for H-REIT Manager and HBT Trustee-manager’s performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *Distribution to Stapled Securityholders in respect of the period from 1 July 2017 to 31 December 2017 and 1 January 2018 to 30 June 2018, which includes a capital distribution of S\$3,975,000 in 3Q 2018 and S\$7,454,000 in YTD Sep 2018.*
- (c) *This relates to distribution to a non-controlling minority shareholder which has an effective interest of less than 5% in Pullman Hotel Munich.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017, which includes a capital distribution of S\$2,156,000 in 3Q 2017 and S\$5,532,000 in YTD Sep 2017.*

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

		CDL Hospitality Trusts	
Foot-note		3Q 2018	3Q 2017
	Issued stapled securities at beginning of the period	1,203,714,089	997,728,708
	Issue of new stapled securities:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	844,629	751,804
	- rights issue	(b) -	199,545,741
	Issued stapled securities at end of the period	1,204,558,718	1,198,026,253
	Stapled securities to be issued:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	(a) 3,319,197	3,360,764
	Total issued and issuable stapled securities at end of the period	1,207,877,915	1,201,387,017

		CDL Hospitality Trusts	
Foot-note		YTD Sep 2018	YTD Sep 2017
	Issued stapled securities at beginning of the period	1,198,822,685	991,771,059
	Issue of new stapled securities:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	5,736,033	6,709,453
	- rights issue	(b) -	199,545,741
	Issued stapled securities at end of the period	1,204,558,718	1,198,026,253
	Stapled securities to be issued:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	(a) 3,319,197	3,360,764
	Total issued and issuable stapled securities at end of the period	1,207,877,915	1,201,387,017

Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for management fee is 2.4 million (YTD Sep 2017: 2.6 million) Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *An additional 199,545,741 Stapled Securities were issued on 2 August 2017, following the closing of the Rights Issue on 24 July 2017.*

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

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

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

Please see the attached review report.

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

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

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

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

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

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2018	3Q 2017	YTD Sep 2018	YTD Sep 2017
EPS				
<u>Basic EPS</u>				
Weighted average number of Stapled Securities	1,204,568,572	1,157,030,608	1,203,756,407	1,073,681,949
Basic EPS ^(a) (cents)	1.84	2.22	5.60	5.24
<u>Diluted EPS</u>				
Weighted average number of Stapled Securities	1,207,877,913	1,160,382,716	1,207,877,915	1,077,843,227
Diluted EPS ^(b) (cents)	1.84	2.21	5.58	5.22

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DPS

Number of Stapled Securities entitled to distribution

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

- Taxable income

- Tax exempt income

- Capital distribution

CDL Hospitality Trusts		CDL Hospitality Trusts	
3Q 2018	3Q 2017	YTD Sep 2018	YTD Sep 2017
1,205,465,379	1,198,822,685	1,205,465,379	1,198,822,685
1.52	1.63	4.50	4.58
0.51	0.66	1.51	1.63
0.15	-	0.48	0.18
2.18	2.29	6.49	6.39

Footnotes

- (a) *Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.*
- (b) *Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.*
- (c) *On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the launch of an underwritten and renounceable rights issue on 27 June 2017 (“Rights Issue”). The new Stapled Securities rank pari passu in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution for YTD Sep 2017.*

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

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

CDL Hospitality Trusts	
30 Sep 2018	31 Dec 2017
1,795,509	1,840,273
1,207,877,915	1,202,951,118
1.4865	1.5298

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8 Review of the performance for the third quarter and nine months ended 30 September 2018

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %	3Q 2018 S\$'000	3Q 2017 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	22,427	23,147	(3.1)	-	-	-	22,427	23,147	(3.1)
- Claymore Connect	1,832	1,717	6.7	-	-	-	1,832	1,717	6.7
<i>Maldives</i> (a)	2,041	2,042	(0.0)	-	-	-	2,041	2,042	(0.0)
<i>Australia</i>	2,408	3,677	(34.5)	-	-	-	2,408	3,677	(34.5)
<i>New Zealand</i>	3,904	4,379	(10.8)	-	-	-	3,904	4,379	(10.8)
<i>Germany</i> (b)	3,480	2,930	18.8	-	-	-	3,480	2,930	18.8
	36,092	37,892	(4.8)	-	-	-	36,092	37,892	(4.8)
Managed hotels									
<i>Maldives</i> (a)	1,020	568	79.6	44	3,287	(98.7)	44	3,287	(98.7)
<i>Japan</i> (c)	1,215	1,105	10.0	2,484	2,345	5.9	2,484	2,345	5.9
<i>United Kingdom</i> (d)	-	-	-	11,394	11,302	0.8	11,394	11,302	0.8
	2,235	1,673	33.6	13,922	16,934	(17.8)	13,922	16,934	(17.8)
Total	38,327	39,565	(3.1)	13,922	16,934	(17.8)	50,014	54,826	(8.8)

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8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Increase/ (Decrease) %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Increase/ (Decrease) %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Increase/ (Decrease) %
Master leases									
<i>Singapore</i>									
- Hotels	65,295	66,006	(1.1)	-	-	-	65,295	66,006	(1.1)
- Claymore Connect	5,549	5,088	9.1	-	-	-	5,549	5,088	9.1
<i>Maldives</i> (a)	6,029	6,259	(3.7)	-	-	-	6,029	6,259	(3.7)
<i>Australia</i>	7,464	10,913	(31.6)	-	-	-	7,464	10,913	(31.6)
<i>New Zealand</i>	12,985	14,457	(10.2)	-	-	-	12,985	14,457	(10.2)
<i>Germany</i> (b)	7,995	2,930	N.M	-	-	-	7,995	2,930	N.M
	105,317	105,653	(0.3)	-	-	-	105,317	105,653	(0.3)
Managed hotels									
<i>Maldives</i> (a)	3,014	2,705	11.4	4,686	11,557	(59.5)	4,686	11,557	(59.5)
<i>Japan</i> (c)	3,745	3,931	(4.7)	7,122	7,319	(2.7)	7,122	7,319	(2.7)
<i>United Kingdom</i> (d)	-	-	-	32,397	24,546	32.0	32,397	24,546	32.0
	6,759	6,636	1.9	44,205	43,422	1.8	44,205	43,422	1.8
Total	112,076	112,289	(0.2)	44,205	43,422	1.8	149,522	149,075	0.3

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2018	3Q 2017	Increase/ (Decrease)	3Q 2018	3Q 2017	Increase/ (Decrease)	3Q 2018	3Q 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	20,690	21,263	(2.7)	-	-	-	20,690	21,263	(2.7)
- Claymore Connect	1,246	1,148	8.5	-	-	-	1,246	1,148	8.5
<i>Maldives</i> (a)	2,526	2,078	21.6	(2,638)	18	N.M	(112)	2,096	N.M
<i>Australia</i>	2,408	3,677	(34.5)	-	-	-	2,408	3,677	(34.5)
<i>New Zealand</i>	3,904	4,379	(10.8)	-	-	-	3,904	4,379	(10.8)
<i>Germany</i> (b)	3,218	2,755	16.8	-	-	-	3,218	2,755	16.8
<i>Japan</i> (c)	1,135	1,024	10.8	45	65	(30.8)	1,180	1,089	8.4
<i>United Kingdom</i> (d)	-	-	-	3,692	3,951	(6.6)	3,692	3,951	(6.6)
Total	35,127	36,324	(3.3)	1,099	4,034	(72.8)	36,226	40,358	(10.2)

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)	YTD Sep 2018	YTD Sep 2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- Hotels	59,998	60,351	(0.6)	-	-	-	59,998	60,351	(0.6)
- Claymore Connect	3,920	3,209	22.2	-	-	-	3,920	3,209	22.2
<i>Maldives</i> (a)	7,495	7,306	2.6	(4,328)	137	N.M	3,167	7,443	(57.4)
<i>Australia</i>	7,464	10,913	(31.6)	-	-	-	7,464	10,913	(31.6)
<i>New Zealand</i>	12,985	14,457	(10.2)	-	-	-	12,985	14,457	(10.2)
<i>Germany</i> (b)	7,044	2,755	N.M	-	-	-	7,044	2,755	N.M
<i>Japan</i> (c)	3,506	3,687	(4.9)	53	28	89.3	3,559	3,715	(4.2)
<i>United Kingdom</i> (d)	-	-	-	9,505	8,293	14.6	9,505	8,293	14.6
Total	102,412	102,678	(0.3)	5,230	8,458	(38.2)	107,642	111,136	(3.1)

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Footnotes

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

(i) Master Lease

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

There is a minimum rent top-up cap of US\$6.0 million and there shall be no further minimum rent top-ups payable by Lessee to Lessor after the cumulative top-ups reach US\$6.0 million. In 3Q 2018 and YTD Sep 2018, the Lessee paid the Lessor a top-up amount of US\$1.3 million and US\$2.1 million (3Q 2017/YTD Sep 2017: US\$1.1 million and US\$1.3 million). As at 30 September 2018, the Lessee paid the Lessor a cumulative top-up amount of US\$4.6 million to make up for the shortfall in rent below the minimum rent of US\$6.0 million. This cumulative top-up will be adjusted once the full year results for the resort are ascertained at year end.

(ii) Managed hotel

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

In turn, HBT’s indirect wholly owned subsidiary, CDL HBT Oceanic Maldives Private Limited (“CDL HBT Oceanic”) engaged AccorHotels (previously managed by Jumeirah Management Services (Maldives) Private Limited) to operate the resort. The resort initially operates as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, and following enhancements in late 2018, is being repositioned to join the iconic collection of Raffles Hotels and Resorts. As of 1 June 2018, the resort has suspended its operations to commence enhancement works and rebranding exercise.

For the H-REIT Group, the revenue for 3Q 2018 and YTD Sep 2018 includes S\$1.0 million (US\$0.8 million) and S\$3.0 million (US\$2.25 million) rental income from HBT Group respectively. For the HBT Group, the revenue for the reporting period comprises the entire revenue derived from the operations of the resort.

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

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

For H-REIT Group, the revenue for 3Q 2018 and YTD Sep 2018 includes S\$1.2 million (JPY99.6 million) and S\$3.7 million (JPY307.0 million) net rental income received from HBT Group respectively (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available once the financial results for the fiscal period ended 30 September 2018 are audited and the income ascertained. The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(d) *The UK Hotels includes:*

(i) Hilton Cambridge City Centre

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

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

(ii) The Lowry Hotel

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

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

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8 (iii) Review of the Performance

Third Quarter ended 30 September 2018

CDLHT posted gross revenue of S\$50.0 million in 3Q 2018, down 8.8% against the same period last year. Increased contribution from Pullman Hotel Munich, coupled with improved operating performance from the Japan Hotels boosted the portfolio's performance. There was also a modest incremental contribution from Claymore Connect due to renewal of leases at higher rental rates and new tenants secured. However, the overall revenue was tempered by the full closure of Dhevanafushi Maldives Luxury Resort and the extensive renovations at Orchard Hotel which weighed on the performance of the Singapore Hotels. Together with the lower contribution from the Singapore and New Zealand hotels, a collective yoy decline of S\$4.4m was posted. The divestment of Mercure Brisbane and Ibis Brisbane on 11 January 2018 also lowered gross revenue by S\$1.1 million.

In Singapore, RevPAR of the Singapore Hotels, excluding Orchard Hotel, increased by 1.3% yoy due to support from a stronger Chinese outbound leisure travel season and the presence of major city-wide events like Singapore International Water Week (Biennial), 51st ASEAN Ministerial Meeting and the F1 Singapore Grand Prix. Notwithstanding this, the trading performance of the Singapore Hotels continued to feel the impact of pricing competition from the new hotels which opened in 4Q 2017. Including Orchard Hotel, RevPAR of the Singapore Hotels was marginally lower by 0.3%. Contribution from Orchard Hotel was affected by the closure of the main lobby and certain public areas (including its all-day dining outlet) for ongoing refurbishment works. Whilst the hotel remains fully operational, the disruption resulted in some revenue loss, particularly from corporate groups.

The Maldives market remained challenging as new supply continued to weigh on the market. Despite this, Angsana Velavaru managed to report a 6.5% yoy RevPAR gain. There was no contribution from Dhevanafushi Maldives Luxury Resort as it will remain closed until the rebranding exercise to a “Raffles” resort is completed towards the end of the year. The resort officially suspended operations from 1 June 2018 to undergo the renovations.

In the absence of revenue contribution from Mercure Brisbane and Ibis Brisbane due to its divestment in January this year, the fixed rental received from the Australian portfolio was correspondingly lower. This was further affected by the weakened local currency against SGD.

For the New Zealand Hotel, the absence of the British & Irish Lions Rugby Tour series which stretched to July last year caused its RevPAR for the quarter to drop by 6.0% yoy despite a better August and September. Furthermore, the hotel's contribution (in SGD terms) was affected by the weaker NZD against SGD.

Strong inbound tourism to Japan led to sustained high occupancies for the hospitality industry. Until May 2018, alternative accommodation such as Airbnb, compromised average room rates. From June 2018, all Airbnb hosts had to obtain a governmental permit in order to operate, forcing over 20,000 accommodation listings in Tokyo to be temporarily suspended until properly permitted. This reduction contributed to the Japan Hotels trading at a RevPAR gain of 5.9% yoy.

Collectively, the UK Hotels reported a slight RevPAR drop of 1.2% yoy. Despite increased rooms supply and new competition, Hilton Cambridge City Centre managed to improve its occupancy levels and its RevPAR while the lower number of events in Manchester, the Presidential Suite being taken out of inventory for renovation, as well as the absence of a one-off high-rated conference group during the period contributed to a RevPAR decline for The Lowry Hotel.

In Germany, a stronger city events calendar along with increased corporate group demand resulted in a 3.9%¹ yoy RevPAR growth for Pullman Hotel Munich.

In aggregate, CDLHT's net property income² for 3Q 2018 decreased S\$4.1 million or 10.2% over the same period last year.

Net finance costs for 3Q 2018 was 14.9% lower than the corresponding period last year, mainly due to fair value gains recognised on the Group's derivatives. These fair value gains do not have any impact on distributable income of CDLHT.

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

² CDLHT's net property income is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

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Overall, the total income available for distribution (after retention for working capital) was S\$26.3 million, a decrease of S\$1.1 million or 3.9% against the corresponding period last year. Included therein is a capital distribution of S\$1.8 million (3Q 2017: nil) arising from the Group’s properties. For the reporting quarter, some of the proceeds arising from the sale of Mercure and Ibis Brisbane has been partially utilised to mitigate the net effect arising from this divestment and to offset the sub-optimal performance of Orchard Hotel arising from its renovation exercise.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 3Q 2018 was 2.18 cents, 4.8% lower yoy.

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

	3Q 2018	3Q 2017	Increase/(Decline)
Average Occupancy Rate	90.8%	88.7%	2.1pp
Average Daily Rate	S\$182	S\$187	(2.6)%
RevPAR	S\$165	S\$166	(0.3)%

Nine months ended 30 September 2018

For YTD Sep 2018, gross revenue increased slightly by S\$0.4 million to S\$149.5 million. This was largely supported by inorganic contribution from The Lowry Hotel and Pullman Hotel Munich as well as higher contribution from Claymore Connect. The Group recognised full revenue contribution from The Lowry Hotel (acquired on 4 May 2017) and Pullman Hotel Munich (acquired on 14 July 2017) which boosted revenue by S\$7.5 million and S\$5.1 million respectively. This improvement was however dampened by the full closure of Dhevanafushi Maldives Resort in June 2018 for renovation works, the Orchard Hotel asset enhancement works and the absence of income contribution from Mercure and Ibis Brisbane following its divestment in January 2018. In addition, contribution from the Group’s other overseas properties and Singapore Hotels continued to be challenged by the competitive landscape and increased room supply.

Throughout the period, occupancy levels benefited from several biennial events such as the Singapore Air Show and Food & Hotel Asia as well as Singapore’s status as host for ASEAN Ministerial Meetings. However, the Singapore hospitality market still remained competitive, with new hotel entrants pricing their average room rates aggressively during low and shoulder periods throughout the year. Accordingly, RevPAR for the Singapore Hotels remained flat yoy. On the other hand, Claymore Connect posted a 9.1% yoy revenue upside due mainly to higher tenant rental contribution. On a portfolio basis, the Singapore assets total revenue dipped slightly by 0.4% yoy.

The Maldives resorts faced challenging trading conditions for YTD Sep 2018, including dampened travel sentiments following the State of Emergency declared in February this year. For YTD Sep 2018, accommodation capacity increased 7.2%³ yoy whilst Chinese tourism arrivals contracted by 6.2%³ yoy. Consequently, Angsana Velavaru posted a yoy RevPAR decline of 8.6%. For Dhevanafushi Maldives Luxury Resort, the renovation is expected to complete at year end.

The predominantly fixed rent structure insulated contributions from the Australia Hotels against the downside pressures of the hospitality markets in Perth and Brisbane. Revenue contribution for YTD Sep 2018 from the Australian Hotels was lower than the same time last year due to the absence of rental income from Mercure Brisbane and Ibis Brisbane following their divestment in January this year. The depreciation of AUD against SGD also contributed to a lower contribution in SGD terms.

³ Ministry of Tourism, Republic of Maldives

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Having come off a year of robust tourism growth in 2017, RevPAR performance of the New Zealand Hotel fell by 4.1% yoy as a result of the absence of one-off major sporting events, including the British and Irish Lions Rugby Tour series and the World Masters Games this year compared to the same period last year. The hotel’s contribution to CDLHT (in SGD terms) was also affected by higher property tax and the weaker NZD, resulting in a decline of 10.2% yoy.

The Group’s Japan Hotels continued to be impacted by growing Tokyo hotel supply⁴ and the heavy concentration of more budget-conscious inbound visitors from East Asian countries⁵ which collectively added to the continued pressure on average daily rates. This led to a collective RevPAR decline of 1.7% yoy. From June 2018, Airbnb hosts having to obtain a governmental permit to operate has helped in mitigating the supply growth effects. To boost competitive positioning, certain guestrooms were refurbished and reconfigured earlier this year, with stronger rates from the exercise helping to uplift its performance.

RevPAR for Hilton Cambridge City Centre dipped slightly by 0.9% yoy. The inclement cold weather in UK earlier part of the year, which recorded one of the coldest winters on record, along with new market supply in Cambridge, led to softer trading conditions at the hotel. The Lowry Hotel, faced with a lighter event calendar this year, posted a marginal RevPAR decline of 1.0% yoy⁶.

Pullman Hotel Munich’s RevPAR grew by 4.2%⁶ yoy bolstered by demand created by major trade fairs, as well as new room night contribution from an airline crew contract (absent in the first half of last year).

Collectively, net property income⁷ decreased by 3.1% or S\$3.5 million to S\$107.6 million in YTD Sep 2018.

Net finance costs for YTD Sep 2018 were S\$4.5 million lower than the corresponding period last year, mainly due to fair value gains recognised on the Group’s derivatives and the continued interest savings derived from repayment of certain loans arising from proceeds raised from CDLHT’s rights issue in 3Q 2017.

Overall, total income available for distribution (after deducting income retained for working capital) was S\$78.2 million, 2.3% or S\$1.8 million higher than the corresponding period last year. Included therein is a capital distribution of S\$5.7 million (YTD Sep 2017: S\$2.2 million) arising from the Group’s properties. For YTD Sep 2018, some of the proceeds arising from the sale of Mercure and Ibis Brisbane has been partially utilised to mitigate the net effect from this divestment and to offset the sub-optimal performance of Dhevanafushi Maldives Luxury Resort and Orchard Hotel arising from its renovation works.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) increased yoy by 1.6% to 6.49 cents.

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

	YTD Sep 2018	YTD Sep 2017	Increase/(Decline)
Average Occupancy Rate	87.3%	87.8%	(0.5)pp
Average Daily Rate	S\$183	S\$182	0.6%
RevPAR	S\$160	S\$160	(0.1)%

⁴ CBRE Viewpoint Japan Hotel Market Outlook; January 2018

⁵ Japan National Tourism Organization – 2018 Foreign Visitors & Japanese Departures

⁶ The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel and Pullman Hotel Munich for the full corresponding period.

⁷ CDLHT’s net property income is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

**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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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

Singapore continued to attract more inbound tourism for year-to-date (“YTD”) Aug 2018, with total arrivals posting a healthy yoy increase of 7.5% to 12.6 million. Consequently, total visitor days grew 5.5% yoy¹. The growth in visitor arrivals was partly driven by an increase in Chinese and Indian arrivals, and all of Singapore’s top ten source markets also recorded growth.

While overall economic growth is positive, the pace of expansion is expected to moderate going forward and the ongoing trade conflicts between US and other major economies, as well as tightening global financial conditions, present uncertainties for Singapore. To enhance Singapore’s appeal as a tourist destination, the Singapore Tourism Board (“STB”) continues to deepen its marketing efforts through various multi-year partnerships. These include an inaugural three-year agreement with William Reed Business Media to anchor a series of five 50 Best events in Singapore, such as the debut of The World’s 50 Best Restaurants awards in Singapore in 2019²; as well as a tripartite partnership with Costa Cruises and Changi Airport Group, which is expected to bring in over 100,000 international fly-cruise visitors to Singapore over three years³.

On the supply front, Singapore hotel inventory is estimated to increase by 1,961 net rooms⁴ in 2018 and 2019, representing approximately 2.9% of room stock. While the trading environment is likely to remain competitive as new hotels that opened in late 2017 continue to build their market share, supply growth going forward is benign which will be supportive of a recovery in the Singapore hotel sector. For the first 29 days of October 2018, RevPAR for Singapore Hotels increased by 7.2% as compared to the same period last year.

As part of ongoing asset enhancement initiatives (AEIs) and to continually optimise the potential of CDLHT’s assets, Orchard Hotel is currently undergoing renovation to refresh its lobby and augment its food and beverage outlets (namely Orchard Café and Intermezzo Bar), which is expected to complete by end 2018. While the hotel is fully operational, it will face some disruption and revenue loss during the period of works. Of the inventory in Orchard Wing, 260 bedrooms will be renovated progressively from mid November to around 2Q 2019. In addition, all the meeting facilities and the Grand Ballroom will also undergo a significant upgrading, which will enhance Orchard Hotel’s current positioning as one of only four hotels in Singapore with a ballroom that can accommodate 1,000 or more guests. Asset enhancement opportunities in other hotels are being evaluated to better position CDLHT for the recovery in the Singapore hotel sector.

The tourism sector in New Zealand remains healthy with visitor arrivals growing 2.9% to 2.7 million for YTD Sep 2018⁵ and total arrivals is forecast to increase 4.9% for the full year of 2018⁶. With growing hotel supply in Auckland, performance is likely to be moderated going forward. In end 2018, the government will be launching the 2019 China-New Zealand Year of Tourism – an international agreement which focuses on attracting more high-value Chinese visitors⁷, New Zealand’s second largest source market.

Tourism demand in Japan continues to see growth with a 10.7% yoy increase in visitor arrivals to 23.5 million for YTD Sep 2018⁸. The reduction in number of Airbnb listings due to new regulations implemented have partially alleviated supply concerns and should benefit the economy hotel market⁹.

¹ STB

² STB, “STB’s multi-year partnership with 50 Best brand to spur industry and capability growth & development for F&B enterprises”, 3 Oct 2018

³ STB, “Costa Cruises Enters Second Tripartite Partnership with Singapore Tourism Board and Changi Airport Group to Grow the Fly”, 4 Oct 2018

⁴ Based on Horwath data (July 2018) and CDLHT Research

⁵ Stats NZ, “International travel and migration”

⁶ Ministry of Business, Innovation and Employment, New Zealand Tourism Forecasts 2018-2024

⁷ Stuff, “Cashing in on the China-New Zealand Year of Tourism”, 30 Sep 2018

⁸ Japanese National Tourism Organization

⁹ Savills World Research Japan, “Spotlight Japan Hospitality”, Aug 2018

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In the Maldives, Dhevanafushi Maldives Luxury Resort is undergoing extensive enhancement works which is expected to complete at year end. Soon after completion, the resort will be relaunched as the first flagship “Raffles Hotels & Resorts” property in the Maldives and there will be a gestation period before the performance stabilises. Refurbishment works are also being planned for 28 land villas in Angsana Velavaru. These AEs are expected to improve the product offerings of both resorts, amidst recovering growth in arrivals from European markets¹⁰. While there is intensified competition from increase in new resorts supply, the government has announced new steps to maintain a structured growth in tourism, including a slowdown in leasing islands for resort development and increased marketing efforts in key markets such as China and the Middle East¹¹.

The UK economy is seeing steady growth but Brexit uncertainty may continue to pose headwinds¹². The Presidential Suite at The Lowry Hotel, which is important to grow the entertainment business, has completed its renovation. There are also plans to upgrade the public areas, which will enhance its position as one of the top hotels in Manchester amidst new supply growth in the city.

International arrivals to Munich recorded a healthy yoy growth of 6.1% to 2.4 million for YTD Aug 2018¹³. While there is growth in hotel inventory in Munich, demand in the hospitality market is well-supported by the city’s events calendar.

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

¹⁰ Ministry of Tourism, Republic of Maldives

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

¹² IHS Markit, “IHS Markit / CIPS UK Services PMI”, 3 Oct 2018

¹³ München Tourismus

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

No distribution has been declared for the third quarter ended 30 September 2018.

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the preceding financial period?

No distribution has been declared for the third quarter ended 30 September 2017.

11 (c) Book closure date

Not applicable.

11 (d) Date payable

Not applicable.

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

Not applicable.

13 General mandate relating to Interested Person Transactions

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

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

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

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

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

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On behalf of the Board of Directors

CHAN SOON HEE ERIC
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

30 October 2018

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

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the REIT Manager and the Trustee-Manager (together with the REIT Manager, the “Managers”) on future events.

The value of the stapled securities in CDLHT (the “Stapled Securities”) and the income derived from them, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

Nothing in this announcement constitutes an offer of any securities in the United States or elsewhere. The rights Stapled Securities have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of that Act. No public offer of the rights Stapled Securities has been or will be made in the United States.

The past performance of CDLHT is not necessarily indicative of the future performance of CDLHT.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board

Enid Ling Peek Fong
Company Secretary
M&C REIT Management Limited
(Company Registration No. 200607091Z)
(as Manager of CDL Hospitality Real Estate Investment Trust)

30 October 2018

By Order of the Board

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

30 October 2018



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The Board of Directors
M&C REIT Management Limited
(in its capacity as Manager of CDL Hospitality Real Estate Investment Trust)
390 Havelock Road
#02-05 King's Centre
Singapore 169662

30 October 2018

Dear Sirs

CDL Hospitality Trusts

Report on review of interim financial information

Introduction

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

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

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



Scope of review

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

Conclusion

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

Restriction on use

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

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

30 October 2018