



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 2019**

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## CDL HOSPITALITY TRUSTS

A stapled group comprising:

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

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

and

### **CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES**

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

## **CDL HOSPITALITY TRUSTS**

## **UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019**

### **INTRODUCTION**

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.8 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 2019, CDLHT owns 16 hotels and two resorts comprising a total of 5,088 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**”);
- (vii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Florence, MGallery by Sofitel (the “**Italy Hotel**”); and
- (viii) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo (previously known as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels) (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 Raffles Maldives Meradhoo, Managed by AccorHotels (“Raffles Maldives Meradhoo”). 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.

On 27 November 2018, H-REIT through its wholly-owned subsidiary, CDLHT CFM One Pte. Ltd., completed its acquisition of a 95.0% interest in Hotel Cerretani Florence, MGallery by Sofitel and the fixtures, furniture and equipment therein.

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 nine-month period ending on each of the said dates. Distributions, when paid, will be in Singapore dollars.

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

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND  
NINE MONTHS ENDED 30 SEPTEMBER 2019**

**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

	1 Jul 2019 to 30 Sep 2019 ("3Q 2019") S\$'000	1 Jul 2018 to 30 Sep 2018 ("3Q 2018") S\$'000	Increase/ (Decrease)  %	1 Jan 2019 to 30 Sep 2019 ("YTD Sep 2019") S\$'000	1 Jan 2018 to 30 Sep 2018 ("YTD Sep 2018") S\$'000	Increase/ (Decrease)  %
Revenue	49,129	50,014	(1.8)	142,896	149,522	(4.4)
Net property income	35,666	36,226	(1.5)	103,195	107,642	(4.1)
Total return	16,157	22,315	(27.6)	46,719	67,608	(30.9)
Income available for distribution to Stapled Securityholders (before retention)	25,645	27,249	(5.9)	73,074	80,522	(9.2)
Less:						
Income retained for working capital	(2,564)	(2,725)	(5.9)	(7,307)	(8,052)	(9.3)
Income to be distributed to Stapled Securityholders (after retention)	23,081	24,524	(5.9)	65,767	72,470	(9.2)
Capital distribution <sup>1</sup>	2,299	1,801	27.7	9,997	5,700	75.4
Total distribution to Stapled Securityholders (after retention)	25,380	26,325	(3.6)	75,764	78,170	(3.1)
<b>Total distribution per Stapled Security (before retention)<sup>2</sup> (cents)</b>						
For the period	2.30	2.41	(4.6)	6.85	7.16	(4.3)
<b>Total distribution per Stapled Security (after retention)<sup>2</sup> (cents)</b>						
For the period	2.09	2.18	(4.1)	6.25	6.49	(3.7)

<sup>1</sup> Includes partial distribution of proceeds from the sale of Mercure and Ibis Brisbane amounting to S\$0.7 million for 3Q 2019 (3Q 2018: S\$0.9 million) and S\$4.3 million for YTD Sep 2019 (YTD Sep 2018: S\$3.5 million).

<sup>2</sup> This includes capital distribution.

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

Foot-note	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts		
	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>									
Rental revenue	37,715	38,327	(1.6)	-	-	-	35,938	36,092	(0.4)
Hotel revenue	-	-	-	13,191	13,922	(5.3)	13,191	13,922	(5.3)
(a)	37,715	38,327	(1.6)	13,191	13,922	(5.3)	49,129	50,014	(1.8)
<b>Property expenses</b>									
Operation and maintenance expenses	-	-	-	(2,914)	(2,820)	3.3	(2,914)	(2,820)	3.3
Employee benefit expenses	-	-	-	(4,119)	(3,675)	12.1	(4,119)	(3,675)	12.1
Rental expenses	-	-	-	(753)	(2,415)	(68.8)	(9)	(180)	(95.0)
Property tax	(1,533)	(1,936)	(20.8)	(569)	(582)	(2.2)	(2,102)	(2,518)	(16.5)
Other property expenses	(1,061)	(1,264)	(16.1)	(3,258)	(3,331)	(2.2)	(4,319)	(4,595)	(6.0)
(e)	(1,533)	(1,936)	(20.8)	(569)	(582)	(2.2)	(2,102)	(2,518)	(16.5)
(f)	(1,061)	(1,264)	(16.1)	(3,258)	(3,331)	(2.2)	(4,319)	(4,595)	(6.0)
	(2,594)	(3,200)	(18.9)	(11,613)	(12,823)	(9.4)	(13,463)	(13,788)	(2.4)
<b>Net property income</b>	35,121	35,127	(0.0)	1,578	1,099	43.6	35,666	36,226	(1.5)
H-REIT Manager's management fees	(3,310)	(3,217)	2.9	-	-	-	(3,310)	(3,217)	2.9
H-REIT Trustee's fees	(99)	(93)	6.5	-	-	-	(99)	(93)	6.5
HBT Trustee-Manager's management fees	-	-	-	(138)	(156)	(11.5)	(138)	(156)	(11.5)
HBT Trustee-Manager's trustee fees	-	-	-	(55)	(57)	(3.5)	(55)	(57)	(3.5)
Valuation fees	(48)	(38)	26.3	(10)	(12)	(16.7)	(58)	(50)	16.0
Depreciation and amortisation	(487)	(535)	(9.0)	(2,370)	(1,717)	38.0	(2,953)	(2,990)	(1.2)
Other trust expenses	(1,295)	(793)	63.3	(471)	(273)	72.5	(1,766)	(1,066)	65.7
(g)	-	-	-	(138)	(156)	(11.5)	(138)	(156)	(11.5)
(h)	(487)	(535)	(9.0)	(2,370)	(1,717)	38.0	(2,953)	(2,990)	(1.2)
(i)	(1,295)	(793)	63.3	(471)	(273)	72.5	(1,766)	(1,066)	65.7
Finance income	5,376	1,368	N.M	28	21	33.3	5,355	1,389	N.M
Finance costs	(12,129)	(5,245)	N.M	(1,439)	(721)	99.6	(13,620)	(6,200)	N.M
Net finance costs	(6,753)	(3,877)	74.2	(1,411)	(700)	N.M	(8,265)	(4,811)	71.8
(l)	(6,753)	(3,877)	74.2	(1,411)	(700)	N.M	(8,265)	(4,811)	71.8
<b>Total return/(Net loss) before tax</b>	23,129	26,574	(13.0)	(2,877)	(1,816)	58.4	19,022	23,786	(20.0)
Tax expense	(2,374)	(854)	N.M	(491)	(617)	(20.4)	(2,865)	(1,471)	94.8
(m)	(2,374)	(854)	N.M	(491)	(617)	(20.4)	(2,865)	(1,471)	94.8
<b>Total return/(Net loss)</b>	20,755	25,720	(19.3)	(3,368)	(2,433)	38.4	16,157	22,315	(27.6)
(n)	20,755	25,720	(19.3)	(3,368)	(2,433)	38.4	16,157	22,315	(27.6)
<b>Attributable to:</b>									
Unitholders	20,641	25,623	(19.4)	(3,368)	(2,433)	38.4	16,043	22,218	(27.8)
Non-controlling interests	114	97	17.5	-	-	-	114	97	17.5
(k)	114	97	17.5	-	-	-	114	97	17.5
<b>Total return/(Net loss)</b>	20,755	25,720	(19.3)	(3,368)	(2,433)	38.4	16,157	22,315	(27.6)

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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 <sup>(b)</sup>			CDL Hospitality Trusts		
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %
	<b>Revenue</b>								
	110,637	112,076	(1.3)	-	-	-	104,651	105,317	(0.6)
	-	-	-	38,245	44,205	(13.5)	38,245	44,205	(13.5)
(a)	110,637	112,076	(1.3)	38,245	44,205	(13.5)	142,896	149,522	(4.4)
	<b>Property expenses</b>								
	-	-	-	(8,252)	(9,326)	(11.5)	(8,252)	(9,326)	(11.5)
(c)	-	-	-	(12,521)	(11,344)	10.4	(12,521)	(11,344)	10.4
(d)	-	-	-	(2,945)	(7,263)	(59.5)	(33)	(504)	(93.5)
(e)	(4,655)	(5,831)	(20.2)	(1,761)	(1,775)	(0.8)	(6,416)	(7,606)	(15.6)
(f)	(3,234)	(3,833)	(15.6)	(9,245)	(9,267)	(0.2)	(12,479)	(13,100)	(4.7)
	(7,889)	(9,664)	(18.4)	(34,724)	(38,975)	(10.9)	(39,701)	(41,880)	(5.2)
	102,748	102,412	0.3	3,521	5,230	(32.7)	103,195	107,642	(4.1)
	(9,779)	(9,546)	2.4	-	-	-	(9,779)	(9,546)	2.4
	(294)	(250)	17.6	-	-	-	(294)	(250)	17.6
(g)	-	-	-	(418)	(251)	66.5	(418)	(251)	66.5
	-	-	-	(167)	(173)	(3.5)	(167)	(173)	(3.5)
	(150)	(115)	30.4	(31)	(22)	40.9	(181)	(137)	32.1
(h)	(1,420)	(1,589)	(10.6)	(7,261)	(5,042)	44.0	(8,955)	(8,811)	1.6
(i)	(4,050)	(2,412)	67.9	(1,005)	(1,133)	(11.3)	(5,055)	(3,545)	42.6
	5,133	4,282	19.9	230	72	N.M	5,076	4,354	16.6
	(23,736)	(20,339)	16.7	(4,315)	(2,162)	99.6	(28,022)	(22,500)	24.5
(l)	(18,603)	(16,057)	15.9	(4,085)	(2,090)	95.5	(22,946)	(18,146)	26.5
	68,452	72,443	(5.5)	(9,446)	(3,481)	N.M	55,400	66,783	(17.0)
(j)	-	5,367	N.M	-	-	-	-	5,367	N.M
	68,452	77,810	(12.0)	(9,446)	(3,481)	N.M	55,400	72,150	(23.2)
(m)	(7,508)	(2,343)	N.M	(1,173)	(2,199)	(46.7)	(8,681)	(4,542)	91.1
(n)	60,944	75,467	(19.2)	(10,619)	(5,680)	87.0	46,719	67,608	(30.9)
	<b>Attributable to:</b>								
	60,378	75,295	(19.8)	(10,619)	(5,680)	87.0	46,153	67,436	(31.6)
(k)	566	172	N.M	-	-	-	566	172	N.M
	60,944	75,467	(19.2)	(10,619)	(5,680)	87.0	46,719	67,608	(30.9)

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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 2019 S\$'000	3Q 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %
<b>Net loss for the period</b>	(3,368)	(2,433)	38.4	(10,619)	(5,680)	87.0
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Tax effect on revaluation surplus on property, plant and equipment	9	10	(10.0)	(1)	(606)	(99.8)
	9	10	(10.0)	(1)	(606)	(99.8)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences:						
- foreign operations	(857)	(238)	N.M	(1,948)	(15)	N.M
- hedge of net investment in a foreign operation	558	176	N.M	1,644	-	N.M
- monetary items forming part of net investment in a foreign operation	(657)	(207)	N.M	(1,935)	-	N.M
	(956)	(269)	N.M	(2,239)	(15)	N.M
<b>Other comprehensive income for the period, net of tax</b>	(947)	(259)	N.M	(2,240)	(621)	N.M
<b>Total comprehensive income for the period</b>	(4,315)	(2,692)	60.3	(12,859)	(6,301)	N.M

**Footnotes**

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT’s properties. Please refer to Section 8 (i), page 27 to 28 of the Announcement.
- (b) The decrease in revenue and overall property expenses for HBT Group in 3Q 2019 and YTD 2019 is mainly attributed to the closure at Raffles Maldives Meradhoo for rebranding works during the year.
- (c) The employee benefit expenses for Raffles Maldives Meradhoo has increased in 3Q 2019 and YTD Sep 2019 due to the hiring of staff in preparation for the resort’s opening in September 2019. In comparison, these expenses were lower in 3Q 2018 as the resort was closed for its rebranding works in second half of 2018.
- (d) Rental expenses for HBT Group and CDLHT have decreased in 3Q 2019 and YTD Sep 2019 as compared to the corresponding period last year as the Group has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group’s existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge on right-of-use (“ROU”) assets and interest expense on lease liabilities. Please refer to Section 5, page 24 of the Announcement for more details.
- (e) The decrease in property taxes in 3Q 2019 and YTD Sep 2019 is mainly attributed to tax savings from the Singapore properties following the finalisation of prior year assessments.
- (f) CDLHT’s other property expenses comprise mainly utilities, insurance and other direct operating expenses. In 3Q 2019 and YTD Sep 2019, CDLHT’s expenses have decreased yoy primarily due to H-REIT Group’s adoption of FRS 116/SFRS(I) 16 in relation to its lease of the units at Waterfront Conference Centre.
- Included in other property expenses for 3Q 2019 and YTD Sep 2019 is an impairment loss of S\$78K and S\$160K respectively, relating to the rental receivables of Claymore Connect. Conversely, the retail mall recognised a write-back of prior year impairment loss of S\$86K in YTD Sep 2018.
- (g) The increase in HBT Trustee-Manager’s management fees in YTD Sep 2019 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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- (h) *The depreciation and amortisation for CDLHT mainly relate to property, plant and equipment of the Japan and UK Hotels and Raffles Maldives Meradhoo.*

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2019	3Q 2018	3Q 2019	3Q 2018	3Q 2019	3Q 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment <sup>(i)</sup>	487	535	2,370	1,717	2,953	2,918
Amortisation of prepaid land lease	-	-	-	-	-	72
	487	535	2,370	1,717	2,953	2,990

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2019	YTD Sep 2018	YTD Sep 2019	YTD Sep 2018	YTD Sep 2019	YTD Sep 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment <sup>(i)</sup>	1,420	1,589	7,261	5,042	8,955	8,597
Amortisation of prepaid land lease	-	-	-	-	-	214
	1,420	1,589	7,261	5,042	8,955	8,811

- (i) *Included in depreciation is depreciation charge on right-of-use (“ROU”) assets relating to property, plant and equipment. CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group’s existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets and interest expense on lease liabilities. Please refer to Section 5, page 24 of the Announcement for more details.*
- (i) *Other trust expenses comprise mainly professional fees and administrative expenses. CDLHT incurred higher fees and administrative expenses in 3Q 2019 and YTD Sep 2019 mainly due to the inclusion of Hotel Cerretani Florence (acquired on 27 November 2018).*
- (j) *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 in YTD Sep 2018. There was no such disposal in YTD Sep 2019.*
- (k) *Non-controlling interests relate to the interest owned by the minority shareholders in relation to Pullman Hotel Munich and Hotel Cerretani Florence (acquired on 27 November 2018).*

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

	H-REIT Group			H-REIT Group		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	217	390	(44.4)	792	1,044	(24.1)
Interest income from finance lease <sup>(v)</sup>	62	-	N.M	192	-	N.M
Fair value gain on derivatives <sup>(i)</sup>	5,097	978	N.M	4,149	3,238	28.1
Finance income	5,376	1,368	N.M	5,133	4,282	19.9
Exchange loss	(6,152)	(181)	N.M	(5,895)	(6,348)	(7.1)
Interest paid/payable to banks <sup>(iii)</sup>	(5,223)	(4,743)	10.1	(15,620)	(12,972)	20.4
Interest expense on lease liabilities <sup>(v)</sup>	(358)	-	N.M	(1,074)	-	N.M
Amortisation of transaction costs capitalised <sup>(iv)</sup>	(339)	(265)	27.9	(974)	(852)	14.3
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(57)	(56)	1.8	(173)	(167)	3.6
Finance costs	(12,129)	(5,245)	N.M	(23,736)	(20,339)	16.7
Net finance costs	(6,753)	(3,877)	74.2	(18,603)	(16,057)	15.9

	HBT Group			HBT Group		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	-	1	N.M	-	1	N.M
Fair value gain on derivatives <sup>(i)</sup>	-	20	N.M	-	71	N.M
Exchange gain	28	-	N.M	230	-	N.M
Finance income	28	21	33.3	230	72	N.M
Exchange loss	-	(5)	N.M	-	(27)	N.M
Interest paid/payable to banks <sup>(iii)</sup>	(650)	(677)	(4.0)	(1,944)	(2,020)	(3.8)
Interest expense on lease liabilities <sup>(v)</sup>	(730)	-	N.M	(2,199)	-	N.M
Fair value loss on derivatives <sup>(i)</sup>	(20)	-	N.M	(57)	-	N.M
Amortisation of transaction costs capitalised <sup>(iv)</sup>	(39)	(39)	-	(115)	(115)	-
Finance costs	(1,439)	(721)	99.6	(4,315)	(2,162)	99.6
Net finance costs	(1,411)	(700)	N.M	(4,085)	(2,090)	95.5



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	CDL Hospitality Trusts			CDL Hospitality Trusts		
	3Q 2019	3Q 2018	Increase/ (Decrease)	YTD Sep 2019	YTD Sep 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	216	391	(44.8)	792	1,045	(24.2)
Interest income from finance lease <sup>(v)</sup>	62	-	N.M	192	-	N.M
Fair value gain on derivatives <sup>(i)</sup>	5,077	998	N.M	4,092	3,309	23.7
Finance income	5,355	1,389	N.M	5,076	4,354	16.6
Exchange loss <sup>(ii)</sup>	(6,866)	(420)	N.M	(7,855)	(6,374)	23.2
Interest paid/payable to banks <sup>(iii)</sup>	(5,874)	(5,436)	8.1	(17,564)	(15,008)	17.0
Interest expense on lease liabilities <sup>(v)</sup>	(445)	-	N.M	(1,341)	-	N.M
Amortisation of transaction costs capitalised <sup>(iv)</sup>	(378)	(288)	31.3	(1,089)	(951)	14.5
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(57)	(56)	1.8	(173)	(167)	3.6
Finance costs	(13,620)	(6,200)	N.M	(28,022)	(22,500)	24.5
Net finance costs	(8,265)	(4,811)	71.8	(22,946)	(18,146)	26.5

- (i) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT's and HBT's income from overseas as well as EUR/USD cross-currency interest rate swap contracts entered into by H-REIT to partially hedge its interest cost.
- (ii) The exchange loss of CDLHT for 3Q 2019 and YTD Sep 2019 mainly arose from the depreciation of Australian dollar (“AUD”) receivables and cash balances against SGD. During the comparative period in 3Q 2018, the exchange loss arose mainly from the translation losses from the group's United States dollar (“USD”) denominated bank loans as well as the depreciation of AUD.
- (iii) The interest paid/payable to banks for 3Q 2019 and YTD Sep 2019 were higher yoy mainly due to interest incurred on new loans drawdown in FY 2018 for the acquisition of Hotel Cerretani Florence on 27 November 2018 and the renovation and rebranding works on the Group's properties as well as higher funding cost on its floating rate loans.
- (iv) The amortisation costs in 3Q 2019 and YTD Sep 2019 relate to the amortisation of transaction costs arising from CDLHT's borrowings.
- (v) CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, the Group's existing lease expenses for operating lease arrangements under FRS 116/SFRS(I) 16 are replaced with depreciation charge of ROU assets related to property, plant and equipment and interest expense on lease liabilities. Additionally, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease, resulting in an interest income from finance lease. Please refer to Section 5, page 24 of the Announcement for more details.

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2019 S\$’000	3Q 2018 S\$’000	3Q 2019 S\$’000	3Q 2018 S\$’000	3Q 2019 S\$’000	3Q 2018 S\$’000
Corporate income tax <sup>(i)</sup>	(2,232)	(773)	(331)	(397)	(2,563)	(1,170)
Deferred tax	(93)	(82)	67	18	(26)	(64)
Withholding tax	(46)	-	(227)	(238)	(273)	(238)
(Under)/Overprovision in respect of prior year tax	(3)	1	-	-	(3)	1
	(2,374)	(854)	(491)	(617)	(2,865)	(1,471)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2019 S\$’000	YTD Sep 2018 S\$’000	YTD Sep 2019 S\$’000	YTD Sep 2018 S\$’000	YTD Sep 2019 S\$’000	YTD Sep 2018 S\$’000
Corporate income tax <sup>(i)</sup>	(7,034)	(2,638)	(656)	(671)	(7,690)	(3,309)
Deferred tax	(305)	(345)	204	(810)	(101)	(1,155)
Withholding tax	(182)	(40)	(721)	(718)	(903)	(758)
Overprovision in respect of prior year tax	13	680	-	-	13	680
	(7,508)	(2,343)	(1,173)	(2,199)	(8,681)	(4,542)

(i) Corporate income tax has increased due to tax arising from the Group’s overseas properties.

(n) Total return of CDLHT is contributed by:

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2019 S\$’000	3Q 2018 S\$’000	YTD Sep 2019 S\$’000	YTD Sep 2018 S\$’000
H-REIT	19,442	23,363	57,948	67,498
Other H-REIT group entities (including consolidation adjustments)	1,313	2,357	2,996	7,969
HBT	331	1,025	(112)	2,245
Other HBT group entities (including consolidation adjustments)	(3,699)	(3,458)	(10,507)	(7,925)
CDL Hospitality Trusts’ consolidation adjustments	(1,230)	(972)	(3,606)	(2,179)
	16,157	22,315	46,719	67,608

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2019	3Q 2018	YTD Sep 2019	YTD Sep 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Total return of H-REIT	19,442	23,363	57,948	67,498
Total comprehensive income of HBT	331	1,025	(112)	2,245
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	333	254	957	847
- Income in relation to gain on disposal of investment properties	-	-	-	(7,567)
- Income in relation to gain on dissolution of a subsidiary	(582)	-	(582)	-
- Fair value gain on financial derivatives	(5,097)	(978)	(4,149)	(3,238)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	57	56	173	167
- Exchange loss	8,674	608	9,819	11,715
- H-REIT Manager's fees paid/payable in Stapled Securities	2,647	2,574	7,823	7,637
- H-REIT Trustee's fees	99	93	294	250
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	110	125	334	201
- HBT Trustee-Manager's trustee fees	55	57	167	173
- Other items	(424)	72	402	594
Income available for distribution to Stapled Securityholders (before retention)	25,645	27,249	73,074	80,522
Less :				
Income retained for working capital	(2,564)	(2,725)	(7,307)	(8,052)
Income to be distributed to Stapled Securityholders (after retention)	23,081	24,524	65,767	72,470
Capital distribution <sup>(ii)</sup>	2,299	1,801	9,997	5,700
Total distribution to Stapled Securityholders (after retention)	25,380	26,325	75,764	78,170
Comprising :				
- Taxable income	19,426	18,434	51,530	54,445
- Tax exempt income	3,655	6,090	14,237	18,025
- Capital distribution	2,299	1,801	9,997	5,700
	25,380	26,325	75,764	78,170

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

(ii) This comprise cash repatriated by CDLHT's overseas properties as well as the Group's continued partial distribution of proceeds from the 2018 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 <sup>(a)</sup>		CDL Hospitality Trusts	
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Investment properties	(b) 2,509,043	2,497,456	-	-	2,428,956	2,428,921
Property, plant and equipment	(c) 86,023	84,186	240,678	202,316	367,434	348,183
Prepaid land lease	(c) -	-	-	-	-	6,853
Deferred tax assets	495	606	-	-	495	606
Finance lease receivables	(d) 4,957	-	-	-	4,957	-
Financial derivative assets	(e) 8,076	3,960	-	-	8,076	3,960
Other receivables	149	149	-	-	149	149
	<b>2,608,743</b>	<b>2,586,357</b>	<b>240,678</b>	<b>202,316</b>	<b>2,810,067</b>	<b>2,788,672</b>
<b>Current assets</b>						
Inventories	-	-	1,175	889	1,175	889
Trade and other receivables	55,164	39,791	13,804	11,241	37,812	32,828
Finance lease receivables	(d) 736	-	-	-	736	-
Financial derivative assets	(e) 125	124	19	70	143	195
Cash and cash equivalents	101,676	127,077	6,398	12,506	108,074	139,583
	<b>157,701</b>	<b>166,992</b>	<b>21,396</b>	<b>24,706</b>	<b>147,940</b>	<b>173,495</b>
<b>Total assets</b>	<b>2,766,444</b>	<b>2,753,349</b>	<b>262,074</b>	<b>227,022</b>	<b>2,958,007</b>	<b>2,962,167</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Loans and borrowings	(f) 790,568	669,275	91,562	93,418	882,130	762,693
Lease liabilities	(g) 22,233	-	43,586	-	29,531	-
Rental deposits	(h) 9,707	9,530	-	-	9,707	9,530
Other payables	(j) 719	713	-	-	719	713
Deferred tax liabilities	(i) 16,176	16,262	14,845	15,367	31,021	31,629
	<b>839,403</b>	<b>695,780</b>	<b>149,993</b>	<b>108,785</b>	<b>953,108</b>	<b>804,565</b>
<b>Current liabilities</b>						
Loans and borrowings	(f) 175,726	248,675	-	-	175,726	248,675
Lease liabilities	(g) 937	-	1,812	-	1,116	-
Trade and other payables	(j) 25,354	35,152	37,240	24,811	31,435	41,758
Financial derivative liabilities	(e) 5	37	6	-	11	37
Provision for taxation	(k) 14,405	11,237	94	573	14,499	11,810
	<b>216,427</b>	<b>295,101</b>	<b>39,152</b>	<b>25,384</b>	<b>222,787</b>	<b>302,280</b>
<b>Total liabilities</b>	<b>1,055,830</b>	<b>990,881</b>	<b>189,145</b>	<b>134,169</b>	<b>1,175,895</b>	<b>1,106,845</b>
<b>Net assets</b>	<b>1,710,614</b>	<b>1,762,468</b>	<b>72,929</b>	<b>92,853</b>	<b>1,782,112</b>	<b>1,855,322</b>
<b>Represented by:</b>						
Unitholders' funds	1,702,917	1,754,809	72,929	92,853	1,774,415	1,847,663
Non-controlling interests	(l) 7,697	7,659	-	-	7,697	7,659
	<b>1,710,614</b>	<b>1,762,468</b>	<b>72,929</b>	<b>92,853</b>	<b>1,782,112</b>	<b>1,855,322</b>

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**Footnotes**

- (a) *The Statement of Financial Position of HBT Group comprises the resort operations of Raffles Maldives Meradhoo, the Japan Hotels and the UK Hotels.*
- (b) *Investment properties as at the reporting date includes additional capital expenditure of S\$15.8 million and the recognition of ROU assets (S\$9.5 million) arising from the adoption of FRS116/SFRS(I) 16 from 1 January 2019 in relation to the Group’s operating leases that qualify as investment properties. Please refer to Section 5, page 24 of the Announcement for more details.*
- However, the above increase was offset by a net translation loss of S\$25.2 million relating to its overseas properties.*
- (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, Raffles Maldives Meradhoo and the UK Hotels. For Raffles Maldives Meradhoo, the property is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT’s indirect wholly-owned subsidiary. As these properties are considered 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.*
- CDLHT has adopted FRS 116/SFRS(I) 16 Leases with effect from 1 January 2019. Accordingly, operating leases that qualify as ROU assets relating to property, plant and equipment has been recognised on CDLHT’s balance sheet and prepaid land lease has been reclassified to property, plant and equipment. Please refer to Section 5, page 24 of the Announcement for more details.*
- The increase in property, plant and equipment at CDLHT is mainly due to the recognition of ROU assets related to property, plant and equipment of S\$22.7 million (as described above) and net additions of S\$6.5 million, offset by a net translation loss of S\$1.0 million and depreciation expenses of S\$9.0 million for the period.*
- (d) *Under FRS 116/SFRS(I) 16 Leases, the sublease of Waterfront Conference Centre under H-REIT Group was classified as a finance lease. Please refer to Section 5, page 24 of the Announcement for more details.*
- (e) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts and cross-currency interest rate swaps.*
- (f) *Loans and borrowings of CDLHT of S\$1.06 billion (as at 31 December 2018: S\$1.01 billion), which are measured at amortised cost, comprise JPY3.1 billion (S\$39.7 million) TMK bond and S\$1.02 million bank borrowings, as explained under Section 1(b)(ii) on pages 12 to 14 of the Announcement.*
- During the reporting quarter, about S\$122.7 million loans were refinanced into longer tenor borrowings. For further details, refer to footnotes (iv) and (v) on page 14 of the Announcement.*
- The net current liabilities position for CDLHT as at 30 September 2019 was mainly attributed to borrowings falling due within one year. Notwithstanding the net current liabilities position, CDLHT has an established S\$1.0 billion Multi-currency Medium Term Note Programme which remains fully available to refinance its borrowings and to meet its current obligations as and when they fall due.*
- (g) *The lease liabilities represent CDLHT’s obligation to make lease payments in relation to the ROU assets recognised in accordance to FRS 116/SFRS(I) 16 which was effective on 1 January 2019. Please refer to Section 5, page 24 of the Announcement for more details.*
- (h) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*
- (i) *The deferred tax liabilities relate to the Australia, UK and Japan properties.*
- (j) *Trade and other payables for the Group relates mainly to payables for operational and trust expenses. Included in HBT Group’s payables are amounts owing to suppliers in respect of the rebranding works on Raffles Maldives Meradhoo.*
- (k) *Provision for taxation has increased mainly due to tax provisions arising from the Group’s overseas properties.*
- (l) *Non-controlling interests relate to the interests owned by the minority shareholder in relation to the Pullman Hotel Munich and the Hotel Cerretani Florence, MGallery by Sofitel (acquired on 27 November 2018).*

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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 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
<b>Amount repayable after one year</b>						
Secured borrowings	66,480	68,737	-	-	66,480	68,737
Secured TMK bond	-	38,471	-	-	-	38,471
Unsecured borrowings	727,208	564,357	92,048	94,019	819,256	658,376
	793,688	671,565	92,048	94,019	885,736	765,584
<b>Amount repayable within one year</b>						
Secured TMK bond	39,742	-	-	-	39,742	-
Unsecured borrowings	136,187	248,830	-	-	136,187	248,830
	175,929	248,830	-	-	175,929	248,830
<b>Total borrowings<sup>(a)</sup></b>	969,617	920,395	92,048	94,019	1,061,665	1,014,414

<sup>(a)</sup> 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 2019			30 Sep 2019			30 Sep 2019		
Currency	Type	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000
JPY	TMK bond (¥3.1 billion) <sup>(i)</sup>	39,742	39,742	-	-	-	-	39,742	39,742	-
JPY	5-year term loan (¥3.27 billion)	41,922	41,922	-	-	-	-	41,922	41,922	-
SGD	Medium term note <sup>(iii)</sup>	1,000,000	-	1,000,000	-	-	-	1,000,000	-	1,000,000
SGD	Bridge loan <sup>(iv)</sup>	300,000	-	300,000	200,000	-	200,000	500,000	-	500,000
SGD	3 to 3.25-year revolving credit (committed)	250,000	184,426	65,574	-	-	-	250,000	184,426	65,574
SGD	5-year term loans <sup>(v)</sup>	273,600	273,600	-	-	-	-	273,600	273,600	-
USD	5-year term loans (US\$181.2 million)	250,091	250,091	-	-	-	-	250,091	250,091	-
EUR	7-year term loan (€44.0 million) <sup>(ii)</sup>	66,480	66,480	-	-	-	-	66,480	66,480	-
GBP	5-year term loans (£120.5 million)	113,356	113,356	-	92,048	92,048	-	205,404	205,404	-
		<b>2,335,191</b>	<b>969,617</b>	<b>1,365,574</b>	<b>292,048</b>	<b>92,048</b>	<b>200,000</b>	<b>2,627,239</b>	<b>1,061,665</b>	<b>1,565,574</b>

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

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
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**(i) Secured TMK bond**

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$39.7 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.

**(ii) Secured borrowing**

The secured bank loan relates to a 7-year fixed rate loan of S\$66.5 million (€44.0 million) drawn down by H-REIT’s indirectly-owned subsidiary, NKS Hospitality I B.V..

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

**(iii) Unsecured medium term note**

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

As at 30 September 2019, there are no outstanding medium term notes.

**(iv) Unsecured bridge loan**

H-REIT and HBT has in place a S\$300.0 million and S\$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).

During the reporting quarter, the bridge loan of S\$52.7 million which was drawn down by H-REIT to partially fund the acquisition of an interest of 95% in Hotel Cerretani Florence was refinanced with a fresh 5-year fixed rate unsecured term loan via a EUR/USD cross currency interest rate swap.

**(v) Unsecured borrowings**

During the quarter, CDLHT refinanced a S\$70.0m SGD term loan and subsequently fixed the 5-year term loan’s interest rate in October 2019.



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MONTHS ENDED 30 SEPTEMBER 2019**

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2019	3Q 2018	3Q 2019	3Q 2018	3Q 2019	3Q 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>						
Total return/(Net loss) for the period before tax	23,129	26,574	(2,877)	(1,816)	19,022	23,786
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,647	2,574	110	125	2,757	2,699
Depreciation of property, plant and equipment	487	535	2,370	1,717	2,953	2,918
Amortisation of prepaid land lease	-	-	-	-	-	72
Property, plant and equipment written off	-	-	240	-	240	-
Impairment loss/(Reversal of impairment loss) on trade receivables	78	-	(9)	45	69	46
Net finance costs	6,753	3,877	1,411	700	8,265	4,811
<b>Operating income before working capital changes</b>	<b>33,094</b>	<b>33,560</b>	<b>1,245</b>	<b>771</b>	<b>33,306</b>	<b>34,332</b>
<b>Changes in working capital:</b>						
Inventories	-	-	88	15	88	15
Trade and other receivables	(6,935)	(6,338)	73	(344)	(2,638)	(4,157)
Trade and other payables	(2,484)	2,136	3,748	1,372	(2,959)	982
<b>Cash generated from operating activities</b>	<b>23,675</b>	<b>29,358</b>	<b>5,154</b>	<b>1,814</b>	<b>27,797</b>	<b>31,172</b>
Income tax paid	(272)	(384)	(624)	(401)	(896)	(785)
<b>Net cash generated from operating activities</b>	<b>23,403</b>	<b>28,974</b>	<b>4,530</b>	<b>1,413</b>	<b>26,901</b>	<b>30,387</b>
<b>Investing activities</b>						
Capital expenditure on investment properties	(7,552)	(9,451)	-	-	(4,573)	(5,085)
Additions of property, plant and equipment	(365)	-	(1,982)	(1,348)	(5,326)	(5,714)
Proceeds from disposal of investment properties (net)	23	-	-	-	23	-
Receipt of finance lease receivable	177	-	-	-	177	-
Interest received	290	453	-	-	290	453
<b>Cash used in investing activities</b>	<b>(7,427)</b>	<b>(8,998)</b>	<b>(1,982)</b>	<b>(1,348)</b>	<b>(9,409)</b>	<b>(10,346)</b>
<b>Financing activities</b>						
Proceeds from bank loans	147,183	10,345	-	-	147,183	10,345
Repayment of bank loans	(122,658)	(595)	-	-	(122,658)	(595)
Payment of transaction costs related to bank loans	(662)	(9)	-	-	(662)	(9)
Payment of lease liabilities	(225)	-	(434)	-	(269)	-
Finance costs paid	(5,558)	(4,101)	(1,379)	(676)	(6,293)	(4,777)
Distribution to holders of Stapled Securities	(47,891)	(49,960)	(2,515)	(1,956)	(50,407)	(51,916)
Distribution to non-controlling interests	(104)	(39)	-	-	(104)	(39)
Return of capital to non-controlling interests	(24)	(25)	-	-	(24)	(25)
Movement in restricted cash	483	(8)	-	-	483	(8)
<b>Cash used in financing activities</b>	<b>(29,456)</b>	<b>(44,392)</b>	<b>(4,328)</b>	<b>(2,632)</b>	<b>(32,751)</b>	<b>(47,024)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,480)</b>	<b>(24,416)</b>	<b>(1,780)</b>	<b>(2,567)</b>	<b>(15,259)</b>	<b>(26,983)</b>
Cash and cash equivalents at beginning of the period	115,417	133,584	8,196	14,694	123,613	148,278
Effect of exchange rate changes on cash and cash equivalents	(1,165)	(894)	(18)	(72)	(1,184)	(966)
<b>Cash and cash equivalents at end of the period</b>	<b>100,772</b>	<b>108,274</b>	<b>6,398</b>	<b>12,055</b>	<b>107,170</b>	<b>120,329</b>

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**1 (c) Consolidated Statements of Cash Flows**

Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2019	YTD Sep 2018	YTD Sep 2019	YTD Sep 2018	YTD Sep 2019	YTD Sep 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>						
Total return/ (Net loss) for the period before tax	68,452	77,810	(9,446)	(3,481)	55,400	72,150
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities (a)	7,823	7,637	334	201	8,157	7,838
Depreciation of property, plant and equipment	1,420	1,589	7,261	5,042	8,955	8,597
Amortisation of prepaid land lease	-	-	-	-	-	214
Property, plant and equipment written off	-	-	240	-	240	-
Impairment loss/(Reversal of impairment loss) on trade receivables	160	(86)	(28)	123	132	37
Gain on disposal of investment properties and related cessation of business of foreign operations	-	(5,367)	-	-	-	(5,367)
Net finance costs	18,603	16,057	4,085	2,090	22,946	18,146
<b>Operating income before working capital changes</b>	<b>96,458</b>	<b>97,640</b>	<b>2,446</b>	<b>3,975</b>	<b>95,830</b>	<b>101,615</b>
<b>Changes in working capital:</b>						
Inventories	-	-	(283)	231	(283)	231
Trade and other receivables	(16,024)	(16,827)	(2,509)	(1,590)	(5,853)	(14,103)
Trade and other payables	(6,626)	(7,090)	12,403	4,889	(6,904)	(6,499)
<b>Cash generated from operating activities</b>	<b>73,808</b>	<b>73,723</b>	<b>12,057</b>	<b>7,505</b>	<b>82,790</b>	<b>81,244</b>
Income tax paid	(4,029)	(960)	(1,853)	(1,049)	(5,882)	(2,009)
<b>Net cash generated from operating activities</b>	<b>69,779</b>	<b>72,763</b>	<b>10,204</b>	<b>6,456</b>	<b>76,908</b>	<b>79,235</b>
<b>Investing activities</b>						
Acquisition of subsidiaries, net of cash acquired	-	(800)	-	-	-	(800)
Capital expenditure on investment properties	(23,074)	(14,493)	-	-	(20,095)	(10,119)
Additions of property, plant and equipment	(410)	(384)	(3,397)	(2,672)	(6,786)	(7,445)
Proceeds from disposal of investment properties (net)	23	80,149	-	-	23	80,149
Receipt of finance lease receivable	512	-	-	-	512	-
Interest received	1,016	1,022	-	-	1,016	1,022
<b>Cash (used in)/generated from investing activities</b>	<b>(21,933)</b>	<b>65,494</b>	<b>(3,397)</b>	<b>(2,672)</b>	<b>(25,330)</b>	<b>62,807</b>
<b>Financing activities</b>						
Payment of transaction costs related to rights issue	-	(30)	-	-	-	(30)
Proceeds from bank loans	226,011	204,695	-	-	226,011	204,695
Repayment of bank loans	(176,278)	(187,948)	-	-	(176,278)	(187,948)
Payment of transaction costs related to bank loans	(1,846)	(882)	-	(29)	(1,846)	(911)
Payment of lease liabilities	(652)	-	(1,274)	-	(784)	-
Finance costs paid (b)	(14,514)	(10,581)	(4,148)	(2,026)	(16,729)	(12,607)
Distribution to holders of Stapled Securities	(102,726)	(106,353)	(7,399)	(6,983)	(110,125)	(113,336)
Distribution to non-controlling interests	(238)	(218)	-	-	(238)	(218)
Return of capital to non-controlling interests	(73)	(25)	-	-	(73)	(25)
Repayment of loan to non-controlling interests	-	(3,669)	-	-	-	(3,669)
Movement in restricted cash	467	129	-	-	467	129
<b>Cash used in financing activities</b>	<b>(69,849)</b>	<b>(104,882)</b>	<b>(12,821)</b>	<b>(9,038)</b>	<b>(79,595)</b>	<b>(113,920)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,003)</b>	<b>33,375</b>	<b>(6,014)</b>	<b>(5,254)</b>	<b>(28,017)</b>	<b>28,122</b>
Cash and cash equivalents at beginning of the period	125,740	77,370	12,506	17,278	138,246	94,648
Effect of exchange rate changes on cash and cash equivalents	(2,965)	(2,471)	(94)	31	(3,059)	(2,441)
<b>Cash and cash equivalents at end of the period (c)</b>	<b>100,772</b>	<b>108,274</b>	<b>6,398</b>	<b>12,055</b>	<b>107,170</b>	<b>120,329</b>

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**Footnotes**

(a) Significant non-cash transactions

3Q 2019

1,666,548 (3Q 2018: 1,745,069) Stapled Securities amounting to S\$2.8 million (3Q 2018: 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 2019

4,990,204 (YTD Sep 2018: 4,926,797) Stapled Securities amounting to S\$8.2 million (YTD Sep 2018: 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 YTD Sep 2019.

(b) Finance costs paid increased due to the Group’s adoption of FRS 116/SFRS(I) 16 Leases (see Section 5 on page 24 of the Announcement).

(c) Cash and cash equivalents for H-REIT Group and CDLHT as at 30 September 2019 are as follows:

	H-REIT Group S\$’000	CDL Hospitality Trusts S\$’000
Cash and cash equivalents in the Statement of Financial Position	101,676	108,074
Restricted cash <sup>(a)</sup>	(904)	(904)
Cash and cash equivalents in the Statement of Cash Flows	100,772	107,170

<sup>(a)</sup> 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 2019 to 30 September 2019**

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Balance as at 1 July 2019</b>	1,735,938	7,825	<b>1,743,763</b>	115,107	(121)	555	10,761	(46,653)	<b>79,649</b>	1,814,661	7,825	<b>1,822,486</b>
<b>Operations</b>												
Increase/ (Decrease) in net assets resulting from operations	20,641	114	<b>20,755</b>	-	-	-	-	(3,368)	<b>(3,368)</b>	16,043	114	<b>16,157</b>
<b>Movements in revaluation reserve</b>												
- Tax effect on revaluation of property, plant and equipment	-	-	-	-	-	-	9	-	<b>9</b>	9	-	<b>9</b>
<b>Increase in revaluation reserve</b>	-	-	-	-	-	-	9	-	<b>9</b>	9	-	<b>9</b>
<b>Movements in foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	(5,652)	(148)	<b>(5,800)</b>	-	-	(857)	-	-	<b>(857)</b>	(6,528)	(148)	<b>(6,676)</b>
- Exchange differences on hedge of net investments in foreign operations	(1,632)	-	<b>(1,632)</b>	-	-	558	-	-	<b>558</b>	(330)	-	<b>(330)</b>
- Exchange differences on monetary items forming part of net investment in foreign operations	(1,211)	-	<b>(1,211)</b>	-	-	(657)	-	-	<b>(657)</b>	(1,868)	-	<b>(1,868)</b>
- Exchange differences reclassified to statement of total return on cessation of business of foreign operations	78	-	<b>78</b>	-	-	-	-	-	-	<b>78</b>	-	<b>78</b>
<b>Decrease in foreign currency translation reserve</b>	(8,417)	(148)	<b>(8,565)</b>	-	-	(956)	-	-	<b>(956)</b>	(8,648)	(148)	<b>(8,796)</b>
<b>Transactions with owners</b>												
<u>Contributions by and distributions to owners</u>												
- Stapled Securities to be issued (a)	2,647	-	<b>2,647</b>	110	-	-	-	-	<b>110</b>	2,757	-	<b>2,757</b>
- Distribution to Stapled Securityholders (b)	(47,892)	-	<b>(47,892)</b>	(1,813)	-	-	-	(702)	<b>(2,515)</b>	(50,407)	-	<b>(50,407)</b>
- Distribution to non-controlling interests (c)	-	(71)	<b>(71)</b>	-	-	-	-	-	-	-	(71)	<b>(71)</b>
- Return of capital to non-controlling interests	-	(23)	<b>(23)</b>	-	-	-	-	-	-	-	(23)	<b>(23)</b>
<b>Decrease in net assets resulting from transactions with owners</b>	(45,245)	(94)	<b>(45,339)</b>	(1,703)	-	-	-	(702)	<b>(2,405)</b>	(47,650)	(94)	<b>(47,744)</b>
<b>Balance as at 30 September 2019</b>	1,702,917	7,697	<b>1,710,614</b>	113,404	(121)	(401)	10,770	(50,723)	<b>72,929</b>	1,774,415	7,697	<b>1,782,112</b>

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**1 (d) Statements of Movements in Unitholders’ funds for the period from 1 January 2019 to 30 September 2019**

Footnote	H-REIT Group			HBT Group						CDL Hospitality Trusts		
	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Balance as at 1 January 2019</b>	1,754,809	7,659	<b>1,762,468</b>	117,863	(121)	1,838	10,771	(37,498)	<b>92,853</b>	1,847,663	7,659	<b>1,855,322</b>
<b>Operations</b>												
Increase/ (Decrease) in net assets resulting from operations	60,378	566	<b>60,944</b>	-	-	-	-	(10,619)	<b>(10,619)</b>	46,153	566	<b>46,719</b>
<b>Movements in revaluation reserve</b>												
- Tax effect on revaluation of property, plant and equipment	2	-	<b>2</b>	-	-	-	(1)	-	<b>(1)</b>	1	-	<b>1</b>
<b>Increase/ (Decrease) in revaluation reserve</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Movements in foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	(12,760)	(256)	<b>(13,016)</b>	-	-	(1,948)	-	-	<b>(1,948)</b>	(14,725)	(256)	<b>(14,981)</b>
- Exchange differences on hedge of net investments in foreign operations	(1,581)	-	<b>(1,581)</b>	-	-	1,644	-	-	<b>1,644</b>	2,252	-	<b>2,252</b>
- Exchange differences on monetary items forming part of net investment in foreign operations	(3,106)	-	<b>(3,106)</b>	-	-	(1,935)	-	-	<b>(1,935)</b>	(5,039)	-	<b>(5,039)</b>
- Exchange differences reclassified to statement of total return on cessation of business of foreign operations	78	-	<b>78</b>	-	-	-	-	-	<b>-</b>	78	-	<b>78</b>
<b>Decrease in foreign currency translation reserve</b>	<b>(17,369)</b>	<b>(256)</b>	<b>(17,625)</b>	<b>-</b>	<b>-</b>	<b>(2,239)</b>	<b>-</b>	<b>-</b>	<b>(2,239)</b>	<b>(17,434)</b>	<b>(256)</b>	<b>(17,690)</b>
<b>Transactions with owners</b>												
<b>Contributions by and distributions to owners</b>												
- Stapled Securities to be issued (a)	7,823	-	<b>7,823</b>	334	-	-	-	-	<b>334</b>	8,157	-	<b>8,157</b>
- Distribution to Stapled Securityholders (b)	(102,726)	-	<b>(102,726)</b>	(4,793)	-	-	-	(2,606)	<b>(7,399)</b>	(110,125)	-	<b>(110,125)</b>
- Distribution to non-controlling interests (c)	-	(200)	<b>(200)</b>	-	-	-	-	-	<b>-</b>	-	(200)	<b>(200)</b>
- Return of capital to non-controlling interests	-	(72)	<b>(72)</b>	-	-	-	-	-	<b>-</b>	-	(72)	<b>(72)</b>
<b>Decrease in net assets resulting from transactions with owners</b>	<b>(94,903)</b>	<b>(272)</b>	<b>(95,175)</b>	<b>(4,459)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,606)</b>	<b>(7,065)</b>	<b>(101,968)</b>	<b>(272)</b>	<b>(102,240)</b>
<b>Balance as at 30 September 2019</b>	<b>1,702,917</b>	<b>7,697</b>	<b>1,710,614</b>	<b>113,404</b>	<b>(121)</b>	<b>(401)</b>	<b>10,770</b>	<b>(50,723)</b>	<b>72,929</b>	<b>1,774,415</b>	<b>7,697</b>	<b>1,782,112</b>

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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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
<b>Balance as at 1 July 2018</b>	1,733,434	5,057	<b>1,738,491</b>	118,047	(121)	5,558	6,370	(32,034)	<b>97,820</b>	1,829,775	5,057	<b>1,834,832</b>
<b>Operations</b>												
Increase/ (Decrease) in net assets resulting from operations	25,623	97	<b>25,720</b>	-	-	-	-	(2,433)	<b>(2,433)</b>	22,218	97	<b>22,315</b>
<b>Movements in revaluation reserve</b>												
- Tax effect on revaluation of property, plant and equipment	16	-	<b>16</b>	-	-	-	10	-	<b>10</b>	26	-	<b>26</b>
<b>Increase in revaluation reserve</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>26</b>	<b>-</b>	<b>26</b>
<b>Movements in foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	(6,741)	58	<b>(6,683)</b>	-	-	(238)	-	-	<b>(238)</b>	(6,984)	58	<b>(6,926)</b>
- Exchange differences on hedge of net investments in foreign operations	900	-	<b>900</b>	-	-	176	-	-	<b>176</b>	1,310	-	<b>1,310</b>
- Exchange differences on monetary items forming part of net investment in foreign operations	(1,412)	-	<b>(1,412)</b>	-	-	(207)	-	-	<b>(207)</b>	(1,619)	-	<b>(1,619)</b>
<b>(Decrease)/ Increase in foreign currency translation reserve</b>	<b>(7,253)</b>	<b>58</b>	<b>(7,195)</b>	<b>-</b>	<b>-</b>	<b>(269)</b>	<b>-</b>	<b>-</b>	<b>(269)</b>	<b>(7,293)</b>	<b>58</b>	<b>(7,235)</b>
<b>Transactions with owners</b>												
<b>Contributions by and distributions to owners</b>												
- Stapled Securities to be issued (a)	2,574	-	<b>2,574</b>	125	-	-	-	-	<b>125</b>	2,699	-	<b>2,699</b>
- Distribution to Stapled Securityholders (d)	(49,960)	-	<b>(49,960)</b>	(438)	-	-	-	(1,518)	<b>(1,956)</b>	(51,916)	-	<b>(51,916)</b>
- Distribution to non-controlling interests (c)	-	(123)	<b>(123)</b>	-	-	-	-	-	<b>-</b>	-	(123)	<b>(123)</b>
<b>Decrease in net assets resulting from transactions with owners</b>	<b>(47,386)</b>	<b>(123)</b>	<b>(47,509)</b>	<b>(313)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,518)</b>	<b>(1,831)</b>	<b>(49,217)</b>	<b>(123)</b>	<b>(49,340)</b>
<b>Balance as at 30 September 2018</b>	<b>1,704,434</b>	<b>5,089</b>	<b>1,709,523</b>	<b>117,734</b>	<b>(121)</b>	<b>5,289</b>	<b>6,380</b>	<b>(35,985)</b>	<b>93,297</b>	<b>1,795,509</b>	<b>5,089</b>	<b>1,800,598</b>

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

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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 2018 to 31 December 2018 and 1 January 2019 to 30 June 2019, which includes a capital distribution of S\$7,634,000 in 3Q 2019 and S\$16,682,000 in YTD Sep 2019.*
- (c) *This relates to non-controlling minority shareholders which has an effective interest of less than 5% in Pullman Munich and 5% in Hotel Cerretani Florence (acquired on 27 November 2018).*
- (d) *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.*



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

		CDL Hospitality Trusts	
Foot-note		3Q 2019	3Q 2018
	Issued stapled securities at beginning of the period	1,210,777,156	1,203,714,089
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	903,527	844,629
	Issued stapled securities at end of the period	1,211,680,683	1,204,558,718
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	3,197,691	3,319,197
(a)			
	Total issued and issuable stapled securities at end of the period	1,214,878,374	1,207,877,915

		CDL Hospitality Trusts	
Foot-note		YTD Sep 2019	YTD Sep 2018
	Issued stapled securities at beginning of the period	1,205,465,379	1,198,822,685
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	6,215,304	5,736,033
	Issued stapled securities at end of the period	1,211,680,683	1,204,558,718
	Stapled securities to be issued:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	3,197,691	3,319,197
(a)			
	Total issued and issuable stapled securities at end of the period	1,214,878,374	1,207,877,915

**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 performance fee is an estimated 2.3 million (YTD Sep 2018: 2.4 million) Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

**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 nine months ended 30 September 2019 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.

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**4 Whether the same accounting principles and methods of computation as in the issuer’s most recent audited financial statements have been applied**

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2018, 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 2019, H-REIT Group, HBT Group and CDLHT (collectively, the “Group”) adopted FRS 116 / SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

Under FRS 116 / SFRS(I) 16, a single, on-balance sheet lease accounting model for lessees is applied. A lessee recognises a ROU” asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as FRS 116 / SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted FRS 116 / SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 / SFRS(I) 16 has been recognised as an adjustment to the opening balance of unitholders’ funds as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to their lease liabilities as at 1 January 2019.

As intermediate lessor, the intermediate lessor enters into a head lease and a sublease of the same underlying asset. Under FRS 116 / SFRS(I) 16, the intermediate lessor classifies the sublease as a finance lease when the sub-lease term is for the major part of the economic life of the underlying asset. The intermediate lessor shall derecognise its ROU asset relating to the head lease it transfers to the sublessee and recognises a finance lease receivable. During the term of the sublease, the intermediate lessor recognises both interest income on the sublease and interest expense on the head lease.

The effects of this change in accounting policy are set out below:

H-REIT Group

ROU assets (recognised under investment properties) of S\$17.2 million, finance lease receivable of S\$6.2 million and lease liabilities of S\$23.4 million, respectively, have been recognised in the Statement of Financial Position as at 1 January 2019. Interest income of S\$0.2 million and interest expense of S\$1.1 million have been recognised in the Statement of Total Return for the nine-month period ended 30 September 2019.

HBT Group

ROU assets (recognised under property, plant and equipment) and corresponding lease liabilities of S\$46.1 million have been recognised in the Statement of Financial Position as at 1 January 2019. Depreciation of ROU assets and interest expense of S\$2.1 million and S\$2.2 million, respectively, have been recognised in the Statement of Comprehensive Income for the nine-month period ended 30 September 2019.

CDLHT

ROU assets (recognised under investment properties) of S\$9.3 million, ROU assets (recognised under property, plant and equipment) of S\$15.9 million, finance lease receivable of S\$6.2 million and lease liabilities of S\$31.4 million, have been recognised in the Statement of Financial Position as at 1 January 2019. In addition, prepaid land lease with a carrying amount of S\$6.8 million as at 1 January 2019 has been reclassified to property, plant and equipment. Interest income of S\$0.2 million, depreciation of ROU assets of S\$0.6 million and interest expense of S\$1.3 million have been recognised in the Statement of Total Return for the nine-month period ended 30 September 2019.

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2019	3Q 2018	YTD Sep 2019	YTD Sep 2018
<b><u>EPS</u></b>				
<b><u>Basic EPS</u></b>				
Weighted average number of Stapled Securities	1,211,690,497	1,204,568,572	1,210,798,442	1,203,756,407
Basic EPS <sup>(a)</sup> (cents)	1.32	1.84	3.81	5.60
<b><u>Diluted EPS</u></b>				
Weighted average number of Stapled Securities	1,214,878,372	1,207,877,913	1,214,878,374	1,207,877,915
Diluted EPS <sup>(b)</sup> (cents)	1.32	1.84	3.80	5.58

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2019	3Q 2018	YTD Sep 2019	YTD Sep 2018
<b><u>DPS</u></b>				
Number of Stapled Securities entitled to distribution	1,212,583,713	1,205,465,379	1,212,583,713	1,205,465,379
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	1.60	1.52	4.26	4.50
- Tax exempt income	0.30	0.51	1.17	1.51
- Capital distribution	0.19	0.15	0.82	0.48
	2.09	2.18	6.25	6.49

**Footnotes**

- (a) Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.
- (b) Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.

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

	CDL Hospitality Trusts	
	30 Sep 2019	31 Dec 2018
Net asset value/net tangible asset attributable to unitholders(S\$'000)	1,774,415	1,847,663
Number of Stapled Securities issued and to be issued at end of the period	1,214,878,374	1,209,888,170
Net asset value/net tangible asset per Stapled Security (S\$)	1.4606	1.5271

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**8 Review of the performance for the third quarter and nine months ended 30 September 2019**

**8 (i) Breakdown of Total Revenue by Geography**

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Master leases</u></b>									
<i>Singapore</i>									
- Hotels	23,503	22,427	4.8	-	-	-	23,503	22,427	4.8
- Claymore Connect	1,905	1,832	4.0	-	-	-	1,905	1,832	4.0
<i>Maldives</i>	1,384	2,041	(32.2)	-	-	-	1,384	2,041	(32.2)
<i>Australia</i>	2,266	2,408	(5.9)	-	-	-	2,266	2,408	(5.9)
<i>New Zealand</i>	3,144	3,904	(19.5)	-	-	-	3,144	3,904	(19.5)
<i>Germany</i>	2,851	3,480	(18.1)	-	-	-	2,851	3,480	(18.1)
<i>Italy</i>	885	-	N.M	-	-	-	885	-	N.M
	35,938	36,092	(0.4)	-	-	-	35,938	36,092	(0.4)
<b><u>Managed hotels</u></b>									
<i>Maldives</i>	1,034	1,020	1.4	345	44	N.M	345	44	N.M
<i>Japan</i>	743	1,215	(38.8)	2,204	2,484	(11.3)	2,204	2,484	(11.3)
<i>United Kingdom</i>	-	-	-	10,642	11,394	(6.6)	10,642	11,394	(6.6)
	1,777	2,235	(20.5)	13,191	13,922	(5.3)	13,191	13,922	(5.3)
<b>Total</b>	<b>37,715</b>	<b>38,327</b>	<b>(1.6)</b>	<b>13,191</b>	<b>13,922</b>	<b>(5.3)</b>	<b>49,129</b>	<b>50,014</b>	<b>(1.8)</b>

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**8 (i) Breakdown of Total Revenue by Geography**

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts			
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	
<b>Master leases</b>										
<i>Singapore</i>										
- Hotels	63,686	65,295	(2.5)	-	-	-	63,686	65,295	(2.5)	
- Claymore Connect	5,709	5,549	2.9	-	-	-	5,709	5,549	2.9	
<i>Maldives</i>	(a)	5,466	6,029	(9.3)	-	-	-	5,466	6,029	(9.3)
<i>Australia</i>		6,890	7,464	(7.7)	-	-	-	6,890	7,464	(7.7)
<i>New Zealand</i>		11,621	12,985	(10.5)	-	-	-	11,621	12,985	(10.5)
<i>Germany</i>	(b)	8,771	7,995	9.7	-	-	-	8,771	7,995	9.7
<i>Italy</i>	(c)	2,508	-	N.M	-	-	-	2,508	-	N.M
	104,651	105,317	(0.6)	-	-	-	104,651	105,317	(0.6)	
<b>Managed hotels</b>										
<i>Maldives</i>	(a)	3,075	3,014	2.0	379	4,686	(91.9)	379	4,686	(91.9)
<i>Japan</i>	(d)	2,911	3,745	(22.3)	7,021	7,122	(1.4)	7,021	7,122	(1.4)
<i>United Kingdom</i>	(e)	-	-	-	30,845	32,397	(4.8)	30,845	32,397	(4.8)
	5,986	6,759	(11.4)	38,245	44,205	(13.5)	38,245	44,205	(13.5)	
<b>Total</b>	110,637	112,076	(1.3)	38,245	44,205	(13.5)	142,896	149,522	(4.4)	

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 Leases (see Section 5 on page 24 of the Announcement).

Under H-REIT, the sub-lease of Waterfront Conference Centre was classified as a finance lease receivable to match the head lease of this property with CDL which was capitalised under FRS 116/SFRS(I) 16 as described above. As a result of this change, CDLHT's revenue from the Singapore Hotels declined by S\$0.2 million and S\$0.7 million for 3Q 2019 and YTD Sep 2019 respectively. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the revenue from the Singapore Hotels would have been S\$23.7 million and S\$64.4 million for 3Q 2019 and YTD Sep 2019 respectively.

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

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)	3Q 2019	3Q 2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>Singapore</i>									
- <i>Hotels</i>	22,116	20,690	6.9	-	-	-	22,116	20,690	6.9
- <i>Claymore Connect</i>	1,255	1,246	0.7	-	-	-	1,255	1,246	0.7
<i>Maldives</i> (a)	2,221	2,526	(12.1)	(1,882)	(2,638)	28.7	(694)	(112)	N.M
<i>Australia</i>	2,266	2,408	(5.9)	-	-	-	2,266	2,408	(5.9)
<i>New Zealand</i>	3,144	3,904	(19.5)	-	-	-	3,144	3,904	(19.5)
<i>Germany</i> (b)	2,579	3,218	(19.9)	-	-	-	2,579	3,218	(19.9)
<i>Italy</i> (c)	885	-	N.M	-	-	-	885	-	N.M
<i>Japan</i> (d)	655	1,135	(42.3)	52	45	15.6	707	1,180	(40.1)
<i>United Kingdom</i> (e)	-	-	-	3,408	3,692	(7.7)	3,408	3,692	(7.7)
<b>Total</b>	35,121	35,127	(0.0)	1,578	1,099	43.6	35,666	36,226	(1.5)

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

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	59,506	59,998	(0.8)	-	-	-	59,506	59,998	(0.8)
- Claymore Connect	3,808	3,920	(2.9)	-	-	-	3,808	3,920	(2.9)
Maldives (a)	7,937	7,495	5.9	(5,898)	(4,328)	(36.3)	(1,035)	3,167	N.M
Australia	6,890	7,464	(7.7)	-	-	-	6,890	7,464	(7.7)
New Zealand	11,621	12,985	(10.5)	-	-	-	11,621	12,985	(10.5)
Germany (b)	8,001	7,044	13.6	-	-	-	8,001	7,044	13.6
Italy (c)	2,328	-	N.M	-	-	-	2,328	-	N.M
Japan (d)	2,657	3,506	(24.2)	66	53	24.5	2,723	3,559	(23.5)
United Kingdom (e)	-	-	-	9,353	9,505	(1.6)	9,353	9,505	(1.6)
<b>Total</b>	<b>102,748</b>	<b>102,412</b>	<b>0.3</b>	<b>3,521</b>	<b>5,230</b>	<b>(32.7)</b>	<b>103,195</b>	<b>107,642</b>	<b>(4.1)</b>

With effect from 1 January 2019, CDLHT adopted FRS 116/SFRS(I) 16 *Leases* (see Section 5 on page 24 of the Announcement). This change required existing lease expenses for operating lease arrangements (previously included in NPI) to be replaced by depreciation charge on ROU assets related to property, plant and equipment and/or interest expenses on lease liabilities.

As a result of this change, CDLHT's NPI for 3Q 2019 has increased by S\$0.4 million as lease expenses of S\$0.3 million and S\$0.1 million for Maldives and UK respectively have now been replaced by a depreciation charge on ROU assets on property, plant and equipment and interest expense on lease liabilities. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the NPI for 3Q 2019 would have been S\$(1.0) million and S\$3.3 million for Maldives and UK respectively.

Correspondingly, CDLHT's NPI for YTD Sep 2019 has increased by S\$1.0 million as lease expenses of S\$1.0 million and S\$0.4 million for Maldives and UK respectively have now been replaced by a depreciation charge on ROU assets on property, plant and equipment and interest expense on lease liabilities. On a like-for-like basis (as if FRS 116/SFRS(I) 16 were not in place), the NPI for YTD Sep 2019 would have been S\$(2.1) million and S\$9.0 million for Maldives and UK respectively.



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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 2019 and YTD Sep 2019, the Lessee paid the Lessor a top-up amount of US\$0.9 million (3Q 2018/YTD Sep 2018: US\$1.2 million). For the reporting period, gross revenue declined as the cumulative minimum rent top-up has reached its limit. The Lessee fully paid the Lessor a cumulative top-up amount of US\$6.0 million and no further top-ups will be available going forward. A final adjustment of this cumulative top-up will be made 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 operated as Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, and following enhancements during its closure since 1 June 2018, has been rebranded as Raffles Maldives Meradhoo in May 2019 to join the iconic collection of Raffles Hotels and Resorts.*

*For the H-REIT Group, the revenue for 3Q 2019 and YTD Sep 2019 includes S\$1.1 million (US\$0.8 million) and S\$3.1 million (US\$2.3 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) *H-REIT's indirect wholly-owned subsidiary owns an interest of 95.0% in Hotel Cerretani Florence, MGallery by Sofitel. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality III SRL (the “Lessor”) and FC Operations Hotel SRL (the “Lessee”). Under this lease, H-REIT will receive rent of around 93% of the net operating profit of the hotel, subject to a guaranteed fixed rent of €1.3 million per annum.*

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

*For H-REIT Group, the revenue for 3Q 2019 and YTD Sep 2019 includes S\$0.7 million (JPY58.1 million) and S\$2.9 million (JPY232.9 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available once the financial results for the fiscal period ended 30 September 2019 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.*

(e) *The UK Hotels includes:*

(i) Hilton Cambridge City Centre

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

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

(ii) The Lowry Hotel

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

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

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

**Third Quarter ended 30 September 2019**

CDLHT posted gross revenue of S\$49.1 million in 3Q 2019, a slight decline of 1.8% against the same period last year. A full quarter’s inorganic contribution from the Italy Hotel (S\$0.9 million) (acquired 27 November 2018) and higher contribution from the Singapore Hotels (S\$1.1 million) boosted the total portfolio income. However, the revenue growth was offset by lower contribution from the rest of the group’s hotels, which posted a collective year-on-year (“yoy”) decline of S\$2.9 million.

RevPAR of the Singapore Hotels for 3Q 2019 increased by 4.9%, largely a result of average room rate growth of 4.3% with a high occupancy of 91.4%. The hospitality market improved on the back of stronger leisure travel during the quarter with potentially some degree of diversion of tourism flows to Singapore as a result of the unrest in Hong Kong. There were also additional business generated from this year’s Formula One Singapore Grand Prix, which recorded the second-highest three-day attendance in the race’s 12-year history<sup>1</sup>. As the hotels held better base business during the reporting quarter, they were able to yield up during high demand periods.

In the Maldives, performance for Angsana Velavaru has been affected by increased competition from supply growth and renovation works. To improve the resort’s product offering and market positioning, Angsana Velavaru has been undergoing enhancement works which included the addition of a main public pool as well as progressive renovation of its 79 beach villas which resulted in some disruption in revenue. As for Raffles Maldives Meradhoo, the resort officially re-opened on 22 September 2019. The resort will go through a gestation period with wholesale partners visiting the resorts first before actively promoting and introducing the refurbished resort into the market.

The Australia Hotels continue to receive fixed rent, but overall gross revenue contribution (in SGD terms) was affected by the weakened AUD.

In New Zealand, increase in new supply and a weaker events calendar intensified competition during the low season. Amidst a challenging price sensitive market, RevPAR decreased by 7.7% yoy. The weakened NZD also contributed to the lower contribution.

Collectively, the Japan Hotels posted a yoy RevPAR decline of 15.4%. Aside from a surge in new supply, tourism demand was affected by the tension between South Korea and Japan, which resulted in the number of visitors from South Korea dramatically decreasing by 36.3%<sup>2</sup> in 3Q 2019. Furthermore, the implementation of the twice delayed consumption tax hike from 8% to 10% from 1 October 2019<sup>3</sup> was expected to and will continue to impact Japanese consumer sentiment.

Brexit uncertainties and a weaker GBP continue to weigh on the contribution from the UK Hotels. RevPAR for both hotels remained flat collectively, with The Lowry Hotel recording a RevPAR gain due to demand from the Cricket World Cup and entertainment events, while increased room supply in Cambridge contributed to a weaker RevPAR for Hilton Cambridge. Overall contribution from The Lowry Hotel was lower yoy due to its Food and Beverage (“F&B”) contribution being affected by the closure of its restaurant and bar for refurbishment.

In Germany, after a robust performance in the first half of the year due to the event calendar, the second half will see a reversal with Pullman Hotel Munich experiencing a RevPAR contraction of 8.9% yoy for the third quarter. The income drop was expected due to the absence of a large congress and trade fair in August and September 2019 respectively.

In Florence, 3Q 2019 RevPAR for the Hotel Cerretani Florence saw a marginal increase of 2.3% yoy, largely driven by a growth in average room rate.

In aggregate, CDLHT recorded NPI<sup>4</sup> of S\$ 35.7 million in 3Q 2019, a slight decrease of 1.5% over the same period last year.

Interest costs for the reporting quarter was higher mainly due to interest expenses on additional loans taken to fund the acquisition of the Italy Hotel and for asset enhancements works on the Group’s properties as well as higher funding costs on its floating rate loans.

<sup>1</sup> Straits Times, “268,000 fans attend this year’s F1 Singapore Grand Prix, second-highest on record”, 22 September 2019

<sup>2</sup> Japan National Tourism Organization

<sup>3</sup> Business Times, “Japan proceeds with twice-delayed sales tax hike as growth sputters”, 1 October 2019

<sup>4</sup> CDLHT’s net property income (“NPI”) is derived after deducting the operating expenses of Raffles Maldives Meradhoo, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

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Total income available for distribution (after deducting income retained for working capital) was S\$25.4 million in 3Q 2019, 3.6% lower yoy. Included therein is a capital distribution of S\$2.3 million from the Group’s properties, out of which a portion relates to the partial distribution of proceeds from the Group’s disposal of its Mercure and Ibis Brisbane properties in previous years.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for 3Q 2019 was 2.09 cents, 4.1% lower yoy.

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

	3Q 2019	3Q 2018	Increase/(Decline)
Average Occupancy Rate	91.4%	90.8%	0.6pp
Average Daily Rate	S\$190	S\$182	4.3%
RevPAR	S\$174	S\$165	4.9%

**Nine months ended 30 September 2019**

For YTD Sep 2019, CDLHT posted gross revenue of S\$142.9 million, 4.4% lower than the same period last year. The decrease was mainly attributed to the closure of Raffles Maldives Meradhoo since June last year for rebranding works. In addition, contribution from its Singapore, New Zealand, Australia, Japan and UK properties were collectively lower by S\$9.9 million yoy. This decline was partially mitigated by the recognition of a full nine months’ revenue boost of S\$2.5 million from the Italy Hotel and higher contribution from Pullman Hotel Munich (S\$0.8 million).

Throughout the period, occupancy levels remained tepid in the absence of the biennial Singapore Airshow, Food&Hotel Asia and the ASEAN Ministerial Meeting series in the first half of the year. Additionally, the weakened outlook of the global and Singapore’s economy on the back of the US-China trade conflict has affected demand. As a result, there were fewer compression opportunities to yield rooms rates. The portfolio’s performance was further challenged by upgrading works across a few hotels, which resulted in noise disruption, closure of guestrooms and displacement of rooms and F&B revenue. Orchard Hotel had room inventory, its meeting facilities and Grand Ballroom closed during the 1st half of the year while M Hotel and Copthorne King’s Hotel some room inventory displaced for pipe works.

Although there was a 16.6% increase in tourist arrivals to the Maldives for YTD Aug 2019<sup>5</sup>, competition remains intense as a 15.1% increase in resort supply dampened growth from the improved arrival figures<sup>6</sup>. Angsana Velavaru managed to increase its RevPAR by 8.7% yoy while Raffles Maldives Meradhoo was fully closed since June 2018 for extensive refurbishment works for its rebranding programme. With the official opening of Raffles Maldives Meradhoo in September 2019, sub-optimal performance is expected during the gestation period as the resort ramps up the re-introduction of the newly launched product into the market.

In Australia, CDLHT continues to receive fixed rent from Novotel Brisbane, Ibis Perth & Mercure Perth. While the fixed rental structure ensures that CDLHT is insulated from the weak trading conditions in the markets, the YTD Sep 2019 rental contribution (in SGD terms) was lower due to the weaker AUD.

The Auckland market continues to be impacted by price competition as the market continues to absorb the additional supply of room inventory from hotels that opened in 2018 and 2019. Correspondingly, RevPAR declined by 4.7% yoy. The rising wage environment as well as a weaker NZD also impacted contributions.

<sup>5</sup> Ministry of Tourism, Republic of Maldives, Tourism Monthly Updates

<sup>6</sup> Ministry of Tourism, Republic of Maldives, Tourism Monthly Updates

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The Group’s Japan Hotels posted a RevPAR decline of 3.4% yoy as the RevPAR drop in 3Q 2019 due to the increased supply and sharp decline in visitation from South Korea, more than offset the RevPAR growth in 1H 2019. NPI contribution from the Japan Hotels was also lower as a result of the recognition of higher operating expenses such as cleaning, utilities and marketing costs.

Overall in UK, the Brexit uncertainty continues to pose headwinds on the conference and events business. Despite this, The Lowry Hotel managed to improve its occupancy levels and RevPAR through a healthy stream of sporting and entertainment events. However, increased room supply in Cambridge contributed to a weaker RevPAR for Hilton Cambridge. Collectively, the UK Hotels reported a slight dip in RevPAR of 0.5% yoy. The weaker GBP against SGD and the general rising wage environment also contributed to the decline in the UK Hotel’s contribution for YTD Sep 2019.

Although a stronger events calendar was reported in 1H 2019 for the German Hotel (which saw its RevPAR increase by 15.6% yoy), this growth was however tempered by a lack of events in 3Q 2019. Correspondingly, the German Hotel’s RevPAR in YTD Sep 2019 grew by 5.5% yoy.

Hotel Cerretani Florence continues to perform well, recording its full nine months of contribution to CDLHT. The RevPAR growth of 7.6% yoy in YTD Sep 2019 was achieved through the adoption of a volume-centric strategy during the low travel season.

In line with the decline in gross revenue, CDLHT recorded NPI<sup>7</sup> of S\$103.2 million, a decrease of 4.1% yoy.

Interest costs for YTD Sep 2019 was higher than the same period last year, mainly the result of higher funding costs and increased interest expense incurred on additional loans drawn to finance the acquisition of the Italy Hotel and for some asset enhancements works on the Group’s properties.

Total income available for distribution (after deducting income retained for working capital) was S\$75.8 million in YTD Sep 2019, 3.1% lower yoy. Included therein is a capital distribution of about S\$10.0 million from the Group’s properties. This capital distribution includes a partial utilisation of proceeds from Mercure and Ibis Brisbane sold in 2018, which was used to mitigate the loss of income arising from certain renovation and rebranding works undertaken during the period and from the disposal.

The distribution per Stapled Security (“DPS”) (after deducting income retained for working capital) for YTD Sep 2019 was 6.25 cents, 3.7% lower yoy.

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

	YTD Sep 2019	YTD Sep 2018	Increase/(Decline)
Average Occupancy Rate	87.6%	87.3%	0.3pp
Average Daily Rate	S\$183	S\$183	0.0%
RevPAR	S\$160	S\$160	0.4%

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

No forecast has been disclosed.

<sup>7</sup> CDLHT’s net property income (“NPI”) is derived after deducting the operating expenses of Raffles Maldives Meradhoo, the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

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

For the first eight months of 2019, visitor arrivals to Singapore increased 1.9% yoy to 12.9 million. Growth from China and developed markets such as USA and Japan was partly offset by lower visitation from a few regional markets such as Thailand, India and Sri Lanka. Coupled with an increase in the average length of stay in Singapore, total visitor days grew 3.2% yoy<sup>1</sup>. For the full year of 2019, visitor arrivals is forecast to grow up to 19.2 million or 4% yoy<sup>2</sup>.

Growth prospects for the global and Singapore economy continue to be muted with the ongoing US-China trade conflict<sup>3</sup>. Nonetheless, the Singapore Tourism Board (“STB”) continues to focus on the higher yielding MICE segment through marketing efforts such as the recent global launch of “In Singapore Incentives & Rewards” (INSPIRE), an incentive programme aimed at attracting potential MICE visitors through a wide range of specially curated experiences. In 2020, Singapore will also host a number of inaugural events, including International Trademark Association’s 142<sup>nd</sup> Annual Meeting, the world’s largest gathering of intellectual property professionals with 8,000 expected attendees, and the 103<sup>rd</sup> Lions Clubs International Convention, with an expected 20,000 foreign attendees, making it the largest association congress ever to be held in the city<sup>4</sup>.

With continued investment in tourism infrastructure, Singapore recently unveiled a blueprint aimed at reshaping Sentosa and the adjacent Pulau Brani into a premier tourism destination<sup>5</sup>. The first project, being the construction of the S\$90 million Sentosa Sensoryscape – a two-tiered multi-sensory walkway comprising 30,000 sqm that will connect Resorts World Sentosa to Sentosa’s southern beaches, is slated to commence next quarter and complete in 2022.

On the supply front, Singapore hotel inventory is estimated to increase by 1,703 net rooms<sup>6</sup> in 2019 (of which 430 new rooms are in the city centre), representing approximately 2.5% of existing room stock. While the trading environment is likely to remain competitive as newer market entrants continue to build their base, limited future supply growth is supportive of a gradual recovery in the hotel sector. For the first 27 days of October 2019, RevPAR for Singapore Hotels increased by 0.2% as compared to the same period last year.

As part of ongoing asset renewal programme and to continually optimise the potential of CDLHT’s assets, pipe works and refurbishment of guest rooms are currently being carried out at Copthorne King’s Hotel. The works will be carried out in phases to minimise disruption and the hotel remains operational. Asset enhancement opportunities in other Singapore Hotels are also being evaluated strategically.

In New Zealand, while total arrivals increased 1.5% yoy to 2.4 million for YTD August 2019<sup>7</sup>, visitation from China, which is the second largest source market, declined 9.9% yoy. Looking ahead, growing hotel supply is likely to pose competitive trading conditions in the Auckland hospitality market.

In Japan, overall tourism demand continues to be healthy with visitor arrivals growing 4.0% yoy to 24.4 million for YTD September 2019<sup>8</sup>. However, the Japan-South Korea trade spat is adversely affecting the hospitality market<sup>9</sup>, with visitor arrivals from South Korea, the second largest source market for Japan, declining 36.3%<sup>8</sup> yoy for 3Q 2019. The implementation of consumption tax hike from 1 October 2019 is expected to impact Japanese consumer sentiment<sup>10</sup>. New supply in the limited service hotel sector in Tokyo and the rebound in number of alternative accommodation listings such as Airbnb<sup>11</sup> will also pose near term competitive pressure but the Tokyo 2020 Olympics and Paralympics will provide some rate maximising opportunities for the Japan Hotels due to expected citywide compression.

<sup>1</sup> STB

<sup>2</sup> STB, “Third consecutive year of growth for Singapore tourism sector in 2018”, 13 February 2019

<sup>3</sup> MTI, “MTI Expects GDP Growth to be “0.0 to 1.0 Per Cent” in 2019”, 13 August 2019

<sup>4</sup> STB, “STB unveils a selection of over 60 lifestyle experiences to entice business groups to Singapore”, 10 September 2019

<sup>5</sup> Channel NewsAsia, “Sentosa’s Merlion to go as Sentosa-Brani masterplan reshapes islands”, 20 September 2019

<sup>6</sup> Based on Horwath data (June 2019) and CDLHT Research

<sup>7</sup> Statistics – Tourism New Zealand

<sup>8</sup> Japan National Tourism Organization

<sup>9</sup> The Asahi Shimbun, “Report: Japan losing tourism battle with South Korea amid row”, 8 October 2019

<sup>10</sup> Business Times, “Japan proceeds with twice-delayed sales tax hike as growth sputters”, 1 October 2019

<sup>11</sup> Savills World Research Japan, “Spotlight Japan Hospitality”, August 2019

**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 2019**

Tourism demand in Maldives has been boosted mainly by growth in visitor arrivals from India and Europe<sup>12</sup>. The government is also stepping up efforts to boost tourism such as seeking more direct flights from China<sup>13</sup>, its largest source market. Trading conditions continue to remain challenging in the near term due to increase in new resorts supply. To help strengthen the Maldives Resorts’ product offerings amidst the rising competition, Raffles Maldives Meradhoo underwent an extensive refurbishment exercise for its rebranding programme and the resort has fully opened at the end of September 2019. The resort will undergo a gestation period for a few years before reaching a normalised occupancy level as it is building up awareness of the resort through sales and marketing activities. For Angsana Velavaru, progressive enhancement works are ongoing, and the construction of a new main public pool has been completed. 79 land villas are also being fully renovated in phases, where infinity pools will be incorporated into 24 of these land villas. While there is some anticipated disruption, the majority of the asset enhancement works is expected to complete at the end of this year, ahead of the peak travel season.

In UK, uncertainty over Brexit may continue to pose headwinds to overall demand<sup>14</sup> and the extent of economic impact depends on how it will be concluded. In the near term, both the Cambridge and Manchester markets will see an increase in hotel room inventory. To augment The Lowry Hotel’s position as the top hotel in Manchester, the food and beverage outlets were recently renovated and five rooms were upgraded to corner suites in October 2019. At Hilton Cambridge City Centre, the refurbishment of the lounge bar was also recently completed.

In continental Europe, economic growth is expected to moderate in Germany and Italy<sup>15</sup>. Notwithstanding this, tourism demand in Munich remains healthy with total arrivals increasing 5.9% yoy to 5.7 million for YTD August 2019<sup>16</sup> while total arrivals to Florence remains largely unchanged for 1H 2019<sup>17</sup>. Due to the cyclical nature of Munich’s fair calendar, there will be fewer events for the rest of 2019 and 1H 2020, and conversely, 2H 2020 will see a robust line-up of events.

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

<sup>12</sup> Ministry of Tourism, Republic of Maldives

<sup>13</sup> Channel NewsAsia, “Maldives targets one million Chinese with more direct flights”, 25 September 2019

<sup>14</sup> 2019 Inbound Tourism Forecast - VisitBritain

<sup>15</sup> International Monetary Fund, World Economic Outlook, July 2019

<sup>16</sup> München Tourismus

<sup>17</sup> Città Metropolitana Di Firenze

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
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NINE MONTHS ENDED 30 SEPTEMBER 2019**

**11 Distributions**

**11 (a) Current financial period**

No distribution has been declared for the third quarter ended 30 September 2019.

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

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

**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 and the reason(s)  
for the decision**

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 and nine months ended 30 September 2019 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.

**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 2019**

On behalf of the Board of Directors

CHAN SOON HEE ERIC  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

30 October 2019



**CDL HOSPITALITY TRUSTS (“CDLHT”)  
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND  
NINE MONTHS ENDED 30 SEPTEMBER 2019**

**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 2019

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 2019



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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 2019

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 2019. 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 2019;
- Portfolio statement of CDLHT as at 30 September 2019;
- Statement of total return of CDLHT for the nine-month period ended 30 September 2019;
- Statement of movements in unitholders' funds of CDLHT for the nine-month period ended 30 September 2019;
- Statement of cash flows of CDLHT for the nine-month period ended 30 September 2019;
- 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 WP*

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
30 October 2019