



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS  
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND  
H-REIT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED  
30 JUNE 2013**

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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**

(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 AND H-REIT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2013**

#### **INTRODUCTION**

CDL Hospitality Trusts 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. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited (“**SGX**”) on 19 July 2006.

The H-REIT Units and HBT Units are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between M&C REIT Management Limited (the “**H-REIT Manager**”), DBS Trustee Limited (the “**H-REIT Trustee**”) and M&C Business Trust Management Limited (the “**HBT Trustee-Manager**”) and cannot be traded separately.

H-REIT, the first hotel real estate investment trust in Singapore, is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing.

As of 30 June 2013, H-REIT’s portfolio with a total of 4,420 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), all of which are located in Singapore and marketed as “superior” hotels; the Rendezvous Grand Hotel Auckland, a deluxe hotel located in New Zealand’s gateway city of Auckland; the Mercure Brisbane, Ibis Brisbane, Novotel Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”), hotels well-located in key gateway cities of Brisbane and Perth, Australia; the Angsana Velavaru, a resort located in the Republic of Maldives; as well as the Orchard Hotel Shopping Arcade, the shopping arcade adjoining Orchard Hotel.

HBT is a business trust which is presently dormant. Accordingly, the financial information of HBT has not been presented. HBT will, however, become active if H-REIT is unable to appoint a master lessee for any of the hotels in its portfolio at the expiry of the relevant master lease agreement or for a newly acquired hotel. In such circumstances, HBT will be appointed by H-REIT as a master lessee for that hotel, and HBT will in turn appoint a professional hotel manager to manage the day-to-day operations and marketing of the hotel. HBT may also become active if it undertakes certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

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

With regards to HBT, in the event it becomes active and profitable, the determination to distribute and the quantum of distributions to be made by HBT will be determined by the HBT Trustee-Manager Board at its sole discretion.

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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H-REIT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND SIX MONTHS ENDED  
30 JUNE 2013**

**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
Gross revenue	35,563	36,632	-2.9	73,498	75,055	-2.1
Net property income	32,607	34,095	-4.4	67,890	70,125	-3.2
Net income	23,708	25,993	-8.8	52,418	54,941	-4.6
Income available for distribution to holders of Stapled Securities	29,353	31,372	-6.4	58,344	61,211	-4.7
Less:						
Income retained for working capital	(2,935)	(3,137)	-6.4	(5,834)	(6,121)	-4.7
Income to be distributed to holders of Stapled Securities (after deducting income retained for working capital)	26,418	28,235	-6.4	52,510	55,090	-4.7
<b>Income available for distribution per Stapled Security (before deducting income retained for working capital) (cents)</b>						
For the period	3.02	3.24	-6.8	6.01	6.33	-5.1
Annualised	12.11	13.03	-7.1	12.12	12.73	-4.8
Annualised distribution yield (%) at closing market price of S\$1.69 as at 25 July 2013	7.17	7.71	-7.0	7.17	7.53	-4.8
<b>Income to be distributed per Stapled Security (after deducting income retained for working capital) (cents)</b>						
For the period	2.72	2.92	-6.8	5.41	5.70	-5.1
Annualised	10.91	11.74	-7.1	10.91	11.46	-4.8
Annualised distribution yield (%) at closing market price of S\$1.69 as at 25 July 2013	6.46	6.95	-7.1	6.46	6.78	-4.7

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

<u>Statements of Total Return</u>	Foot- notes	H-REIT Group					
		1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	35,563	36,632	-2.9	73,498	75,055	-2.1
Property tax	(b)	(2,113)	(1,872)	12.9	(4,144)	(3,755)	10.4
Insurance		(261)	(221)	18.1	(553)	(519)	6.6
Other property expenses	(c)	(582)	(444)	31.1	(911)	(656)	38.9
Net property income		32,607	34,095	-4.4	67,890	70,125	-3.2
H-REIT Manager's base fees		(1,390)	(1,305)	6.5	(2,734)	(2,614)	4.6
H-REIT Manager's performance fees		(1,630)	(1,704)	-4.3	(3,394)	(3,506)	-3.2
H-REIT Trustee's fees		(65)	(62)	4.8	(127)	(123)	3.3
Valuation Fees		(42)	(52)	-19.2	(88)	(110)	-20.0
Other trust expenses	(d)	(352)	(408)	-13.7	(693)	(715)	-3.1
Finance income		117	207	-43.5	237	446	-46.9
Finance costs		(5,537)	(4,778)	15.9	(8,672)	(8,562)	1.3
Net finance costs	(e)	(5,420)	(4,571)	18.6	(8,435)	(8,116)	3.9
Net income		23,708	25,993	-8.8	52,419	54,941	-4.6
Income tax expense	(g)	(227)	(122)	86.1	(563)	(488)	15.4
Total return for the period		23,481	25,871	-9.2	51,856	54,453	-4.8

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30 JUNE 2013**

CDL Hospitality Trusts

<b><u>Statements of Total Return</u></b>	Foot- notes	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	Increase/ (Decrease)	1 Jan 2013 to 30 Jun 2013	1 Jan 2012 to 30 Jun 2012	Increase/ (Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	35,563	36,632	-2.9	73,498	75,055	-2.1
Property tax	(b)	(2,113)	(1,872)	12.9	(4,144)	(3,755)	10.4
Insurance		(261)	(221)	18.1	(553)	(519)	6.6
Other property expenses	(c)	(582)	(444)	31.1	(911)	(656)	38.9
Net property income		32,607	34,095	-4.4	67,890	70,125	-3.2
H-REIT Manager's base fees		(1,390)	(1,305)	6.5	(2,734)	(2,614)	4.6
H-REIT Manager's Performance fees		(1,630)	(1,704)	-4.3	(3,394)	(3,506)	-3.2
H-REIT Trustee's fees		(65)	(62)	4.8	(127)	(123)	3.3
Valuation fees		(42)	(52)	-19.2	(88)	(110)	-20.0
Other trust expenses	(d)	(352)	(408)	-13.7	(694)	(715)	-2.9
Finance income		117	207	-43.5	237	446	-46.9
Finance costs		(5,537)	(4,778)	15.9	(8,672)	(8,562)	1.3
Net finance costs	(e)	(5,420)	(4,571)	18.6	(8,435)	(8,116)	3.9
Net income	(f)	23,708	25,993	-8.8	52,418	54,941	-4.6
Income tax expense	(g)	(227)	(122)	86.1	(563)	(488)	15.4
Total return for the period		23,481	25,871	-9.2	51,855	54,453	-4.8

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**Footnotes**

N.M. – Not Meaningful

- (a) *Gross revenue comprises rental income from H-REIT’s investment properties. Please refer to Section 8(ii) on page 26 of the Announcement.*
- (b) *The higher property tax for the quarter ended 30 June 2013 was mainly contributed by improved hotels’ performance in 2012 (where the current year’s property tax is assessed based on 25% gross room receipts in the preceding year) and the inclusion of property tax of Angsana Velavaru (which was acquired on 31 January 2013).*
- (c) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade. Expenses were higher for the six months ended 30 June 2013 mainly due to lower net reversals of impairment loss on trade receivables of S\$46,000 (30 June 2012: S\$174,000) and higher commission and cleaning expenses incurred.*
- (d) *Other trust expenses comprise mainly professional fees and administrative costs.*
- (e) *Net finance costs comprise the following:*

	H-REIT Group					
	1 Apr 2013 to 30 Jun 2013 S\$’000	1 Apr 2012 to 30 Jun 2012 S\$’000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$’000	1 Jan 2012 to 30 Jun 2012 S\$’000	Increase/ (Decrease) %
Interest income received/receivable from banks	117	207	-43.5	237	446	-46.9
Finance income	117	207	-43.5	237	446	-46.9
Exchange loss <sup>(i)</sup>	(1,423)	(881)	61.5	(680)	(792)	-14.1
Interest paid/payable to banks <sup>(ii)</sup>	(3,884)	(3,726)	4.2	(7,536)	(7,429)	1.4
Amortisation of transaction costs capitalised <sup>(iii)</sup>	(184)	(127)	44.9	(365)	(254)	43.7
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(46)	(44)	4.5	(91)	(87)	4.6
Finance costs	(5,537)	(4,778)	15.9	(8,672)	(8,562)	1.3
Net finance costs	(5,420)	(4,571)	18.6	(8,435)	(8,116)	3.9

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(e) *Net finance costs comprise the following (continued):*

	CDL Hospitality Trusts					
	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	117	207	-43.5	237	446	-46.9
Finance income	117	207	-43.5	237	446	-46.9
Exchange loss <sup>(i)</sup>	(1,423)	(881)	61.5	(680)	(792)	-14.1
Interest paid/payable to banks <sup>(ii)</sup>	(3,884)	(3,726)	4.2	(7,536)	(7,429)	1.4
Amortisation of transaction costs capitalised <sup>(iii)</sup>	(184)	(127)	44.9	(365)	(254)	43.7
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(46)	(44)	4.5	(91)	(87)	4.6
Finance costs	(5,537)	(4,778)	15.9	(8,672)	(8,562)	1.3
Net finance costs	(5,420)	(4,571)	18.6	(8,435)	(8,116)	3.9

- (i) The exchange loss for the second quarter and six months ended 30 June 2012 and 30 June 2013 was mainly due to revaluation fluctuations on cash and cash equivalents denominated in New Zealand, Australian and United States dollars.
- (ii) Interest paid/payable to banks for the second quarter and six months ended 30 June 2013 increased mainly due to the additional interest expense incurred on borrowings drawn in January 2013 to finance the acquisition of Angsana Velavaru (acquired on 31 January 2013).
- (iii) The amortisation costs for the second quarter and six months ended 30 June 2013 relates to the amortisation of transaction costs arising from the medium term note issuance, revolving credit facility and term loan facility.

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(f) *Net income of CDL Hospitality Trusts is contributed by:*

CDL Hospitality Trusts				
	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000
H-REIT	13,723	24,328	45,532	54,682
Other H-REIT group entities (including consolidation adjustments)	9,985	1,665	6,887	259
HBT	-	-	(1)	-
	23,708	25,993	52,418	54,941

(g) *This relates to current and deferred tax in respect of the Australia properties.*

H-REIT Group and CDL Hospitality Trusts				
	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000
Deferred tax	(225)	(117)	(560)	(473)
Others	(2)	(5)	(3)	(15)
	(227)	(122)	(563)	(488)



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

	H-REIT Group and CDL Hospitality Trusts			
	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000
Net income of H-REIT	13,723	24,328	45,532	54,682
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	184	127	365	254
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	46	44	91	87
- Exchange loss	12,796	4,244	7,060	952
- H-REIT Manager's fees paid/payable in Stapled Securities	2,416	2,408	4,903	4,896
- Other items	188	221	393	340
Income available for distribution to holders of Stapled Securities	29,353	31,372	58,344	61,211
Less:				
Income retained for working capital	(2,935)	(3,137)	(5,834)	(6,121)
Income to be distributed to holders of Stapled Securities <sup>(ii)</sup>	26,418	28,235	52,510	55,090
Comprising:				
- Taxable income	21,815	24,960	44,639	49,956
- Tax exempt income	4,603	3,275	7,871	5,134
	26,418	28,235	52,510	55,090

- (i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT. The distribution of CDL Hospitality Trusts for the period is contributed solely by H-REIT as HBT was dormant during the period. Accordingly, only the income available for distribution of H-REIT has been presented.
- (ii) The total income to be distributed for six months ended 30 June 2013 of S\$52,510,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$5,834,000 for working capital purposes) for the period from 1 January 2013 to 30 June 2013.

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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**

<b>Statements of Financial Position</b>	Footnotes	H-REIT Group		CDL Hospitality Trusts <sup>(a)</sup>	
		30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	(b)	2,122,713	2,044,925	2,122,713	2,044,925
Rental deposit		76	76	76	76
		<b>2,122,789</b>	<b>2,045,001</b>	<b>2,122,789</b>	<b>2,045,001</b>
<b>Current assets</b>					
Trade and other receivables		17,070	13,583	17,070	13,583
Cash and cash equivalents	(c)	133,438	74,994	133,818	75,374
		150,508	88,577	150,888	88,957
<b>Total assets</b>		<b>2,273,297</b>	<b>2,133,578</b>	<b>2,273,677</b>	<b>2,133,958</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Financial liabilities	(d)	382,009	270,018	382,009	270,018
Rental deposits	(e)	6,736	6,645	6,736	6,645
Financial derivative liabilities	(f)	341	-	341	-
Deferred tax liabilities		8,097	8,096	8,097	8,096
		397,183	284,759	397,183	284,759
<b>Current liabilities</b>					
Financial liabilities	(d)	292,316	259,773	292,316	259,773
Trade and other payables	(g)	28,045	25,130	28,047	25,131
Provision for taxation		2	2	2	2
		320,363	284,905	320,365	284,906
<b>Total liabilities</b>		<b>717,546</b>	<b>569,664</b>	<b>717,548</b>	<b>569,665</b>
<b>Net assets</b>		<b>1,555,751</b>	<b>1,563,914</b>	<b>1,556,129</b>	<b>1,564,293</b>
Represented by:					
<b>Unitholders' funds</b>					
Unitholders' funds of H-REIT Group	(h)	1,555,751	1,563,914	1,555,751	1,563,914
Unitholders' funds of HBT		-	-	378	379
		<b>1,555,751</b>	<b>1,563,914</b>	<b>1,556,129</b>	<b>1,564,293</b>

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**Footnotes**

- (a) *The statement of financial position of CDL Hospitality Trusts comprises the statement of financial position of H-REIT Group and HBT. No separate statement of financial position of HBT has been presented as its net assets as at 30 June 2013 are approximately S\$378,000 (31 December 2012: S\$379,000).*
- (b) *Investment properties increased mainly due to the acquisition of Angsana Velavaru, which is located in the Island of Velavaru in South Nilandhe Atoll in the Republic of Maldives at a purchase price of US\$71.0 million (or approximately S\$86.8 million). The total acquisition costs amounted to US\$1.4 million (or approximately S\$1.7 million), out of which US\$0.71 million (or about S\$0.87 million) relates to H-REIT Manager's acquisition fee.*
- (c) *Cash and cash equivalents are mainly rental income from H-REIT's investment properties, which are reserved for distribution to unitholders at the next Scheduled Distribution. Included also in cash and cash equivalents is a fixed deposit of S\$60.0 million derived from the proceeds of a recent medium term note issuance. This amount has been earmarked to partially redeem the medium term note maturing in August 2013 (Refer to Footnote (i)(c) on page 12 of the Announcement).*
- (d) *Financial liabilities of S\$674,325,000 (31 December 2012: S\$529,791,000), which are measured at amortised cost, comprise S\$473.6 million notes issued pursuant to the Medium Term Note Programme and S\$202.5 million bank borrowings, as explained under Section 1(b)(ii).*
- (e) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (f) *During the reporting quarter, H-REIT Group entered into an interest rate swap of notional amount A\$93.2 million to hedge the interest rate risk arising from the variable rate loan under the TL Facility (refer to Footnote (ii)(b) on page 12 of the Announcement). Financial derivative liabilities as at 30 June 2013 relate to the fair value of the interest rate swap. The interest rate swap will expire in December 2015.*
- (g) *Trade and other payables relates mainly to loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (h) *The movement in unitholders' funds are set out in Section 1(d).*

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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CDL HOSPITALITY BUSINESS TRUST (“HBT”)**

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

		H-REIT Group and CDL Hospitality Trusts	
		30 Jun 2013	31 Dec 2012
		S\$'000	S\$'000
<b>Amount repayable after one year</b>			
Unsecured medium term notes	(i)	273,600	153,600
Unsecured borrowings	(ii)	110,125	118,178
		383,725	271,778
<b>Amount repayable within one year</b>			
Unsecured medium term notes	(i)	200,000	260,000
Unsecured borrowings	(iii)	92,369	-
		292,369	260,000
<b>Total borrowings</b>		676,094	531,778

**Footnotes**

**i. Unsecured medium term notes**

*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 reporting date, S\$473.6 million medium term notes has been issued by this subsidiary. Proceeds from the notes issuance were on-lent to H-REIT to mainly re-finance outstanding borrowings. These comprise:*

- (a) *S\$200.0 million medium term notes (31 December 2012: S\$260.0 million) issued in August 2010, comprising S\$150.0 million 3-year fixed rate note (31 December 2012: S\$150.0 million) and S\$50.0 million 3-year variable rate notes (31 December 2012: S\$110.0 million), which are re-priced every twelve months.*

*The S\$200.0 million medium term notes expiring in August 2013 will be redeemed through a combination of proceeds from the recent medium term note issuance (refer to Footnote (i)(c)) and drawings from the unutilised RCF Facility (refer to Footnote (ii)(a)).*

- (b) *S\$153.6 million medium term notes issued in August 2011, comprising S\$70.0 million 3-year fixed rate note and S\$83.6 million 5-year floating rate note, which are re-priced every six months.*

- (c) *S\$120.0 million 5-year fixed rate medium term note recently issued in June 2013. Of the total proceeds, S\$60.0 million was utilised to fully repay the outstanding borrowings under the RCF Facility (Footnote (ii) (a)). The remaining S\$60.0 million will be earmarked to partially redeem the medium term notes maturing in August 2013. This balance is currently placed as fixed deposit under the cash and cash equivalents balance (refer to Footnote (c) on page 11 of the Announcement).*

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**ii. Unsecured borrowings, after one year**

*H-REIT has in place the following unsecured facilities:*

- (a) a S\$100.0 million committed bilateral multi-currency revolving credit facility each from two banks (collectively S\$200.0 million) for a 3-year term (the “RCF Facility”).

*During the reporting quarter, H-REIT fully repaid its outstanding borrowings under the RCF Facility through proceeds from the medium term note issuance (refer to Footnote (i)(c)). Consequently, as at 30 June 2013, S\$200.0 million of the RCF Facility remain unutilised. As explained under Footnote (i)(a), H-REIT intends to draw down this facility in August 2013 to partially redeem the medium term notes maturing then.*

- (b) a 3-year A\$93.2 million bank facility (the “TL Facility”). As at the reporting date, there was no unutilised balance as the TL Facility was fully drawn down to fund the loan relating to the Australia Hotels.

**iii. Unsecured borrowings, within one year**

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

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

*As at 30 June 2013, US\$72.8 million (S\$92.4 million) was drawn down to fund the acquisition of Angsana Velavaru, as explained under Footnote (b) on page 11 of the Announcement.*

*Approximately S\$207.6 million of the Bridge Loan Facility remains unutilised at the reporting date.*

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**1 (c)(i) Statements of Cash Flows of H-REIT Group**

		H-REIT Group			
Foot- notes	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	
<b>Operating activities</b>					
	23,708	52,419	25,993	54,941	
Net income					
Adjustments for:					
H-REIT Manager's fee paid/payable in Stapled Securities	2,416	4,903	2,408	4,896	
Net finance costs	5,420	8,435	4,571	8,116	
	31,544	65,757	32,972	67,953	
<b>Operating income before working capital changes</b>					
Changes in working capital:					
Trade and other receivables	1,702	60	4,517	(668)	
Trade and other payables	90	(944)	(1,681)	(3,582)	
<b>Cash generated from operating activities</b>	33,336	64,873	35,808	63,703	
<b>Investing activities</b>					
Acquisition of an investment property	-	(90,051)	-	-	
Capital expenditure on investment properties	(2,311)	(4,867)	(1,332)	(1,823)	
Interest received	77	236	218	455	
<b>Cash used in investing activities</b>	(2,234)	(94,682)	(1,114)	(1,368)	
<b>Financing activities</b>					
Proceeds from medium term notes	120,000	120,000	-	-	
Repayment of medium term notes	-	(60,000)	-	-	
Proceeds from bank loans	-	149,462	-	-	
Repayment of bank loans	(60,000)	(60,000)	-	-	
Payment of transaction costs related to bank loans	-	(18)	-	(18)	
Finance costs paid	(1,538)	(6,675)	(1,873)	(7,017)	
Distribution to holders of Stapled Securities	-	(54,516)	-	(55,092)	
<b>Cash generated from/(used in) financing activities</b>	58,462	88,253	(1,873)	(62,127)	
<b>Net increase in cash and cash equivalents</b>	89,564	58,444	32,821	208	
Cash and cash equivalents at beginning of the period	43,874	74,994	37,499	70,112	
<b>Cash and cash equivalents at end of the period</b>	133,438	133,438	70,320	70,320	

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**1 (c)(ii) Statements of Cash Flows of CDL Hospitality Trusts**

		CDL Hospitality Trusts			
Foot- notes		1 Apr 2013 to 30 Jun 2013 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000
<b>Operating activities</b>					
	Net income	23,708	52,418	25,993	54,941
	Adjustments for:				
	H-REIT Manager's fee paid/payable in Stapled Securities	2,416	4,903	2,408	4,896
(a)	Net finance costs	5,420	8,435	4,571	8,116
<b>Operating income before working capital changes</b>		<b>31,544</b>	<b>65,756</b>	<b>32,972</b>	<b>67,953</b>
Changes in working capital:					
	Trade and other receivables	1,702	60	4,517	(668)
	Trade and other payables	90	(943)	(1,681)	(3,581)
<b>Cash generated from operating activities</b>		<b>33,336</b>	<b>64,873</b>	<b>35,808</b>	<b>63,704</b>
<b>Investing activities</b>					
	Acquisition of an investment property	-	(90,051)	-	-
(b)	Capital expenditure on investment properties	(2,311)	(4,867)	(1,332)	(1,823)
	Interest received	77	236	218	455
<b>Cash used in investing activities</b>		<b>(2,234)</b>	<b>(94,682)</b>	<b>(1,114)</b>	<b>(1,368)</b>
<b>Financing activities</b>					
	Proceeds from medium term notes	120,000	120,000	-	-
(c)	Repayment of medium term notes	-	(60,000)	-	-
(b)	Proceeds from bank loans	-	149,462	-	-
(b)	Repayment of bank loans	(60,000)	(60,000)	-	-
	Payment of transaction costs related to bank loans	-	(18)	-	(18)
	Finance costs paid	(1,538)	(6,675)	(1,873)	(7,017)
	Distribution to holders of Stapled Securities	-	(54,516)	-	(55,092)
<b>Cash generated from/(used in) financing activities</b>		<b>58,462</b>	<b>88,253</b>	<b>(1,873)</b>	<b>(62,127)</b>
<b>Net increase in cash and cash equivalents</b>		<b>89,564</b>	<b>58,444</b>	<b>32,821</b>	<b>209</b>
	Cash and cash equivalents at beginning of the period	44,254	75,374	37,881	70,493
<b>Cash and cash equivalents at end of the period</b>		<b>133,818</b>	<b>133,818</b>	<b>70,702</b>	<b>70,702</b>

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**Footnotes**

(a) *Significant non-cash transactions*

Quarter ended 30 June 2013

1,393,707 (Quarter ended 30 June 2012: 1,281,679) Stapled Securities amounting to S\$2,416,000 (Quarter ended 30 June 2012: S\$2,408,000) will be issued to the H-REIT Manager as satisfaction of management fees payable in units in respect of the quarter ended 30 June 2013 on 26 July 2013.

Period from 1 January 2013 to 30 June 2013

2,603,156 (Six months ended 30 June 2012: 2,693,430) Stapled Securities amounting to S\$4,903,000 (Six months ended 30 June 2012: S\$4,896,000) were issued or will be issued to the H-REIT Manager as satisfaction of management fees payable in units in respect of the period ended from 1 January to 30 June 2013.

(b) *Proceeds from bank loans were utilised to fund the acquisition of Angsana Velavaru and to partially redeem the S\$60.0 million 3-year variable rate notes, as explained under Section (1)(b)(ii) Footnote (i)(c) on page 12 of the Announcement.*

(c) *For detailed explanation, please refer to Footnote(c) on page 12 of the Announcement.*

**1 (d)(i) Statement of Movements in Unitholders’ funds of HBT**

	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000
Balance as at beginning of the period	378	380	379	380
Net loss after tax	-	-	(1)	-
Balance as at end of the period	378	380	378	380



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**1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 April 2013 to 30 June 2013**

Foot- notes	Unitholders’ funds of H-REIT Group						Stapled Group
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Hedging Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	Total S\$’000
<b>Balance as at 1 April 2013</b>	1,130,366	(23,921)	1,595	-	439,210	1,547,250	1,547,628
<b>Operations</b>							
Increase in net assets resulting from operations	-	-	-	-	23,481	23,481	23,481
<b>Movement in hedging reserves:</b>							
- Effective portion of changes in fair value of cash flow hedge	-	-	-	(341)	-	(341)	(341)
<b>Movements in foreign currency translation reserve:</b>							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(5,086)	-	-	(5,086)	(5,086)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(21,389)	-	-	(21,389)	(21,389)
- Exchange differences on hedge of net investment in a foreign operation	-	-	9,420	-	-	9,420	9,420
<b>Unitholders’ transactions</b>							
(i) Stapled Securities to be issued as payment of H- REIT Manager’s management fees (a)	2,416	-	-	-	-	2,416	2,416
<b>Increase in net assets resulting from unitholders’ transactions</b>	2,416	-	-	-	-	2,416	2,416
<b>Balance as at 30 June 2013</b>	1,132,782	(23,921)	(15,460)	(341)	462,691	1,555,751	1,556,129

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**1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 January 2013 to 30 June 2013**

Foot notes	Unitholders’ funds of H-REIT Group					Stapled Group	
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Hedging Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	Total S\$’000
<b>Balance as at 1 January 2013</b>	1,127,879	(23,921)	(5,395)	-	465,351	1,563,914	1,564,293
<b>Operations</b>							
Increase in net assets resulting from operations	-	-	-	-	51,856	51,856	51,855
<b>Movement in hedging reserve:</b>							
- Effective portion of changes in fair value of cash flow hedge	-	-	-	(341)	-	(341)	(341)
<b>Movements in foreign currency translation reserve:</b>							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(2,720)	-	-	(2,720)	(2,720)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(12,491)	-	-	(12,491)	(12,491)
- Exchange differences on hedge of net investment in a foreign operation	-	-	5,146	-	-	5,146	5,146
<b>Unitholders’ transactions</b>							
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees	(a) 4,903	-	-	-	-	4,903	4,903
(ii) Distribution to holders of Stapled Securities	(b) -	-	-	-	(54,516)	(54,516)	(54,516)
<b>Decrease in net assets resulting from unitholders’ transactions</b>	4,903	-	-	-	(54,516)	(49,613)	(49,613)
<b>Balance as at 30 June 2013</b>	1,132,782	(23,921)	(15,460)	(341)	462,691	1,555,751	1,556,129

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**1 (d)(iv) Statement of Movements in Unitholders’ funds for the period from 1 April 2012 to 30 June 2012**

Foot- notes	Unitholders’ funds of H-REIT Group				Stapled Group	
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	Total S\$’000
<b>Balance as at 1 April 2012</b>	1,120,591	(23,921)	1,950	426,914	1,525,534	1,525,914
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	25,871	25,871	25,871
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(1,001)	-	(1,001)	(1,001)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(5,768)	-	(5,768)	(5,768)
- Exchange differences on hedge of net investment in a foreign operation	-	-	2,283	-	2,283	2,283
<b>Unitholders’ transactions</b>						
(i) Stapled Securities to be issued as payment of H- REIT Manager’s management fees (a)	2,408	-	-	-	2,408	2,408
<b>Increase in net assets resulting from unitholders’ transactions</b>	2,408	-	-	-	2,408	2,408
<b>Balance as at 30 June 2012</b>	1,122,999	(23,921)	(2,536)	452,785	1,549,327	1,549,707

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**1 (d)(v) Statement of Movements in Unitholders’ funds for the period from 1 January 2012 to  
30 June 2012**

Foot notes	Unitholders’ funds of H-REIT Group				Stapled Group	
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	Total S\$’000
<b>Balance as at 1 January 2012</b>	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	54,453	54,453	54,453
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(1,969)	-	(1,969)	(1,969)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(2,805)	-	(2,805)	(2,805)
- Exchange differences on hedge of net investment in a foreign operation	-	-	2,563	-	2,563	2,563
<b>Unitholders’ transactions</b>						
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees (a)	4,896	-	-	-	4,896	4,896
(ii) Distribution to holders of Stapled Securities (c)	-	-	-	(55,092)	(55,092)	(55,092)
<b>Decrease in net assets resulting from unitholders’ transactions</b>	4,896	-	-	(55,092)	(50,196)	(50,196)
<b>Balance as at 30 June 2012</b>	1,122,999	(23,921)	(2,536)	452,785	1,549,327	1,549,707

**Footnotes**

- (a) These represent the Stapled Securities issued and to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.
- (b) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2012 to 31 December 2012.
- (c) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2011 to 31 December 2011.

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**1(e) Details of any changes in the H-REIT units/Stapled Securities**

<----- H-REIT Group and CDL Hospitality Trusts ----->				
Foot- notes	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	1 Jan 2013 to 30 Jun 2013	1 Jan 2012 to 30 Jun 2012
Issued H-REIT units/Stapled Securities at the beginning of the period	970,042,434	964,837,846	968,738,653	963,253,718
Issue of new H-REIT units/ Stapled Securities <sup>(a)</sup> - as payment of H-REIT Manager’s management fees	1,209,449	1,411,751	2,513,230	2,995,879
Issued H-REIT units/Stapled Securities at the end of the period	971,251,883	966,249,597	971,251,883	966,249,597
H-REIT units/Stapled Securities to be issued: - as payment of H-REIT Manager’s management fees	(b) 1,393,707	1,281,679	1,393,707	1,281,679
Total issued and issuable H-REIT units/Stapled Securities at the end of the period	972,645,590	967,531,276	972,645,590	967,531,276

**Footnotes**

(a) Each Stapled Security comprises one H-REIT unit and one HBT unit.

(b) These represent the H-REIT units/Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters.

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

The figures have not been audited but have been extracted from financial information for the six months ended 30 June 2013 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2012.

**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 2013, H-REIT Group and CDL Hospitality Trusts adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Singapore Chartered Accountants which has no significant impact to the financial statements of the H-REIT Group and CDL Hospitality Trusts.

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

	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	1 Jan 2013 to 30 Jun 2013	1 Jan 2012 to 30 Jun 2012
Weighted average number of Stapled Securities	971,267,198 <sup>(a)</sup>	966,263,681	970,664,882 <sup>(b)</sup>	965,562,502
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	2.42	2.68	5.34	5.64
Distribution per Stapled Security for the period/year based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.24	2.58	4.59	5.17
- Tax exempt income	0.48	0.34	0.82	0.53
	2.72 <sup>(c)</sup>	2.92	5.41	5.70

**Footnotes**

- (a) The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 30 June 2013 is 971,267,198. This comprise:
- (i) The weighted average number of Stapled Securities in issue as at 30 June 2013 of 971,251,883; and
  - (ii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2013 of 15,315.
- (b) The weighted average number of Stapled Securities used for computation of EPS for the period from 1 January 2013 to 30 June 2013 is 970,664,882. This comprise:
- (i) The weighted average number of Stapled Securities in issue as at 30 June 2013 of 970,657,182; and
  - (ii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2013 of 7,700.
- (c) The computation of DPS for the quarter ended 30 June 2013 is based on the number of Stapled Securities entitled to distribution of 972,645,590. This comprise:
- (i) The number of Stapled Securities in issue as at 30 June 2013 of 971,251,883; and
  - (ii) The Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2013 of 1,393,707.

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

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**7 Net asset value (“NAV”) per Stapled Security/H-REIT unit based on issued and issuable  
Stapled Securities/H-REIT units at the end of the period**

	H-REIT Group		CDL Hospitality Trusts	
	30 Jun 2013 S\$	31 Dec 2012 S\$	30 Jun 2013 S\$	31 Dec 2012 S\$
Net asset value per H-REIT unit/ Stapled Security	1.60 <sup>(a)</sup>	1.61	1.60 <sup>(b)</sup>	1.61

**Footnotes**

- (a) *The net asset value per H-REIT unit as at 30 June 2013 is computed based on:*
- *Unitholders’ funds of H-REIT Group as at 30 June 2013 of S\$1,555,751,000; and*
  - *The number of issued and issuable H-REIT units of 972,645,590 (31 December 2012: 970,042,434) (Refer Section 1(e) on page 21 for details).*
- (b) *The net asset value per Stapled Security as at 30 June 2013 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 30 June 2013 of S\$1,556,129,000; and*
  - *The number of issued and issuable Stapled Securities of 972,645,590 (31 December 2012: 970,042,434) (Refer Section 1(e) on page 21 for details).*
- (c) *Net asset value of HBT as at 30 June 2013 is S\$378,000 (31 December 2012: S\$379,000). The net asset value per HBT unit is 0.04 cents (31 December 2012: 0.04 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 972,645,590 (31 December 2012: 970,042,434) comprising:*
- *HBT units in issue as at 30 June 2013 of 971,251,883 (31 December 2012: 963,738,653); and*
  - *HBT units to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2013 of 1,393,707 (31 December 2012: 1,303,781).*



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**8 Review of the performance for the quarter ended 30 June 2013**

**8 (i) Statement of Total Return of CDL Hospitality Trusts**

		CDL Hospitality Trusts				
Foot- notes	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
	35,563	36,632	-2.9	73,498	75,055	-2.1
	(2,113)	(1,872)	12.9	(4,144)	(3,755)	10.4
	(261)	(221)	18.1	(553)	(519)	6.6
	(582)	(444)	31.1	(911)	(656)	38.9
	32,607	34,095	-4.4	67,890	70,125	-3.2
	(1,390)	(1,305)	6.5	(2,734)	(2,614)	4.6
	(1,630)	(1,704)	-4.3	(3,394)	(3,506)	-3.2
	(65)	(62)	4.8	(127)	(123)	3.3
	(42)	(52)	-19.2	(88)	(110)	-20.0
	(352)	(408)	-13.7	(694)	(715)	-2.9
	117	207	-43.5	237	446	-46.9
	(5,537)	(4,778)	15.9	(8,672)	(8,562)	1.3
(a)	(5,420)	(4,571)	18.6	(8,435)	(8,116)	3.9
	23,708	25,993	-8.8	52,418	54,941	-4.6
(a)	(227)	(122)	86.1	(563)	(488)	15.4
	23,481	25,871	-9.2	51,855	54,453	-4.8

**Footnote**

N.M. - Not Meaningful

(a) Please refer to Footnote (e) on page 7 for net finance costs and Footnote (g) on page 8 for income tax expense.

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**8 (ii) Breakdown of Total Gross Revenue by Property**

Foot- notes	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
Orchard Hotel	6,300	6,777	-7.0	13,076	14,103	-7.3
Grand Copthorne Waterfront Hotel	5,621	6,077	-7.5	11,545	12,141	-4.9
M Hotel	3,935	4,184	-6.0	7,760	8,299	-6.5
Copthorne King's Hotel	2,202	2,593	-15.1	4,369	5,286	-17.3
Orchard Hotel Shopping Arcade	1,295	1,361	-4.8	2,629	2,691	-2.3
Studio M Hotel	2,411	2,762	-12.7	4,749	5,470	-13.2
Novotel Singapore Clarke Quay	5,326	6,216	-14.3	10,835	11,731	-7.6
Rendezvous Grand Hotel Auckland	2,410	2,303	4.6	4,824	4,670	3.3
Ibis Brisbane	497	517	-3.9	1,259	1,266	-0.6
Mercure Brisbane	746	776	-3.9	1,888	1,899	-0.6
Novotel Brisbane	1,513	1,575	-3.9	3,831	3,854	-0.6
Ibis Perth	568	591	-3.9	1,436	1,444	-0.6
Mercure Perth	865	900	-3.9	2,188	2,201	-0.6
Angsana Velavaru	1,874	-	N.M.	3,109	-	N.M.
<b>Total</b>	<b>35,563</b>	<b>36,632</b>	<b>-2.9</b>	<b>73,498</b>	<b>75,055</b>	<b>-2.1</b>

**8 (iii) Breakdown of Net Property Income by Property**

	1 Apr 2013 to 30 Jun 2013 S\$'000	1 Apr 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %	1 Jan 2013 to 30 Jun 2013 S\$'000	1 Jan 2012 to 30 Jun 2012 S\$'000	Increase/ (Decrease) %
Orchard Hotel	5,752	6,238	-7.8	11,963	13,000	-8.0
Grand Copthorne Waterfront Hotel	5,178	5,610	-7.7	10,643	11,183	-4.8
M Hotel	3,586	3,831	-6.4	7,052	7,580	-7.0
Copthorne King's Hotel	1,827	2,212	-17.4	3,615	4,518	-20.0
Orchard Hotel Shopping Arcade	837	1,048	-20.1	1,970	2,287	-13.9
Studio M Hotel	2,249	2,603	-13.6	4,420	5,146	-14.1
Novotel Singapore Clarke Quay	4,970	5,891	-15.6	10,124	11,077	-8.6
Rendezvous Grand Hotel Auckland	2,410	2,303	4.6	4,824	4,670	3.3
Ibis Brisbane	497	517	-3.9	1,259	1,266	-0.6
Mercure Brisbane	746	776	-3.9	1,888	1,899	-0.6
Novotel Brisbane	1,513	1,575	-3.9	3,831	3,854	-0.6
Ibis Perth	568	591	-3.9	1,436	1,444	-0.6
Mercure Perth	865	900	-3.9	2,188	2,201	-0.6
Angsana Velavaru	1,609	-	N.M.	2,677	-	N.M.
<b>Total</b>	<b>32,607</b>	<b>34,095</b>	<b>-4.4</b>	<b>67,890</b>	<b>70,125</b>	<b>-3.2</b>

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**Footnotes**

- (a) *No prior period comparatives are presented as the Angsana Velavaru was acquired on 31 January 2013. The gross revenue for the reporting period comprise a prorated minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum). The excess of the income above the minimum rent will only be recognised in the fourth quarter results once the full year performance of Angsana Velavaru is determined.*
- (b) *Net property income was lower for the quarter ended 30 June 2013 mainly due to higher impairment loss provided on trade receivables of S\$66,000 (30 June 2012: S\$7,000) and higher commission and cleaning expenses incurred.*

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

**Second Quarter ended 30 June 2013**

The Group registered gross revenue of S\$35.6 million in 2Q 2013, slightly lower than the S\$36.6 million recorded in the corresponding period last year, primarily due to lower gross revenue from its Singapore Hotels. This was mitigated by a S\$1.9 million revenue boost from the Angsana Velavaru resort in the Maldives, which was acquired earlier this year. The Angsana Velavaru performed well, registering a year-on-year growth in revenue per available room (“RevPAR”) of 27.5%<sup>1</sup> for the three months ended 30 June 2013. Contribution from the Australian Hotels was marginally lower than 2Q 2012 mainly due to a translation loss arising from the weaker Australian dollar. Overall, the net property income for 2Q 2013 was 4.4% lower than 2Q 2012.

In general, the hospitality sector in Singapore has become more competitive due to additional new supply of rooms being introduced to the market and an overall weaker corporate demand as many companies globally exercised more restraint in corporate travel. In particular, the demand for corporate meetings and conferences continued to be soft. Consequently, RevPAR for the Singapore Hotels fell by 8.5% to S\$193 in 2Q 2013 compared to the corresponding quarter last year. Other contributing factors were the absence of the bi-annual Food and Hotel Asia event in April and the onset of the transboundary haze from Indonesia in mid-June which had a slight impact on demand.

Net finance costs for the reporting period increased by S\$0.8 million to S\$5.4 million in 2Q 2013. This was partially due to the recording of a full quarter's interest expense from increased borrowings and exchange loss from the translation of its Australia and New Zealand dollar denominated cash and cash equivalent balances. Interest expense was higher in 2Q 2013 compared to the same period last year as H-REIT financed its acquisition of Angsana Velavaru through borrowings in January 2013.

The total income available for distribution (before deducting income retained for working capital) of S\$29.4 million for 2Q 2013 was S\$2.0 million or 6.4% lower year-on-year. Correspondingly, the income to be distributed per Stapled Security of 2.72 cents for 2Q 2013 (after deducting the income retained for working capital) was lower than the 2.92 cents recorded in 2Q 2012.

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

	1 Apr 2013 to 30 Jun 2013	1 Apr 2012 to 30 Jun 2012	Variance
Average Occupancy Rate	87.7%	89.3%	(1.6)pp
Average Daily Rate	S\$220	S\$236	(6.8)%
RevPAR	S\$193	S\$211	(8.5)%

Net property income contributed by the Orchard Hotel Shopping Arcade for 2Q 2013 was S\$0.84 million. Average occupancy rate was 92.1% in 2Q 2013 with an average monthly rental rate of about S\$7.34 per sq. ft.

<sup>1</sup> The year- on- year comparison assumes that H-REIT, through its wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited, owns Angsana Velavaru for the three months ended 30 June 2012.

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**Six months ended 30 June 2013**

Gross revenue for 1H 2013 was S\$73.5 million, 2.1% lower than S\$75.1 million recorded in the corresponding period last year, mainly due to lower gross revenue from its Singapore hotels. This was mitigated by higher revenue from the Group's overseas properties, including the receipt of a full year's variable income of S\$2.0 million (or A\$1.6 million) from its Australia Hotels as compared to S\$1.8 million (or A\$1.3 million) recognised in the same period last year, as well as a S\$3.1 million revenue boost from the Angsana Velavaru in the Republic of Maldives, acquired earlier this year. The Angsana Velavaru performed well, registering a year-on-year growth in RevPAR of 28.1%<sup>2</sup>. In tandem with the lower overall revenue, net property income reduced by 3.2% to S\$67.9 million in 1H 2013.

RevPAR for the Singapore Hotels fell by 8.1% to S\$192 in 1H 2013 compared to the same period a year ago. The decline in RevPAR was in line with our earlier guidance that the hotels operating environment would be affected by the influx of new hotel rooms into the hospitality market and the global economic uncertainty. Amidst a softer corporate market and curtailed business travels due to the economic slowdown, the revenue shortfall from corporate business was replaced by business from the leisure market, which was secured at lower average room rates.

Consequently, the total income available for distribution (before deducting income retained for working capital) for 1H 2013 of S\$58.3 million was S\$2.9 million or 4.7% lower year-on-year. The income to be distributed per Stapled Security of 5.41 cents for 1H 2013 (after deducting the income retained for working capital) was 5.1% lower than the 5.70 cents recorded in 1H 2012.

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

	1 Jan 2013 to 30 Jun 2013	1 Jan 2012 to 30 Jun 2012	Variance
Average Occupancy Rate	87.4%	88.8%	(1.4)pp
Average Daily Rate	S\$219	S\$235	(6.8)%
RevPAR	S\$192	S\$209	(8.1)%

Net property income contributed by the Orchard Hotel Shopping Arcade for 1H 2013 was S\$2.0 million. Average occupancy rate was 92.1% in 1H 2013 with an average monthly rental rate of about S\$7.45 per sq. ft.

<sup>2</sup> The year-on-year comparison assumes that H-REIT, through its wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited, owns Angsana Velavaru for the five months ended 30 June 2012.

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

No forecast has been disclosed.

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

The performances of the Singapore hotels are expected to continue to be affected in the face of rising supply and slower growth in visitor arrivals. The hospitality operating environment is expected to be more competitive with new supply of more than 4,000 hotel rooms in 2013, of which approximately 1,800 rooms have already opened in the first six months of 2013<sup>3</sup>. It is expected that visitor arrivals year-on-year growth will be between 2.8% to 7.6% this year, based on Singapore Tourism Board (STB) forecast of 14.8 million to 15.5 million visitor arrivals for 2013<sup>4</sup>, which indicates a slower pace of growth than 2012.

The uncertain global economic environment, particularly in Europe, as well as companies and leisure travellers exercising caution in travel expenditure will continue to weigh on the attendant accommodation demand in the current financial year. These factors are likely to have a negative impact on the performance of the Singapore hospitality sector. In the first 24 days of July 2013, the RevPAR for the Singapore Hotels fell by 13.3% compared to a year ago.

Going forward, the fundamentals for the hospitality sector continue to be strengthened as Singapore enhances its position as the regional hub for business and wealth management in Asia. New attractions added to the tourism landscape in Singapore include the recent openings of the Marine Life Park and the River Safari in 2012 and 2013 respectively. The Singapore Sports Hub is slated to open in April 2014<sup>5</sup> and with its state of the art facilities, it is expected to attract major sporting events, such as the season ending Women’s Tennis Association Championships, a world-class tournament, for five years running from 2014<sup>6</sup>. The enhanced tourism landscape and infrastructure will position Singapore competitively as a MICE and leisure destination. In addition, the rising affluence of Asian travellers should continue to benefit Singapore’s leisure tourism.

Due to the slowing Australian economy and the mining sector, the Australia Hotels in Brisbane and Perth are expected to experience weaker performance. While there is prevailing softness in the business environment, its effect will be mitigated by the defensive structure which provides CDLHT with largely fixed rent.

Following the acquisition of Angsana Velavaru in the Maldives in January 2013, the Maldives continue to register strong visitor arrivals growth of 17.8% for the first six months of this year compared to the same period last year<sup>7</sup>. CDLHT is expected to benefit from the growing Asian affluence through its exposure to the premium and distinctive Maldives tourism market.

As announced on 27 May 2013, the Orchard Hotel Shopping Arcade, excluding the Galleria (“OHSA”) will be undergoing asset enhancement works commencing late 2013. The asset enhancement initiative (“AEI”) is expected to complete in 12 months, during which the mall will be

<sup>3</sup> Horwath HTL report issued as at July 2013

<sup>4</sup> “Singapore’s Tourism Sector Performance for 2012”, Singapore Tourism Board

<sup>5</sup> The Straits Times, 10 June 2013, “Singapore Sports Hub due for opening in April 2014”

<sup>6</sup> The Business Times, 9 May 2013, “Big tourism bucks for local economy”

<sup>7</sup> Tourism Arrivals, January – June 2013, Statistics Section, Ministry of Tourism, Arts & Culture, The Maldives

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closed and there will be no income contribution from this asset<sup>8</sup>. A soft opening of the revamped mall is expected by end 2014. The AEI aims to give OHSA a brand new look and reposition it as a family-centric mall with enhanced retail offerings.

As at 30 June 2013, the Group's gearing was 29.7%, well within the 60% gearing limit allowable under the MAS property fund guidelines. With a healthy gearing and ample debt headroom, CDL Hospitality Trusts will focus on sourcing for acquisition opportunities in the hospitality sector in the next 12 months.

**11 Distributions**

**11 (a) Current financial period**

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 January 2013 to 30 June 2013
i. Distribution type	Taxable income
Distribution rate	4.59 cents per unit
Tax rate	<p><u>Taxable income distribution</u>          Qualifying investors and individuals (other than those who held their units through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.</p> <p>Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors received their distributions after deduction of tax at the rate of 17%.</p>
ii. Distribution type	Tax Exempt Income
Distribution rate	0.82 cents per unit
Tax rate	<p><u>Tax exempt income distribution</u>          These distribution are made of H-REIT's tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.</p>

<sup>8</sup> The Galleria, which is not part of the AEI, will continue to generate rental income.

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

Any distributions declared for the corresponding period of the immediately preceding financial period?	Yes
Name of distribution	Distribution for the period from 1 January 2012 to 30 June 2012
i. Distribution type	Taxable income
Distribution rate	5.17 cents per unit
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who held their units through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.  Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.  All other investors received their distributions after deduction of tax at the rate of 17%.
ii. Distribution type	Tax Exempt Income
Distribution rate	0.53 cents per unit
Tax rate	<u>Tax exempt income distribution</u> These distribution are made of H-REIT's tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

**11 (c) Book closure date**

5.00 p.m. on 5 August 2013



**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**11 (d) Date payable**

29 August 2013

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

Not applicable

**13 General mandate relating to Interested Person Transactions**

CDL Hospitality Trusts has not obtained a general mandate from unitholders 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 quarter ended 30 June 2013 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN  
Chairman

YEO WEE ENG VINCENT  
Chief Executive Officer

26 July 2013

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

*This release 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, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*

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)

26 July 2013

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)

26 July 2013



**KPMG LLP**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Telephone +65 6213 3388  
Fax +65 6225 0984  
Internet www.kpmg.com.sg

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

26 July 2013

Dear Sirs

## **CDL Hospitality Real Estate Investment Trust Group and CDL Hospitality Trusts Review of Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts for the quarter ended 30 June 2013. CDL Hospitality Trusts comprise the H-REIT Group and CDL Hospitality Business Trust. The Interim Financial Information consists of the following:-

- Statements of Financial Position of H-REIT Group and CDL Hospitality Trusts as at 30 June 2013;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 30 June 2013;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 30 June 2013 and six-month period ended 30 June 2013;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the period ended 30 June 2013;
- Distribution Statements of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 30 June 2013 and six-month period ended 30 June 2013;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the period ended 30 June 2013; 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 the Statement of Recommended Accounting Practice ("RAP") 7 (2012) *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 presented, in all material respects, in accordance with the recommendations of RAP 7 (2012) *Reporting Framework for Unit Trusts* 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 CDL Hospitality Trusts 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 the CDL Hospitality Trusts' announcement of its Interim Financial Information for the information of its holders of Stapled Securities. We do not assume responsibility to anyone other than the CDL Hospitality Trusts for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

*KPMG LLP*

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

Singapore