



CDL HOSPITALITY TRUSTS

CDL Hospitality Trusts
(Constituted in the Republic of Singapore pursuant to a
stapling deed dated 12 June 2006)

Condensed interim financial statements
Six-month period ended 30 June 2021

Statements of Financial Position
As at 30 June 2021

	Note	HBT Group		H-REIT Group		Stapled Group	
		30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000
Non-current assets							
Investment properties	3	–	–	2,411,646	2,403,183	1,904,400	1,978,356
Property, plant and equipment	4	334,352	279,605	75,523	80,822	788,055	709,039
Finance lease receivables		–	–	3,675	4,098	3,675	4,098
Deferred tax assets		163	163	824	835	987	998
Other receivables		212	212	19,031	10,264	361	361
		<u>334,727</u>	<u>279,980</u>	<u>2,510,699</u>	<u>2,499,202</u>	<u>2,697,478</u>	<u>2,692,852</u>
Current assets							
Inventories		1,985	1,947	–	–	1,985	1,947
Finance lease receivables		–	–	839	825	839	825
Trade and other receivables		17,638	15,704	32,100	59,974	24,503	27,733
Financial derivative assets		–	–	31	–	31	–
Cash and cash equivalents		20,215	17,532	109,326	113,570	129,541	131,102
		<u>39,838</u>	<u>35,183</u>	<u>142,296</u>	<u>174,369</u>	<u>156,899</u>	<u>161,607</u>
Total assets		<u>374,565</u>	<u>315,163</u>	<u>2,652,995</u>	<u>2,673,571</u>	<u>2,854,377</u>	<u>2,854,459</u>
Non-current liabilities							
Loans and borrowings	5	245,008	190,318	653,460	719,565	772,410	831,471
Financial derivative liabilities		–	–	6,159	13,707	6,159	13,707
Other payables		113	–	10,962	10,815	11,075	10,815
Deferred tax liabilities		12,379	10,851	9,767	11,298	22,146	22,149
		<u>257,500</u>	<u>201,169</u>	<u>680,348</u>	<u>755,385</u>	<u>811,790</u>	<u>878,142</u>
Current liabilities							
Loans and borrowings	5	23,506	14,140	396,513	291,651	396,874	291,876
Trade and other payables		58,377	57,965	26,986	33,957	36,757	43,978
Provision for taxation		136	1,021	11,714	11,707	11,850	12,728
		<u>82,019</u>	<u>73,126</u>	<u>435,213</u>	<u>337,315</u>	<u>445,481</u>	<u>348,582</u>
Total liabilities		<u>339,519</u>	<u>274,295</u>	<u>1,115,561</u>	<u>1,092,700</u>	<u>1,257,271</u>	<u>1,226,724</u>
Net assets		<u>35,046</u>	<u>40,868</u>	<u>1,537,434</u>	<u>1,580,871</u>	<u>1,597,106</u>	<u>1,627,735</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Financial Position (cont'd)
As at 30 June 2021

	Note	HBT Group		H-REIT Group		Stapled Group	
		30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000
Represented by:							
Unitholders' funds		35,046	40,868	1,529,631	1,573,044	1,589,303	1,619,908
Non-controlling interests		–	–	7,803	7,827	7,803	7,827
		<u>35,046</u>	<u>40,868</u>	<u>1,537,434</u>	<u>1,580,871</u>	<u>1,597,106</u>	<u>1,627,735</u>
Units/Stapled Securities in issue ('000)	6	<u>1,227,590</u>	<u>1,221,499</u>	<u>1,227,590</u>	<u>1,221,499</u>	<u>1,227,590</u>	<u>1,221,499</u>
Net asset value/Net tangible asset per Unit/ Stapled Security (\$)	7	<u>0.0285</u>	<u>0.0333</u>	<u>1.25</u>	<u>1.28</u>	<u>1.29</u>	<u>1.32</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Statement of Profit or Loss of the HBT Group
Statements of Total Return of the H-REIT Group and the Stapled Group
Six-month period ended 30 June 2021

	Note	HBT Group		H-REIT Group		Stapled Group	
		Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	8	28,527	10,997	44,321	43,775	66,225	52,059
Property expenses							
Operations and maintenance expenses		(6,735)	(3,419)	–	–	(6,735)	(3,419)
Employee benefit expenses		(9,812)	(5,120)	–	–	(9,812)	(5,120)
Rental expenses		(2,039)	(687)	–	–	(113)	(72)
Property tax		759	(603)	(3,344)	(3,257)	(2,585)	(3,860)
Other property expenses		(6,575)	(4,048)	(19,433)	(5,819)	(10,003)	(9,867)
		<u>(24,402)</u>	<u>(13,877)</u>	<u>(22,777)</u>	<u>(9,076)</u>	<u>(29,248)</u>	<u>(22,338)</u>
Net property income/(loss)		4,125	(2,880)	21,544	34,699	36,977	29,721
H-REIT Manager's management fee	9	–	–	(3,877)	(5,034)	(3,877)	(5,034)
H-REIT Trustee's fee		–	–	(180)	(203)	(180)	(203)
HBT Trustee-Manager's management fee	9	(279)	(297)	–	–	(279)	(297)
HBT Trustee-Manager's trustee fee		(112)	(119)	–	–	(112)	(119)
Valuation fee		(14)	(21)	(87)	(96)	(101)	(117)
Depreciation	4	(7,162)	(4,921)	(852)	(946)	(10,132)	(5,983)
Other expenses		(332)	(252)	(8,890)	(3,097)	(1,772)	(3,349)
Finance income		–	266	7,772	3,366	7,672	1,885
Finance costs		(5,177)	(2,718)	(17,940)	(16,418)	(17,636)	(18,065)
Net finance costs	10	<u>(5,177)</u>	<u>(2,452)</u>	<u>(10,168)</u>	<u>(13,052)</u>	<u>(9,964)</u>	<u>(16,180)</u>
Loss/Total return for the period before tax		(8,951)	(10,942)	(2,510)	12,271	10,560	(1,561)
Tax expense	11	<u>(413)</u>	<u>(340)</u>	<u>(2,649)</u>	<u>(2,478)</u>	<u>(3,062)</u>	<u>(2,818)</u>
Loss/Total return for the period	12	<u>(9,364)</u>	<u>(11,282)</u>	<u>(5,159)</u>	<u>9,793</u>	<u>7,498</u>	<u>(4,379)</u>
Loss/Total return attributable to:							
Unitholders		(9,364)	(11,282)	(5,242)	9,826	7,415	(4,346)
Non-controlling interests		–	–	83	(33)	83	(33)
		<u>(9,364)</u>	<u>(11,282)</u>	<u>(5,159)</u>	<u>9,793</u>	<u>7,498</u>	<u>(4,379)</u>
Earnings per Stapled Security (cents)	13						
Basic						0.60	(0.36)
Diluted						0.60	(0.36)

The accompanying notes form an integral part of these condensed interim financial statements.

Statement of Comprehensive Income of the HBT Group
Six-month period ended 30 June 2021

	HBT Group	
	Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000
Net loss for the period	(9,364)	(11,282)
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Tax effect on revaluation of property, plant and equipment	9	19
	<u>9</u>	<u>19</u>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Translation differences relating to financial statements of foreign subsidiaries	2,135	(1,884)
Exchange differences on monetary items forming part of net investment in foreign operations	3,366	(1,521)
Exchange differences on hedge of net investments in foreign operations	(2,191)	1,305
	<u>3,310</u>	<u>(2,100)</u>
Other comprehensive income for the period, net of tax	<u>3,319</u>	<u>(2,081)</u>
Total comprehensive income for the period	<u>(6,045)</u>	<u>(13,363)</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2021

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling interests \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling interests \$'000	Total \$'000
At 1 January 2021	111,264	(121)	11,255	6,449	(87,979)	40,868	1,573,044	7,827	1,580,871	1,619,908	7,827	1,627,735
Operations												
- Decrease in net assets resulting from operations	-	-	-	-	(9,364)	(9,364)	(5,242)	83	(5,159)	7,415	83	7,498
Revaluation reserve												
- Tax effect on revaluation of property, plant and equipment	-	-	9	-	-	9	(6)	-	(6)	3	-	3
Foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	2,135	-	2,135	(1,495)	(107)	(1,602)	811	(107)	704
- Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	3,366	-	3,366	325	-	325	3,691	-	3,691
- Exchange differences on hedge of net investments in foreign operations	-	-	-	(2,191)	-	(2,191)	2,026	-	2,026	(3,727)	-	(3,727)
Other comprehensive income	-	-	9	3,310	-	3,319	850	(107)	743	778	(107)	671
Total comprehensive income	-	-	9	3,310	(9,364)	(6,045)	(4,392)	(24)	(4,416)	8,193	(24)	8,169
Balance carried forward	111,264	(121)	11,264	9,759	(97,343)	34,823	1,568,652	7,803	1,576,455	1,628,101	7,803	1,635,904

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2021

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000
Balance brought forward	111,264	(121)	11,264	9,759	(97,343)	34,823	1,568,652	7,803	1,576,455	1,628,101	7,803	1,635,904
Transactions with owners, recorded directly in equity												
<u>Contributions by and distributions to owners</u>												
- Distributions to holders of Stapled Securities	-	-	-	-	-	-	(42,123)	-	(42,123)	(42,123)	-	(42,123)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	-	-	-	-	-	-	3,102	-	3,102	3,102	-	3,102
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee- Manager's management fee	223	-	-	-	-	223	-	-	-	223	-	223
Total contributions by and distributions to owners	223	-	-	-	-	223	(39,021)	-	(39,021)	(38,798)	-	(38,798)
Total transactions with owners	223	-	-	-	-	223	(39,021)	-	(39,021)	(38,798)	-	(38,798)
At 30 June 2021	111,487	(121)	11,264	9,759	(97,343)	35,046	1,529,631	7,803	1,537,434	1,589,303	7,803	1,597,106

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Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2021

	HBT Group						H-REIT Group			Stapled Group		
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling interests \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling Interests \$'000	Total \$'000
At 1 January 2020	113,517	(121)	12,491	3,152	(56,080)	72,959	1,780,289	8,316	1,788,605	1,854,171	8,316	1,862,487
Operations												
- (Decrease)/Increase in net assets resulting from operations	-	-	-	-	(11,282)	(11,282)	9,826	(33)	9,793	(4,346)	(33)	(4,379)
Revaluation reserve												
- Tax effect on revaluation surplus on property, plant and equipment	-	-	19	-	-	19	-	-	-	19	-	19
Foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(1,884)	-	(1,884)	6,359	336	6,695	4,476	336	4,812
- Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(1,521)	-	(1,521)	1,594	-	1,594	73	-	73
- Exchange differences on hedge of net investments in foreign operations	-	-	-	1,305	-	1,305	(2,726)	-	(2,726)	302	-	302
Other comprehensive income	-	-	19	(2,100)	-	(2,081)	5,227	336	5,563	4,870	336	5,206
Total comprehensive income	-	-	19	(2,100)	(11,282)	(13,363)	15,053	303	15,356	524	303	827
Balance carried forward	113,517	(121)	12,510	1,052	(67,362)	59,596	1,795,342	8,619	1,803,961	1,854,695	8,619	1,863,314

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2021

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling Interests \$'000	Total \$'000
Balance brought forward	113,517	(121)	12,510	1,052	(67,362)	59,596	1,795,342	8,619	1,803,961	1,854,695	8,619	1,863,314
Transactions with owners, recorded directly in equity												
<u>Contributions by and distributions to owners</u>												
- Distributions to holders of Stapled Securities	(2,700)	-	-	-	(370)	(3,070)	(55,906)	-	(55,906)	(58,976)	-	(58,976)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	-	-	-	-	-	-	4,027	-	4,027	4,027	-	4,027
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee- Manager's management fee	237	-	-	-	-	237	-	-	-	237	-	237
Total contributions by and distributions to owners	(2,463)	-	-	-	(370)	(2,833)	(51,879)	-	(51,879)	(54,712)	-	(54,712)
Total transactions with owners	(2,463)	-	-	-	(370)	(2,833)	(51,879)	-	(51,879)	(54,712)	-	(54,712)
At 30 June 2020	111,054	(121)	12,510	1,052	(67,732)	56,763	1,743,463	8,619	1,752,082	1,799,983	8,619	1,808,602

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into Singapore dollar, exchange differences on monetary items which form part of Stapled Group's net investment in foreign operations and exchange differences arising from hedge of net investment in foreign operations.

The accompanying notes form an integral part of these condensed interim financial statements.

Distribution Statement
Six-month period ended 30 June 2021

	Note	Stapled Group	
		Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000
Amount available for distribution to holders of Stapled Securities at the beginning of the period		41,138	58,128
Total return of H-REIT	12 (ii)	14,514	8,593
Total return of HBT	12 (ii)	(1,965)	(1,310)
Net tax adjustments (Note A)		4,073	13,108
		16,622	20,391
Less: Amount retained for working capital		(1,662)	(2,039)
Amount available for distribution to holders of Stapled Securities		<u>56,098</u>	<u>76,480</u>
Distribution to holders of Stapled Securities:			
Distribution of 4.86 cents per Stapled Security for the period from 1/7/2019 to 31/12/2019		–	(58,976)
Distribution of 3.44 cents per Stapled Security for the period from 1/7/2020 to 31/12/2020		(42,123)	–
		<u>(42,123)</u>	<u>(58,976)</u>
Amount available for distribution to holders of Stapled Securities at the end of the period		<u>13,975</u>	<u>17,504</u>
Distribution per Stapled Security (DPS) (cents)		<u>1.22</u>	<u>1.51</u>
Note A – Net tax adjustments comprise:			
Non-tax deductible/(chargeable) items:			
- Amortisation of transaction costs		730	653
- Fair value (gain)/loss on financial derivatives		(7,548)	5,678
- Financial expense arising from accretion of non-current rental deposits measured at amortised cost		125	120
- Foreign exchange loss/(gain)		5,231	(1,195)
- H-REIT Manager's management fee paid/payable in Stapled Securities		3,102	4,027
- H-REIT Trustee's fee		180	203
- HBT Trustee-Manager's management fee paid/payable in Stapled Securities		223	237
- HBT Trustee-Manager's trustee fee		112	119
- Other items		1,918	3,266
Net tax adjustments		<u>4,073</u>	<u>13,108</u>

Distributions of the Stapled Group represents the aggregate of distributions by H-REIT and HBT.

The accompanying notes form an integral part of these condensed interim financial statements.

Portfolio Statements
As at 30 June 2021
H-REIT Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
<u>Investment properties</u>									
<i>Singapore</i>									
Orchard Hotel	Freehold ⁽²⁾	75 years	61 years	442 Orchard Road	Hotel	443,520	443,000	28.8	28.0
Claymore Connect	Freehold ⁽²⁾	75 years	61 years	442 Orchard Road	Retail	88,054	88,000	5.7	5.6
Grand Copthorne Waterfront Hotel	Freehold ⁽²⁾	75 years	61 years	392 Havelock Road	Hotel	354,765	354,000	23.1	22.4
M Hotel	Freehold ⁽²⁾	75 years	61 years	81 Anson Road	Hotel	237,133	237,000	15.4	15.0
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	46 years	403 Havelock Road	Hotel	114,511	114,000	7.4	7.2
Studio M Hotel	Leasehold	99 years from 26 February 2007	85 years	3 Nanson Road	Hotel	166,052	166,000	10.8	10.5
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	85 years	21 Ocean Way	Hotel	366,097	365,581	23.8	23.1
Balance carried forward						1,770,132	1,767,581	115.0	111.8

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Portfolio Statements (cont'd)
As at 30 June 2021
H-REIT Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
Balance brought forward						1,770,132	1,767,581	115.0	111.8
Germany									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	170,147	171,479	11.1	10.8
Italy									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	65,508	65,604	4.3	4.2
New Zealand									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	187,076	186,657	12.2	11.8
Australia									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	33,113	30,345	2.2	1.9
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	50,134	45,517	3.3	2.9
Maldives									
Angsana Velavaru	Leasehold	50 years from 26 August 1997	26 years	South Nilandhe Atoll	Resort	77,634	76,754	5.0	4.9
Raffles Maldives Meradhoo	Leasehold	50 years from 15 June 2006	35 years	Gaafu Alifu Atoll	Resort	57,902	59,246	3.8	3.7
Investment properties						2,411,646	2,403,183	156.9	152.0

The accompanying notes form an integral part of these condensed interim financial statements.

Portfolio Statements (cont'd)
As at 30 June 2021
H-REIT Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
<u>Property, plant and equipment</u>									
<i>Japan</i>									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo, Japan	Hotel	44,624	47,728	2.9	3.0
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo, Japan	Hotel	30,672	32,845	2.0	2.1
Other plant and equipment	–	–	–	–	–	227	249	–	–
Property, plant and equipment						75,523	80,822	4.9	5.1
Other assets and liabilities (net)						2,487,169	2,484,005	161.8	157.1
Net assets of the H-REIT Group						(949,735)	(903,134)	(61.8)	(57.1)
						1,537,434	1,580,871	100.0	100.0

⁽¹⁾ The carrying values include right-of-use assets recognised on leases of land.

⁽²⁾ H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.

The accompanying notes form an integral part of these condensed interim financial statements.

Portfolio Statements (cont'd)
As at 30 June 2021
Stapled Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
<u>Investment properties</u>									
<i>Singapore</i>									
Orchard Hotel	Freehold ⁽²⁾	75 years	61 years	442 Orchard Road	Hotel	443,520	443,000	27.8	27.2
Claymore Connect	Freehold ⁽²⁾	75 years	61 years	442 Orchard Road	Retail	88,054	88,000	5.5	5.4
Grand Copthorne Waterfront Hotel	Freehold ⁽²⁾	75 years	61 years	392 Havelock Road	Hotel	354,765	354,000	22.2	21.7
M Hotel	Freehold ⁽²⁾	75 years	61 years	81 Anson Road	Hotel	237,133	237,000	14.8	14.6
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	46 years	403 Havelock Road	Hotel	114,511	114,000	7.2	7.0
Studio M Hotel	Leasehold	99 years from 26 February 2007	85 years	3 Nanson Road	Hotel	166,052	166,000	10.4	10.2
Balance carried forward						1,404,035	1,402,000	87.9	86.1

The accompanying notes form an integral part of these condensed interim financial statements.

Portfolio Statements (cont'd)
As at 30 June 2021
Stapled Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
Balance brought forward						1,404,035	1,402,000	87.9	86.1
Germany									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	170,147	171,479	10.7	10.5
Italy									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	65,508	65,604	4.1	4.0
New Zealand									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	187,076	186,657	11.7	11.5
Australia									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	– ⁽³⁾	30,345	0.0	1.9
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	– ⁽³⁾	45,517	0.0	2.8
Maldives									
Angsana Velavaru	Leasehold	50 years from 26 August 1997	26 years	South Nilandhe Atoll	Resort	77,634	76,754	4.9	4.7
Investment properties						1,904,400	1,978,356	119.3	121.5

The accompanying notes form an integral part of these condensed interim financial statements.

Portfolio Statements (cont'd)
As at 30 June 2021
Stapled Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 30/06/2021 ⁽¹⁾ \$'000	Carrying value at 31/12/2020 ⁽¹⁾ \$'000	Percentage of total net assets at 30/06/2021 %	Percentage of total net assets at 31/12/2020 %
<u>Property, plant and equipment</u>									
<i>Singapore</i>									
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	85 years	21 Ocean Way	Hotel	366,630	369,581 ⁽⁴⁾	23.0	22.7
<i>Australia</i>									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	32,641 ⁽³⁾	–	2.0	0.0
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	49,348 ⁽³⁾	–	3.1	0.0
<i>Maldives</i>									
Raffles Maldives Meradhoo	Leasehold	50 years from 15 June 2006	35 years	Gaafu Alifu Atoll	Resort	56,207	59,246	3.5	3.7
<i>Japan</i>									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo, Japan	Hotel	44,624	47,728	2.8	2.9
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo, Japan	Hotel	30,672	32,845	1.9	2.0
<i>United Kingdom</i>									
Hilton Cambridge City Centre	Leasehold	125 years from 25 December 1990	94 years	Downing Street, Cambridge	Hotel	115,238	110,079	7.2	6.8
The Lowry Hotel	Leasehold	150 years from 18 March 1997	126 years	Manchester	Hotel	92,177	88,916	5.8	5.5
Other plant and equipment	–	–	–	–	–	518	644	0.0	0.0
Property plant and equipment						788,055	709,039	49.3	43.6
Other assets and liabilities (net)						2,692,455	2,687,395	168.6	165.1
Net assets of the Stapled Group						(1,095,349)	(1,059,660)	(68.6)	(65.1)
						1,597,106	1,627,735	100.0	100.0

⁽¹⁾ The carrying values include right-of-use assets recognised on leases of land and buildings.

⁽²⁾ H-REIT's interest in the freehold land is restricted to the remaining term of each respective lease.

⁽³⁾ Australia properties reclassified from investment properties to property, plant and equipment, refer to Note 3.

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Cash Flows
Six-month period ended 30 June 2021

	HBT Group		H-REIT Group		Stapled Group		
	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	
	Note 30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash flows from operating activities							
Loss/Total return for the year before tax		(8,951)	(10,942)	(2,510)	12,271	10,560	(1,561)
Adjustments for:							
H-REIT Manager's and HBT Trustee- Manager's fees paid/payable in Stapled Securities		223	237	3,102	4,027	3,325	4,264
Depreciation of property, plant and equipment	4	7,162	4,921	852	946	10,132	5,983
(Reversal of impairment loss) /Impairment loss on trade and other receivables		(80)	68	23,422	3,643	135	3,711
Net finance costs		5,177	2,452	10,168	13,052	9,964	16,180
Operating income/(loss) before working capital changes		3,531	(3,264)	35,034	33,939	34,116	28,577
Changes in:							
- Inventories		63	114	-	-	63	114
- Trade and other receivables		(1,335)	3,594	1,558	(4,796)	1,791	1,963
- Trade and other payables		(733)	(506)	(7,710)	(4,487)	(9,058)	(8,155)
Cash generated from/(used in) operations		1,526	(62)	28,882	24,656	26,912	22,499
Tax paid		(182)	(464)	(4,160)	(4,260)	(4,343)	(4,725)
Net cash generated from/(used in) operating activities		1,344	(526)	24,722	20,396	22,569	17,774
Cash flows from investing activities							
Loan to related entity		-	-	(8,298)	(1,586)	-	-
Acquisition of business, net of cash acquired	19	284	-	-	-	284	-
Additions to property, plant and equipment		(2,040)	(15)	(54)	(79)	(8,792)	(96)
Capital expenditure on investment properties		-	-	(8,930)	(2,842)	(2,233)	(2,842)
Receipt of finance lease receivables		-	-	410	397	410	397
Interest received		-	-	93	424	93	424
Net cash used in investing activities		(1,756)	(15)	(16,779)	(3,686)	(10,238)	(2,117)
Cash flows from financing activities							
Loan from related entity		8,298	1,586	-	-	-	-
Proceeds from bank loans		-	-	39,066	81,478	39,066	81,478
Repayment of bank loans		-	-	(92)	(45,046)	(92)	(45,046)
Payment of transaction costs related to bank loans		-	-	-	(39)	-	(39)
Payment of lease liabilities		(1,625)	(1,056)	(714)	(539)	(658)	(543)
Finance costs paid		(3,751)	(2,643)	(8,541)	(6,722)	(10,475)	(8,319)
Distributions to holders of Stapled Securities		-	(3,070)	(42,123)	(55,906)	(42,123)	(58,976)
Distributions to holders of non- controlling interests		-	-	-	(23)	-	(23)
Return of capital to non-controlling interests		-	-	-	(24)	-	(24)
Movement in restricted cash		-	-	97	(2,026)	97	(2,026)
Net cash generated from/(used in) financing activities		2,922	(5,183)	(12,307)	(28,847)	(14,185)	(33,518)

The accompanying notes form an integral part of these condensed interim financial statements.

Statements of Cash Flows (cont'd)
Six-month period ended 30 June 2021

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents	2,510	(5,724)	(4,364)	(12,137)	(1,854)	(17,861)
Cash and cash equivalents at beginning of the year	17,532	7,802	109,059	127,091	126,591	134,893
Effect of exchange rate changes on cash and cash equivalents	173	46	315	1,711	488	1,757
Cash and cash equivalents at end of the period	20,215	2,124	105,010	116,665	125,225	118,789

Cash and cash equivalents at the end of the period

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents in the statement of financial position	20,215	2,124	109,326	119,802	129,541	121,926
Restricted cash	–	–	(4,316)	(3,137)	(4,316)	(3,137)
Cash and cash equivalents in the statement of cash flows	20,215	2,124	105,010	116,665	125,225	118,789

Significant non-cash transactions

There were the following non-cash transactions:

- (i) 5,928,555 (30/06/2020: 5,808,673) Stapled Securities amounting to \$7.6 million (30/06/2020: \$7.8 million) were issued to the H-REIT Manager as satisfaction of the management fee payable in Stapled Securities.
- (ii) 162,276 (30/06/2020: 243,358) Stapled Securities amounting to \$0.2 million (30/06/2020: \$0.2 million) were issued to the HBT Trustee-Manager as satisfaction of the management fee payable in Stapled Securities.

The accompanying notes form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1 General

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiaries (the “H-REIT Group”) and CDL Hospitality Business Trust (“HBT”) and its subsidiaries (the “HBT Group”) (collectively, the “Stapled Group”). H-REIT is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 June 2006 (as amended) (the “H-REIT Trust Deed”) between M&C REIT Management Limited (the “H-REIT Manager”) and DBS Trustee Limited (the “H-REIT Trustee”). The H-REIT Trust Deed is governed by the laws of the Republic of Singapore. The H-REIT Trustee is under a duty to take into custody and hold the assets of H-REIT held by it or through its subsidiaries in trust for the holders of units in H-REIT. HBT is a business trust constituted by a trust deed dated 12 June 2006 (as amended) (the “HBT Trust Deed”) and is managed by M&C Business Trust Management Limited (the “HBT Trustee-Manager”). The securities in each of H-REIT and HBT are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between the H-REIT Manager, the H-REIT Trustee and the HBT Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in CDL Hospitality Trusts (the “Stapled Security”) comprises a unit in H-REIT (the “H-REIT Unit”) and a unit in HBT (the “HBT Unit”).

CDL Hospitality Trusts was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 July 2006.

The principal activity of H-REIT and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or substantially used for hospitality and hospitality related purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

HBT functions as a master lessee and may also undertake certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

The consolidated financial statements of the H-REIT Group relate to H-REIT and its subsidiaries. The consolidated financial statements of the HBT Group relate to HBT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the HBT Group and the H-REIT Group.

2 Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements of the HBT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements of the H-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”). RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards (“FRS”).

The condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with FRS/SFRS(I) Standards and should be read in conjunction with the Stapled Group's annual consolidated financial statements as at and for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial positions and performances of the H-REIT Group, the HBT Group and the Stapled Group since the last annual financial statements.

These condensed interim financial statements are presented in Singapore dollars ("S\$"), which is the functional currency of HBT and H-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

There are no new or amended standards which have become effective for the current period. The accounting policies applied in these condensed interim financial statements are the same as those applied in the Stapled Group's consolidated financial statements as at and for the year ended 31 December 2020.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 3 – Valuation of investment properties
- Note 4 – Valuation of property, plant and equipment

Measurement of fair values

A number of the Stapled Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The H-REIT Manager and the HBT Trustee-Manager have an established control framework with respect to the measurement of fair values. This includes a team that regularly reviews significant unobservable inputs and reports directly to the Chief Financial Officer, who has overall responsibility for all significant fair value measurements.

The H-REIT Manager and the HBT Trustee-Manager regularly review significant unobservable inputs and valuation adjustments included in the fair value measurements. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the H-REIT Manager and the HBT Trustee-Manager assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS / SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

When measuring the fair value of an asset or a liability, the H-REIT Manager and the HBT Trustee-Manager use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Transfers between levels of the fair value hierarchy are recognised as of the end of the financial period during which the change has occurred.

3 Investment properties

	HBT Group		H-REIT Group		Stapled Group	
	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000
At 1 January	–	–	2,403,183	2,209,253	1,978,356	2,139,392
Acquisition of property, including acquisition costs	–	–	–	343,700	–	–
Straight-line rental adjustment	–	–	2,712	1,392	1,768	1,392
(Derecognition)/Recog- nition of right-of-use assets	–	–	(2,167)	55,550	–	–
Capital expenditure	–	–	8,930	12,307	2,233	8,303
Disposal of property	–	–	–	(70,346)	–	(70,190)
Fair value changes (unrealised)	–	–	–	(181,055)	–	(133,955)
Reclassification to property, plant and equipment (Note 4)	–	–	–	–	(75,863)	–
Translation differences	–	–	(1,012)	32,382	(2,094)	33,414
At 30 June 2021/31 December 2020	–	–	2,411,646	2,403,183	1,904,400	1,978,356

The straight-line rental adjustment represents the effect of recognising rental income on a straight-line basis over the lease term of an investment property.

On 30 October 2020, the H-REIT Group sold Novotel Brisbane to a third party for a total consideration of \$65.3 million and recognised a net loss on disposal of \$14.0 million.

Security

At 30 June 2021, an investment property of the H-REIT Group and the Stapled Group with a carrying amount of \$170.1 million (31/12/2020: \$171.5 million) is pledged as security to secure a bank loan (Note 5).

Measurement of fair value

	H-REIT Group		Stapled Group	
	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000
Fair value of investment properties	2,338,797	2,328,448	1,893,790	1,967,992
Add: Carrying amount of lease liabilities	72,849	74,735	10,610	10,364
Carrying amount of investment properties	2,411,646	2,403,183	1,904,400	1,978,356

The H-REIT Manager is of the view that the valuations of the investment properties as at 30 June 2021 remain substantially unchanged from those as at 31 December 2020 except to the extent of capital expenditure incurred during the six-month period ended 30 June 2021.

The carrying amounts of the investment properties as at 31 December 2020 were based on independent valuations undertaken by Knight Frank Pte Ltd for the Singapore properties, CBRE Limited for the New Zealand property, CIVAS (NSW) Pty Limited for the Australian properties, Jones Lang LaSalle Property Consultants Pte Ltd for the Maldives properties, Cushman & Wakefield (U.K.) LLP (German Branch) for the German property, Cushman & Wakefield (U.K.) LLP (Italian Branch) for the Italian property, as at that date. The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flows and capitalisation methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield, capitalisation rate and price per room. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the reporting date.

The valuers have highlighted in their valuation reports as at 31 December 2020 that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused and given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. The valuers have also recommended to keep the valuation of the properties under frequent review. Accordingly, the carrying amounts of the investment properties were current as at 31 December 2020 only.

Fair value hierarchy

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.2).

Reclassification – transfer to property, plant and equipment

During the financial period, HBT Group became master lessee and operator of Australia properties. Accordingly, the Australia properties are classified as property, plant and equipment at the Stapled Group with the elimination of the master lease arrangement within the Stapled Group effectively.

4 Property, plant and equipment

	HBT Group		H-REIT Group		Stapled Group	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At valuation/cost						
At 1 January	296,802	270,557	86,370	90,700	741,097	397,909
Additions	54,888	46,671	54	350	11,850	405,519
Acquisition of business	–	222	–	–	–	–
Disposal	(150)	–	–	(65)	(2,167)	(65)
Reclassification from investment properties (Note 3)	–	–	–	–	75,863	–
Translation differences	7,654	4,308	(4,742)	3,331	4,071	7,259
Revaluation surplus/(deficit) recognised in unitholders' funds/OCI	–	(13,581)	–	(5,605)	–	(9,468)
Reversal of revaluation (surplus)/deficit recognised in statement of total return/profit or loss	–	(4,338)	–	(1,454)	–	(51,568)
Elimination of accumulated depreciation on revaluation	(5,010)	(7,037)	(397)	(887)	(5,316)	(8,489)
At 30 June 2021/31 December 2020	<u>354,184</u>	<u>296,802</u>	<u>81,285</u>	<u>86,370</u>	<u>825,398</u>	<u>741,097</u>
Accumulated depreciation						
At 1 January	17,197	12,822	5,548	4,460	32,058	24,066
Depreciation	7,162	11,031	852	1,901	10,132	16,190
Disposal	(150)	–	–	(22)	–	(22)
Translation differences	633	381	(241)	96	469	313
Elimination of accumulated depreciation on revaluation	(5,010)	(7,037)	(397)	(887)	(5,316)	(8,489)
	<u>19,832</u>	<u>17,197</u>	<u>5,762</u>	<u>5,548</u>	<u>37,343</u>	<u>32,058</u>
Carrying amounts	<u>334,352</u>	<u>279,605</u>	<u>75,523</u>	<u>80,822</u>	<u>788,055</u>	<u>709,039</u>
At valuation						
Land and buildings	<u>311,998</u>	<u>256,478</u>	<u>72,258</u>	<u>65,090</u>	<u>718,276</u>	<u>643,257</u>

Measurement of fair value

Freehold land, leasehold land and buildings included as part of property, plant and equipment are stated at their revalued amounts less accumulated depreciation and impairment losses. The land and buildings were last revalued as at 31 December 2020.

The carrying amounts of the properties as at 31 December 2020 were based on independent valuations undertaken by Cushman & Wakefield K.K. for the Japan properties, Cushman & Wakefield Debenham Tie Leung Limited for the United Kingdom properties, Jones Lang LaSalle Property Consultants Pte Ltd for the Maldives property and Knight Frank Pte Ltd for the Singapore property. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on the discounted cash flow and capitalisation methods, where appropriate. The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal yield and capitalisation rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation reports, the H-REIT Manager and HBT Trustee-Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of market conditions prevailing at the end of the reporting date.

The valuers have highlighted in their valuation reports as at 31 December 2020 that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused and given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. The valuers have also recommended to keep the valuation of the properties under frequent review. Accordingly, the carrying amounts of the properties were current as at 31 December 2020 only.

Fair value hierarchy

The fair value measurement for property, plant and equipment has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 2.2).

5 Loans and borrowings

	HBT Group		H-REIT Group		Stapled Group	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At amortised cost:						
Non-current						
Secured TMK bond	–	–	36,756	38,843	36,756	38,843
Secured bank loan	–	–	70,348	71,305	70,348	71,305
Unsecured bank loans	100,481	96,976	471,090	531,597	571,571	628,573
Lease liabilities	144,527	93,342	75,266	77,820	93,735	92,750
	<u>245,008</u>	<u>190,318</u>	<u>653,460</u>	<u>719,565</u>	<u>772,410</u>	<u>831,471</u>
Current						
Unsecured bank loans	–	–	394,825	289,804	394,825	289,804
Lease liabilities	4,624	4,024	1,688	1,847	2,049	2,072
Loan from related entity	18,882	10,116	–	–	–	–
	<u>23,506</u>	<u>14,140</u>	<u>396,513</u>	<u>291,651</u>	<u>396,874</u>	<u>291,876</u>
	<u>268,514</u>	<u>204,458</u>	<u>1,049,973</u>	<u>1,011,216</u>	<u>1,169,284</u>	<u>1,123,347</u>

Secured TMK Bond

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

Secured bank loan

As at the reporting date, an investment property (Note 3) and certain bank accounts in NKS Hospitality I B.V. (“NKS”), together with the Stapled Group’s shares in NKS, representing a 94.9% equity interest in NKS, are pledged as security for bank facilities granted to NKS.

Loan covenant

As of 30 June 2021, the Stapled Group has complied with the debt covenants with exception of two debt covenant ratios where the Stapled Group has received waiver to defer.

6 Units/Stapled Securities in issue and to be issued

	HBT Group		H-REIT Group		Stapled Group	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	'000	'000	'000	'000	'000	'000
Units/Stapled Securities in issue:						
At 1 January	1,221,499	1,212,584	1,221,499	1,212,584	1,221,499	1,212,584
Creation of Units/Stapled Securities:						
- H-REIT Manager’s management fee paid in Stapled Securities	5,929	8,464	5,929	8,464	5,929	8,464
- HBT Trustee-Manager’s management fee paid in Stapled Securities	162	451	162	451	162	451
At 30 June 2021/ 31 December 2020	<u>1,227,590</u>	<u>1,221,499</u>	<u>1,227,590</u>	<u>1,221,499</u>	<u>1,227,590</u>	<u>1,221,499</u>
Units/Stapled Securities to be issued:						
H-REIT Manager’s management fees payable in Stapled Securities	1,480	4,921	1,480	4,921	1,480	4,921
HBT Trustee-Manager’s management fees payable in Stapled Securities	91	75	91	75	91	75
At 30 June 2021/ 31 December 2020	<u>1,571</u>	<u>4,996</u>	<u>1,571</u>	<u>4,996</u>	<u>1,571</u>	<u>4,996</u>
Units/Stapled Securities, in issue and to be issued	<u>1,229,161</u>	<u>1,226,495</u>	<u>1,229,161</u>	<u>1,226,495</u>	<u>1,229,161</u>	<u>1,226,495</u>

7 Net asset value/Net tangible asset per Unit/Stapled Security

	Note	HBT Group		H-REIT Group		Stapled Group	
		30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000	30/06/2021 \$'000	31/12/2020 \$'000
Net asset value/Net tangible asset per Unit/Stapled Security is based on:							
Net assets attributable to holders of Stapled Securities		35,046	40,868	1,529,631	1,573,044	1,589,303	1,619,908
Total issued and to be issued Units/Stapled Securities	6	1,229,161	1,226,495	1,229,161	1,226,495	1,229,161	1,226,495

8 Revenue

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended
	30/06/2021 \$'000	30/06/2020 \$'000	30/06/2021 \$'000	30/06/2020 \$'000	30/06/2021 \$'000	30/06/2020 \$'000
Rental revenue						
- Fixed rent	-	-	31,395	32,542	26,948	30,443
- Variable rent	-	-	12,926	11,233	10,750	10,618
Hotel revenue	28,527	10,997	-	-	28,527	10,998
	28,527	10,997	44,321	43,775	66,225	52,059

Rental revenue

Rental revenue for the H-REIT Group includes rental income from the HBT Group and related corporations of the H-REIT Manager of \$6,623,000 (30/06/2020: \$2,713,000) and \$26,727,000 (30/06/2020: \$22,531,000), respectively. Such revenue is attributable to the Maldives segment, New Zealand segment, Singapore segment and Australia segment.

Under the terms of the master lease agreements for the properties, the H-REIT Group is generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue and/or gross operating profit.

Hotel revenue

Hotel revenue is recognised at a point in time when the accommodation and related services are rendered.

9 Management fees

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
H-REIT Manager's management fee						
- Base fee	–	–	3,174	3,465	3,174	3,465
- Performance fee	–	–	703	1,569	703	1,569
	–	–	3,877	5,034	3,877	5,034
HBT Trustee-Manager's management fee						
- Base fee	279	297	–	–	279	297

10 Finance income and finance costs

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000	Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000	Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000
Finance income						
Interest income under the effective interest method on:						
- cash and cash equivalents	-	-	20	304	20	305
- finance lease receivables	-	-	73	86	73	86
- loan to related entity	-	-	100	3	-	-
	-	-	193	393	93	391
Fair value gains on financial derivatives designated at fair value through profit or loss	-	23	7,579	-	7,579	-
Net foreign exchange gain	-	243	-	2,973	-	1,494
	-	266	7,772	3,366	7,672	1,885
Finance costs						
Financial liabilities measured at amortised cost:						
- interest expense on:						
- loans and borrowings	(1,343)	(1,303)	(8,201)	(9,312)	(9,544)	(10,615)
- lease liabilities	(2,395)	(1,336)	(1,476)	(641)	(2,054)	(932)
- loan from related entity	(100)	(3)	-	-	-	-
- amortisation of transaction costs on loans and borrowings	(76)	(76)	(765)	(667)	(841)	(743)
- financial expense arising from accretion of non-current rental deposits	-	-	(125)	(120)	(125)	(120)
	(3,914)	(2,718)	(10,567)	(10,740)	(12,564)	(12,410)
Fair value losses on financial derivatives designated at fair value through profit or loss	-	-	-	(5,678)	-	(5,655)
Net foreign exchange losses	(1,263)	-	(7,373)	-	(5,072)	-
	(5,177)	(2,718)	(17,940)	(16,418)	(17,636)	(18,065)
Net finance costs	(5,177)	(2,452)	(10,168)	(13,052)	(9,964)	(16,180)

11 Tax expense

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current tax expense						
Current period	199	–	3,553	1,725	3,752	1,725
(Over)/Under provision in prior periods	(1,109)	–	350	(9)	(759)	(9)
	<u>(910)</u>	<u>–</u>	<u>3,903</u>	<u>1,716</u>	<u>2,993</u>	<u>1,716</u>
Withholding tax	181	463	630	694	811	1,157
Deferred tax expense						
Origination and reversal of temporary differences	1,142	(123)	(1,884)	68	(742)	(55)
Tax expense	<u>413</u>	<u>340</u>	<u>2,649</u>	<u>2,478</u>	<u>3,062</u>	<u>2,818</u>

12 Loss/Total return

- (i) Loss/Total return for the period is arrived at after charging/(crediting) the following items:

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020	Six-month period ended 30/06/2021	Six-month period ended 30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees	214	128	308	315	522	443
(Reversal of impairment loss)/Impairment loss on trade and other receivables	(80)	68	23,422	3,643	135	3,711
Operating expenses arising from rental of investment properties	–	–	22,615	8,907	6,240	6,729

(ii) Loss/Total return comprises loss/total return of

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended
	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- H-REIT	-	-	14,514	8,593	14,514	8,593
- Other H-REIT Group entities*	-	-	(19,673)	1,200	(19,673)	1,200
- HBT	(1,965)	(1,310)	-	-	(1,965)	(1,310)
- Other HBT Group entities*	(7,399)	(9,972)	-	-	(7,399)	(9,972)
- Stapled Group's consolidation adjustments	-	-	-	-	22,021	(2,890)
	<u>(9,364)</u>	<u>(11,282)</u>	<u>(5,159)</u>	<u>9,793</u>	<u>7,498</u>	<u>(4,379)</u>

* including consolidation adjustments

13 Earnings per Stapled Security

Earnings per Stapled Security is based on:

	Stapled Group	
	Six-month period ended 30/06/2021 \$'000	Six-month period ended 30/06/2020 \$'000
Total return for the period attributable to holders of Stapled Securities	7,415	(4,346)
	<hr/>	
	Number of Stapled Securities	
	Six-month period ended 30/06/2021 '000	Six-month period ended 30/06/2020 '000
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security:		
- outstanding during the period	1,226,494	1,216,632
- to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities	563	1,020
	<hr/> 1,227,057	<hr/> 1,217,652
	<hr/>	
	Number of Stapled Securities	
	Six-month period ended 30/06/2021 '000	Six-month period ended 30/06/2020 '000
Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security:		
- weighted average number of Stapled Securities (basic)	1,227,057	1,217,652
- to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities	2,104	3,541
	<hr/> 1,229,161	<hr/> 1,221,193
	<hr/>	
Earnings per Stapled Security (cents)		
Basic	0.60	(0.36)
Diluted	<hr/> 0.60	<hr/> (0.36)

14 Operating segments

Information about reportable segments

All the segments relate to properties operated as hotels and/or resorts.

	----- HBT Group -----					
	Singapore \$'000	Australia \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Total \$'000
Six-month period ended 30 June 2021						
Revenue – external	12,291	2,418	6,710	1,638	5,470	28,527
Reportable segment net property income/(loss)	1,525	(8)	1,354	(23)	1,277	4,125
Depreciation of property, plant and equipment	(1,219)	(830)	(1,404)	–	(3,709)	(7,162)
Unallocated items:						
- HBT Trustee-Manager's management fee						(279)
- HBT Trustee-Manager's trustee fee						(112)
- Valuation fees						(14)
- Other expenses						(332)
- Finance costs						(5,177)
- Tax expense						(413)
Loss for the period						<u>(9,364)</u>
Other material non-cash items						
(Impairment loss)/Reversal of impairment loss on trade receivables	(10)	–	–	–	90	80
Reportable segment assets						
Capital expenditure on property, plant and equipment	–	–	–	–	2,040	2,040
Non-current assets ^	42,968	48,606	35,363	–	207,415	334,352

	----- HBT Group -----			
	Maldives \$'000	Japan \$'000	UK \$'000	Total \$'000
Six-month period ended 30 June 2020				
Revenue – external	1,599	2,263	7,135	10,997
Reportable segment net property loss	(1,917)	(131)	(832)	(2,880)
Depreciation of property, plant and equipment	(1,475)	–	(3,446)	(4,921)
Unallocated items:				
- HBT Trustee-Manager's management fee				(297)
- HBT Trustee-Manager's trustee fee				(119)
- Valuation fees				(21)
- Other expenses				(252)
- Finance income				266
- Finance costs				(2,718)
- Tax expense				(340)
Loss for the period				<u>(11,282)</u>
Other material non-cash items				
Impairment loss on trade receivables	–	–	(68)	(68)
Reportable segment assets				
Capital expenditure on property, plant and equipment	–	–	15	15
Non-current assets ^	39,650	–	210,786	250,436

^ Excluding deferred tax assets and other receivables.

	H-REIT Group							Total reportable segments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000			
Six-month period ended 30 June 2021										
Revenue – external	19,451	9,798	3,373	4,270	4,548	328	864	42,632	1,689	44,321
Reportable segment net property income/(loss)	16,382	9,798	3,288	2,361	(11,665)	166	716	21,046	498	21,544
Depreciation of property, plant and equipment	–	–	–	–	(79)	(773)	–	(852)	–	(852)
Unallocated items:										
- H-REIT Manager's base fee										(3,173)
- H-REIT Manager's performance fee										(704)
- H-REIT Trustee's fee										(180)
- Valuation fees										(87)
- Other expenses										(8,890)
- Finance income										7,772
- Finance costs										(17,940)
- Tax expense										(2,649)
Total return for the period										<u>(5,159)</u>
Other material non-cash items										
Impairment loss on trade and other receivables	–	–	–	–	(23,207)	–	–	(23,207)	(215)	(23,422)
Reportable segment assets										
Capital expenditure on investment properties and property, plant and equipment	2,550	44	5,921	–	448	–	21	8,984	–	8,984
Non-current assets ^	1,682,073	187,076	83,247	170,147	135,764	75,295	65,508	2,399,110	88,059	2,487,169

	H-REIT Group							Total reportable segments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000			
Six-month period ended 30 June 2020										
Revenue – external	22,111	5,560	4,433	4,347	3,089	615	1,017	41,172	2,603	43,775
Reportable segment net property income/(loss)	18,647	5,560	4,433	1,169	2,651	445	(144)	32,761	1,938	34,699
Depreciation of property, plant and equipment	–	–	–	–	(131)	(815)	–	(946)	–	(946)
Unallocated items:										
- H-REIT Manager's base fee										(3,465)
- H-REIT Manager's performance fee										(1,569)
- H-REIT Trustee's fee										(203)
- Valuation fees										(96)
- Other expenses										(3,097)
- Finance income										3,366
- Finance costs										(16,418)
- Tax expense										(2,478)
Total return for the period										<u>9,793</u>
Other material non-cash items										
Impairment loss on trade receivables	–	–	–	(2,416)	–	–	(1,017)	(3,433)	(210)	(3,643)
Reportable segment assets										
Capital expenditure on investment properties and property, plant and equipment	2,145	165	–	2	415	79	105	2,911	–	2,911
Non-current assets ^	<u>1,376,144</u>	<u>199,461</u>	<u>145,358</u>	<u>180,928</u>	<u>163,610</u>	<u>89,279</u>	<u>68,755</u>	<u>2,223,535</u>	<u>93,800</u>	<u>2,317,335</u>

^ Excluding deferred tax assets, finance lease receivables and other receivables.

CDL Hospitality Trusts
Condensed interim financial statements
Six-month period ended 30 June 2021

	----- Staped Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
Six-month period ended 30 June 2021											
Revenue – external	29,220	9,798	4,015	4,270	9,261	1,638	5,470	864	64,536	1,689	66,225
Reportable segment net property income	16,407	9,798	2,329	2,361	3,448	143	1,277	716	36,479	498	36,977
Depreciation of property, plant and equipment	(3,570)	–	(317)	–	(1,763)	(773)	(3,709)	–	(10,132)	–	(10,132)
Unallocated items:											
- H-REIT Manager's base fee											(3,173)
- H-REIT Manager's performance fee											(704)
- H-REIT Trustee's fee											(180)
- HBT Trustee-Manager's management fee											(279)
- HBT Trustee-Manager's trustee fee											(112)
- Valuation fees											(101)
- Other expenses											(1,772)
- Finance income											7,672
- Finance costs											(17,636)
- Tax expense											(3,062)
Total return for the period											<u>7,498</u>
Other material non-cash items											
(Impairment loss)/Reversal of impairment on trade and other receivables	(10)	–	–	–	–	–	90	–	80	(215)	(135)
Reportable segment assets											
Capital expenditure on investment properties and property, plant and equipment	2,550	44	5,921	–	449	–	2,040	21	11,025	–	11,025
Non-current assets^	1,682,899	187,076	81,988	170,147	134,068	75,295	207,415	65,508	2,604,396	88,059	2,692,455

CDL Hospitality Trusts
Condensed interim financial statements
Six-month period ended 30 June 2021

	----- Stapled Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
Six-month period ended 30 June 2020											
Revenue – external	22,111	5,560	4,433	4,347	2,590	2,263	7,135	1,017	49,456	2,603	52,059
Reportable segment net property income/(loss)	18,648	5,560	4,433	1,169	(1,364)	314	(832)	(144)	27,784	1,937	29,721
Depreciation of property, plant and equipment	–	–	–	–	(1,722)	(815)	(3,446)	–	(5,983)	–	(5,983)
Unallocated items:											
- H-REIT Manager's base fee											(3,465)
- H-REIT Manager's performance fee											(1,569)
- H-REIT Trustee's fee											(203)
- HBT Trustee-Manager's management fee											(297)
- HBT Trustee-Manager's trustee fee											(119)
- Valuation fees											(117)
- Other expenses											(3,349)
- Finance income											1,885
- Finance costs											(18,065)
- Tax expense											(2,818)
Total return for the period											<u>(4,379)</u>
Other material non-cash items											
Impairment loss on trade receivables	–	–	–	(2,416)	–	–	(68)	(1,017)	(3,501)	(210)	(3,711)
Reportable segment assets											
Capital expenditure on investment properties and property, plant and equipment	2,145	165	–	2	415	79	15	105	2,926	–	2,926
Non-current assets [^]	1,376,144	199,461	145,358	180,928	162,027	89,279	210,786	68,755	2,432,738	93,800	2,526,538

[^] Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

15 Fair value of assets and liabilities

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are detailed below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
HBT Group								
At 30 June 2021								
Financial assets not measured at fair value								
Trade and other receivables ⁽¹⁾	15,448	–	–	15,448				
Cash and cash equivalents	20,215	–	–	20,215				
	<u>35,663</u>	<u>–</u>	<u>–</u>	<u>35,663</u>				
Financial liabilities not measured at fair value								
Trade and other payables ⁽²⁾	–	–	(58,377)	(58,377)				
Unsecured bank loans	–	–	(100,481)	(100,481)	–	(101,052)	–	(101,052)
Loan from related entity	–	–	(18,882)	(18,882)				
Lease liabilities	–	–	(149,151)	(149,151)				
	<u>–</u>	<u>–</u>	<u>(326,891)</u>	<u>(326,891)</u>				

⁽¹⁾ Excluding prepayments

⁽²⁾ Excluding deferred income

	Carrying amount			Fair value				
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
HBT Group								
At 31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables ⁽¹⁾	15,290	–	–	15,290				
Cash and cash equivalents	17,532	–	–	17,532				
	<u>32,822</u>	<u>–</u>	<u>–</u>	<u>32,822</u>				
Financial liabilities not measured at fair value								
Trade and other payables ⁽²⁾	–	–	(56,771)	(56,771)				
Unsecured bank loans	–	–	(96,976)	(96,976)	–	(98,641)	–	(98,641)
Loan from related entity	–	–	(10,116)	(10,116)				
Lease liabilities	–	–	(97,366)	(97,366)				
	<u>–</u>	<u>–</u>	<u>(261,229)</u>	<u>(261,229)</u>				

⁽¹⁾ Excluding prepayments

⁽²⁾ Excluding deferred income

	Carrying amount				Fair value			
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
H-REIT Group								
At 30 June 2021								
Financial assets not measured at fair value								
Finance lease receivables	4,514	–	–	4,514				
Trade and other receivables ⁽¹⁾	47,174	–	–	47,174				
Cash and cash equivalents	109,326	–	–	109,326				
	<u>161,014</u>	<u>–</u>	<u>–</u>	<u>161,014</u>				
Financial assets measured at fair value								
Financial derivative assets	–	31	–	31	–	31	–	31
Financial liabilities measured at fair value								
Financial derivative liabilities	–	(6,159)	–	(6,159)	–	(6,159)	–	(6,159)
Financial liabilities not measured at fair value								
Secured TMK bond	–	–	(36,756)	(36,756)	–	(36,697)	–	(36,697)
Secured bank loan	–	–	(70,348)	(70,348)	–	(71,474)	–	(71,474)
Unsecured bank loans	–	–	(865,915)	(865,915)	–	(874,389)	–	(874,389)
Lease liabilities	–	–	(76,954)	(76,954)				
Trade and other payables	–	–	(27,601)	(27,601)				
Rental deposits	–	–	(10,347)	(10,347)	–	–	(10,677)	(10,677)
	<u>–</u>	<u>–</u>	<u>(1,087,921)</u>	<u>(1,087,921)</u>				

⁽¹⁾ Excluding prepayments

	Carrying amount			Fair value				
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
H-REIT Group								
At 31 December 2020								
Financial assets not measured at fair value								
Finance lease receivables	4,923	–	–	4,923				
Trade and other receivables ⁽¹⁾	68,582	–	–	68,582				
Cash and cash equivalents	113,570	–	–	113,570				
	<u>187,075</u>	<u>–</u>	<u>–</u>	<u>187,075</u>				
Financial assets measured at fair value								
Financial derivative assets	–	(13,707)	–	(13,707)	–	(13,707)	–	(13,707)
Financial liabilities not measured at fair value								
Secured TMK bond	–	–	(38,843)	(38,843)	–	(38,827)	–	(38,827)
Secured bank loan	–	–	(71,305)	(71,305)	–	(73,158)	–	(73,158)
Unsecured bank loans	–	–	(821,401)	(821,401)	–	(839,007)	–	(839,007)
Lease liabilities	–	–	(79,667)	(79,667)				
Trade and other payables	–	–	(34,568)	(34,568)				
Rental deposits	–	–	(10,204)	(10,204)	–	–	(10,541)	(10,541)
	<u>–</u>	<u>–</u>	<u>(1,055,988)</u>	<u>(1,055,988)</u>				

⁽¹⁾ Excluding prepayments

	Carrying amount			Fair value				
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Stapled Group								
At 30 June 2021								
Financial assets not measured at fair value								
Finance lease receivables	4,514	–	–	4,514				
Trade and other receivables ⁽¹⁾	18,505	–	–	18,505				
Cash and cash equivalents	129,541	–	–	129,541				
	152,560	–	–	152,560				
Financial assets measured at fair value								
Financial derivative assets	–	31	–	31	–	31	–	31
Financial liabilities measured at fair value								
Financial derivative liabilities	–	(6,159)	–	(6,159)	–	(6,159)	–	(6,159)
Financial liabilities not measured at fair value								
Secured TMK bond	–	–	(36,756)	(36,756)	–	(36,697)	–	(36,697)
Secured bank loan	–	–	(70,348)	(70,348)	–	(71,474)	–	(71,474)
Unsecured bank loans	–	–	(966,396)	(966,396)	–	(975,441)	–	(975,441)
Lease liabilities	–	–	(95,784)	(95,784)				
Trade and other payables ⁽²⁾	–	–	(36,377)	(36,377)				
Rental deposits	–	–	(10,347)	(10,347)	–	–	(10,677)	(10,677)
	–	–	(1,216,008)	(1,216,008)				

⁽¹⁾ Excluding prepayments

⁽²⁾ Excluding deferred income

	Carrying amount			Fair value				
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Stapled Group								
At 31 December 2020								
Financial assets not measured at fair value								
Finance lease receivables	4,923	–	–	4,923				
Trade and other receivables ⁽¹⁾	25,812	–	–	25,812				
Cash and cash equivalents	131,102	–	–	131,102				
	<u>161,837</u>	<u>–</u>	<u>–</u>	<u>161,837</u>				
Financial assets measured at fair value								
Financial derivative assets	–	(13,707)	–	(13,707)	–	(13,707)	–	(13,707)
Financial liabilities not measured at fair value								
Secured TMK bond	–	–	(38,843)	(38,843)	–	(38,827)	–	(38,827)
Secured bank loan	–	–	(71,305)	(71,305)	–	(73,158)	–	(73,158)
Unsecured bank loans	–	–	(918,377)	(918,377)	–	(937,648)	–	(937,648)
Lease liabilities	–	–	(94,822)	(94,822)				
Trade and other payables ⁽²⁾	–	–	(43,395)	(43,395)				
Rental deposits	–	–	(10,204)	(10,204)	–	–	(10,541)	(10,541)
	<u>–</u>	<u>–</u>	<u>(1,176,946)</u>	<u>(1,176,946)</u>				

⁽¹⁾ Excluding prepayments

⁽²⁾ Excluding deferred income

16 Commitments

	HBT Group		H-REIT Group		Stapled Group	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Capital expenditure contracted but not provided for	–	–	9,096	8,618	9,096	8,618

(b) Under the terms of the lease agreements for certain properties, the H-REIT Group and the Stapled Group are required to incur expenditure equivalent to 2.5% to 4.0% of the gross revenue to maintain and improve the hotel's or resort's furniture and fixtures, equipment and its environment. As at 30 June 2021, the H-REIT Group and the Stapled Group are committed to incur capital expenditure of \$4,174,000 (31/12/2020: \$3,740,000) under the terms of the lease agreements.

(c) HBT's subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd, holds a leasehold land, with a 125-year lease granted by the Cambridge City Council commencing on 25 December 1990 (the "Head Lease"). The lease term may be extended for a further term of 50 years pursuant to the lessee's option to renew under the Head Lease. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value that is itself a function of the aggregate rent paid over the previous 3 years.

Lease liabilities and a corresponding ROU asset were recognised in the financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statement of total return (as the case may be). For the six-month ended 30 June 2021, the Stapled Group recorded variable lease payments of \$113,000 (30/06/2020: \$72,000)

(d) The Stapled Group has entered into several agreements which were approved by the Stapled Securityholders in an extraordinary general meeting held on 23 January 2020, including:

- a development and sale agreement to acquire a brand new lifestyle hotel from a related corporation for a purchase price equal to the lower of the fixed price of \$475.0 million or 110% of the vendor's actual development cost. The transaction is expected to be completed in 2025.
- a sale and purchase agreement to acquire 100% of shares in a hotel operating company from a related corporation for a consideration equal to the acquiree's net asset value at acquisition date plus partial reimbursement of pre-opening costs incurred, subject to a maximum of \$3.1 million. The transaction is expected to be completed in 2025.

17 Related party transactions

In the normal course of the operations of HBT, the HBT Trustee-Manager's trustee, management and acquisition fees have been paid or are payable to the HBT Trustee-Manager.

In the normal course of the operations of H-REIT, the H-REIT Manager's management and acquisition fees and H-REIT Trustee's fee have been paid or are payable to the H-REIT Manager and H-REIT Trustee respectively.

During the financial period, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	HBT Group		H-REIT Group		Stapled Group	
	Six-month	Six-month	Six-month	Six-month	Six-month	Six-month
	period	period	period	period	period	period
	ended	ended	ended	ended	ended	ended
	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Related corporations of the H-REIT Manager and HBT Trustee-Manager						
Rental income received/receivable	–	–	27,210	25,544	27,210	25,544
Rental expense paid/payable	–	–	483	483	483	483
Shared service expenses paid/payable	–	–	150	181	150	181
Consultancy fee paid/payable	–	26	–	–	–	26
Corporate secretarial services fee paid/payable	5	11	36	35	41	46

18 Financial ratios

	H-REIT Group		Stapled Group	
	Six-month	Six-month	Six-month	Six-month
	period	period	period	period
	ended	ended	ended	ended
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	%	%	%	%
Expenses to weighted average net assets ¹				
- including performance component of H-REIT Manager's management fees ²	1.69	0.97	0.81	1.01
- excluding performance component of H-REIT Manager's management fees ²	1.52	0.85	0.65	0.90
Portfolio turnover rate ³	–	2.95	–	2.85

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the H-REIT Group and the Stapled Group, excluding property expenses, interest expense and income tax expense of each entity, where applicable.

² Excluding acquisition fee and costs associated with the acquisition of a property.

³ The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the H-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

19 Acquisition

HBT Group

Acquisition of business

For the six-month ended 30 June 2021

On 1 May 2021, CDL HBT Sun Three Pty Ltd and CDL HBT Sun Four Pty Ltd., subsidiaries of the HBT Group acquired the business and business assets of the hotels operated as Ibis Perth and Mercure Perth (“the Hotels”) (the “Business Acquisition”) for a total consideration of \$0.3 million. The purpose of the Business Acquisition is for the HBT Group to manage the Hotels which are leased from the H-REIT Group. The acquisition was accounted for as a business combination as the HBT Group had acquired various operational processes.

From the date of acquisition to 30 June 2021, the Business Acquisition contributed revenue of \$2,418,000 and net loss before tax of \$1,123,000 to the HBT Group’s results. If the acquisition had occurred on 1 January 2021, the HBT Trustee-Manager estimates that the HBT Group’s revenue would have been \$33,472,000 and the HBT Group’s net loss before tax for the period would have been \$11,531,000. In determining these amounts, the HBT Trustee-Manager has assumed that the agreement to lease the Hotels from the H-REIT Group would commence on 1 January 2021.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	\$’000
Inventories	78
Trade and other receivables	390
Cash and cash equivalents	11
Trade and other payables	<u>(752)</u>
Total identifiable net liabilities	<u><u>(273)</u></u>

The fair value of identifiable assets and liabilities acquired, determined provisionally, approximate to their carrying amount.

There is no goodwill arising from the acquisition as the consideration transferred is equal to the fair value of identifiable assets and liabilities acquired.

Consideration transferred

	\$’000
Cash received	<u><u>273</u></u>

Effect of the acquisition on cash flows

	\$'000
Total consideration received for the acquisition	273
Add: Cash of business acquired	11
Net cash inflow on acquisition	<u>284</u>

20 Subsequent events

Subsequent to the reporting date, there were the following events:

- (i) the HBT Trustee-Manager and the H-REIT Manager declared a distribution of 1.22 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 January 2021 to 30 June 2021.
- (ii) 1,027,466 Stapled Securities, amounting to \$1,277,000, were issued as satisfaction of the H-REIT Manager's base fee for the period from 1 April 2021 to 30 June 2021.
- (iii) 91,257 Stapled Securities, amounting to \$113,000, were issued as satisfaction of the HBT Trustee-Manager's base fee for the period from 1 April 2021 to 30 June 2021.

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed interim financial statements of CDL Hospitality Business Trust (“HBT”) and its subsidiaries (the “HBT Group”) which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the HBT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiaries (the “H-REIT Group”) which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2021, the Statement of Total Return, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the H-REIT Group for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Trusts (“CDLHT”) which comprise the Statement of Financial Position and Portfolio Statement as at 30 June 2021, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of CDL Hospitality Trusts for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Please refer to “First Half 2021 Summary of Group Performance” Section 2, page 10 to 18 of CDL Hospitality Trusts for the six-month period ended 30 June 2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Please refer to “First Half 2021 Summary of Group Performance” Section 3, page 18 of CDL Hospitality Trusts for the six-month period ended 30 June 2021.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Please refer to “First Half 2021 Summary of Group Performance” Section 4, page 18 to 20 of CDL Hospitality Trusts for the six-month period ended 30 June 2021.

5. Distributions

5(a) Current financial period

Any distributions declared for the current financial period? Yes
 Period of distribution: Distribution for 1 January 2021 to 30 June 2021

Distribution Type	Distribution Rate (cents)
Taxable Income	0.84
Tax Exempt Income	0.38
Capital	0.00
Total	1.22

5(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
 Period of distribution: Distribution for 1 January 2020 to 30 June 2020

Distribution Type	Amount (cents per Stapled Security)
Taxable Income	1.23
Tax Exempt Income	0.28
Capital	0.00
Total	1.51

5(c) Tax rate

Taxable Income Distribution

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

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

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

Tax-Exempt Income Distribution

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

Capital Distribution

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

5(d) Book closure date

5.00 p.m. on 10 August 2021

5(e) Date payable

27 August 2021

6. General mandate for Interested Person Transactions

CDL Hospitality Trusts has not obtained a general mandate from Stapled Securityholders for Interested Person Transactions.

7. 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 six months ended 30 June 2021 to be false or misleading in any material respect.

That said, in this regard, we would like to highlight that the carrying amounts of CDLHT’s investment properties (“**IP**”) and property, plant and equipment (“**PPE**”) as at 30 June 2021 are based on the independent valuations as at 31 December 2020. The board is of the view that the valuations of the CDLHT’s properties as at 30 June 2021 remain substantially unchanged from those as at 31 December 2020 except to the extent of capital expenditure incurred during the six-month period ended 30 June 2021.

The unprecedented market uncertainty caused by the COVID-19 pandemic, particularly in the short term, has resulted in challenges in providing accurate valuations for the properties as there is a lack of visibility regarding future cash flows and insufficient market transactions available for benchmarking to adopt meaningful capitalisation rates in the current market. After due consideration, the Boards of Directors of the H-REIT Manager and HBT Trustee-Manager are of the view that it may be inaccurate to quantify any impact on the carrying amounts as the assumptions used to derive valuations currently would be very subjective and arbitrary given that the situation is still highly fluid and evolving (for example, developments on the easing of government restrictions on travel and social distancing measures are ongoing and the consequential impact on travel and business demand remains uncertain).

Sensitivity analysis

For illustration purposes, a decline of between 5% to 30% (at increments of 5%) in the carrying amounts of CDLHT's properties as at 30 June 2021 would have the following estimated impact on the net asset value/ net tangible asset and gearing of CDLHT by the amounts as shown below. This sensitivity analysis assumes that all other variables remain constant.

Carrying Amount of IP & PPE	As at 30 Jun 2021	Decreased by					
		5%	10%	15%	20%	25%	30%
Aggregate leverage ratio (%)	39.1	41.0	43.1	45.5	48.2	51.2	54.5
NAV/NTA (S\$'000)	1,589,303	1,459,234	1,329,165	1,199,096	1,069,026	938,957	808,888
NAV/NTA per Stapled Security (S\$)	1.2930	1.3635	1.2626	1.1618	1.0609	0.9600	0.8591

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

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

On behalf of the Board of Directors

CHAN SOON HEE ERIC
 Chairman

VINCENT YEO WEE ENG
 Chief Executive Officer

30 July 2021

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 July 2021

By Order of the Board

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

30 July 2021