



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER
ENDED 31 MARCH 2016**

TABLE OF CONTENTS

	Page
INTRODUCTION	1
SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS	2
1(a) STATEMENTS OF TOTAL RETURN AND STATEMENTS OF COMPREHENSIVE INCOME	3 - 7
1(b)(i) STATEMENTS OF FINANCIAL POSITION	8 - 9
1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES	10 - 11
1(c) STATEMENTS OF CASH FLOWS	12 - 13
1(d) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS	14 - 19
1(e) DETAILS OF ANY CHANGES IN THE UNITS	19 - 20
2 AUDIT STATEMENT	20
3 AUDITORS' REPORT	20
4 ACCOUNTING POLICIES	20
5 CHANGES IN ACCOUNTING POLICIES	20
6 EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY	20 - 21
7 NET ASSET VALUE PER UNIT	21
8 REVIEW OF PERFORMANCE	22 - 26
9 VARIANCE BETWEEN FORECAST OR PROSPECTUS STATEMENT AND ACTUAL	26
10 OUTLOOK AND PROSPECTS	27 - 28
11 DISTRIBUTIONS	28
12 DISTRIBUTION STATEMENT	28
13 GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS	28
14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL	29



CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2016

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 at 31 March 2016, CDLHT owns 15 hotels, two resorts and a retail mall comprising a total of 4,909 rooms. The properties under CDLHT’s portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), as well as a shopping arcade adjoining Orchard Hotel (Claymore Connect);
- (ii) five hotels in Brisbane and Perth, Australia, comprising Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”);
- (iii) two hotels in Japan’s gateway city of Tokyo, comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata, (collectively, the “**Japan Hotels**”);
- (iv) one hotel in New Zealand’s gateway city of Auckland, namely Rendezvous Hotel Auckland (the “**New Zealand Hotel**”);
- (v) one hotel in Cambridge, United Kingdom, namely Hilton Cambridge City Centre (the “**UK Hotel**”); and
- (vi) two resorts in Maldives comprising Angsana Velavaru and Jumeirah Dhevanafushi, (collectively, the “**Maldives Resorts**”).

In December 2013, the HBT Trustee-Manager activated the HBT. In addition to the acquisition of Jumeirah Dhevanafushi in December 2013, HBT has through its indirectly wholly-owned subsidiary, AKO GK also become the master lessee following the acquisition of the Japan Hotels by H-REIT’s indirectly-owned subsidiary in December 2014. In addition to its function as a master lessee, HBT may also undertake certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

On 1 October 2015, HBT has through its indirectly wholly-owned subsidiary, CDL HBT Cambridge City (UK) Ltd acquired Hilton Cambridge City Centre through the acquisition of 100% of the issued share capital of CDL HBT Cambridge City Hotel (UK) Ltd.

CDLHT’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 and HBT Trustee-Manager’s discretion. CDLHT 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.

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31
MARCH 2016**

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
Gross revenue	44,664	42,212	5.8%
Net property income	33,710	34,497	(2.3%)
Net income	21,913	25,521	(14.1%)
Income available for distribution to holders of Stapled Securities	24,380	26,632	(8.5%)
Less:			
Income retained for working capital	(2,438)	(2,663)	(8.4%)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	21,942	23,969	(8.5%)
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)			
For the period	2.46	2.71	(9.2%)
Annualised	9.89	10.99	(10.0%)
Annualised distribution yield (%) at closing market price of S\$1.44 as at 25 April 2016	6.87	7.63	(10.0%)
Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)			
For the period	2.22	2.44	(9.0%)
Annualised	8.93	9.89	(9.7%)
Annualised distribution yield (%) at closing market price of S\$1.44 as at 25 April 2016	6.20	6.87	(9.7%)

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

Foot- notes	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
Gross revenue									
	35,759	36,449	(1.9)	-	-	-	32,528	33,178	(2.0)
(a)	-	-	-	9,250	6,727	37.5	9,250	6,727	37.5
	-	-	-	1,785	1,221	46.2	1,785	1,221	46.2
	-	-	-	1,101	1,086	1.4	1,101	1,086	1.4
	35,759	36,449	(1.9)	12,136	9,034	34.3	44,664	42,212	5.8
Property expenses									
	-	-	-	(3,548)	(2,454)	44.6	(3,548)	(2,454)	44.6
	-	-	-	(655)	(620)	5.6	(655)	(620)	5.6
(c)	(2,505)	(2,215)	13.1	(295)	-	N.M	(2,801)	(2,215)	26.5
(d)	(277)	(383)	(27.7)	(30)	-	N.M	(307)	(383)	(19.8)
	-	-	-	(1,598)	(837)	90.9	(1,598)	(837)	90.9
	-	-	-	(611)	(347)	76.1	(611)	(347)	76.1
	-	-	-	(525)	(477)	10.1	(525)	(477)	10.1
(e)	-	-	-	(3,441)	(4,094)	(16.0)	(86)	-	N.M
(f)	(823)	(382)	N.M	-	-	-	(823)	(382)	N.M
	32,154	33,469	(3.9)	1,433	205	N.M	33,710	34,497	(2.3)
Net property income									
	(1,461)	(1,498)	(2.5)	-	-	-	(1,461)	(1,498)	(2.5)
	(1,608)	(1,673)	(3.9)	-	-	-	(1,608)	(1,673)	(3.9)
	(67)	(68)	(1.5)	-	-	-	(67)	(68)	(1.5)
	-	-	-	(64)	-	N.M	(64)	-	N.M
	-	-	-	(34)	(16)	N.M	(34)	(16)	N.M
(g)	(50)	(65)	(23.1)	(8)	-	N.M	(58)	(65)	(10.8)
(h)	(401)	(402)	(0.2)	(991)	-	N.M	(2,228)	(1,163)	91.6
(i)	(352)	(566)	(37.8)	332	(44)	N.M	(20)	(610)	(96.7)
	591	998	(40.8)	-	2	N.M	75	1,000	(92.5)
	(6,241)	(4,883)	27.8	(607)	-	N.M	(6,332)	(4,883)	29.7
(j)	(5,650)	(3,885)	45.4	(607)	2	N.M	(6,257)	(3,883)	61.1
Net income									
(k)	22,565	25,312	(10.9)	61	147	(58.5)	21,913	25,521	(14.1)
(l)	(873)	(232)	N.M	(103)	(29)	N.M	(976)	(261)	N.M
Total return/Total comprehensive income for the period									
	21,692	25,080	(13.5)	(42)	118	N.M	20,937	25,260	(17.1)

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
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MARCH 2016**

Footnotes

N.M – Not Meaningful

- (a) *Gross revenue comprises rental income and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 22 of the Announcement.*
- (b) *Gross revenue and property expenses for HBT Group have increased for the quarter ended 31 March 2016 as compared to the same period last year primarily due to the inclusion of operating results of the UK Hotel (acquired on 1 October 2015).*
- (c) *The increase in property tax for the quarter ended 31 March 2016 was mainly due to additional property tax expense recognised, following the finalisation of the tax for its Singapore Hotels in respect of prior years, as well as the inclusion of S\$0.3 million property tax payable by the UK Hotel, which was absent last year.*
- (d) *Insurance expense for the quarter ended 31 March 2016 decreased mainly due to lower insurance premiums for the Singapore Hotels.*
- (e) *The rental expense of HBT Group relates to rent accrued to H-REIT's indirect wholly-owned subsidiaries (Jumeirah Dhevanafushi and Japan Hotels) and land lease payable to Cambridge City Council by the UK Hotel. For further details, refer to Section 8 (ii) Footnote (b)(ii), (c) and (d) on page 23 to 24 of the Announcement.*
- (f) *Other property expenses comprise mainly direct operating expenses of the Claymore Connect (formerly known as Orchard Hotel Shopping Arcade). Expenses for the quarter ended 31 March 2016 were higher as the mall is fully operational. For the same period last year, the mall was still undergoing refurbishment works.*
- (g) *The lower valuation fees for the quarter ended 31 March 2016 was mainly due to lower fees incurred for some overseas properties.*
- (h) *The depreciation and amortisation expenses of S\$401,000 at H-REIT Group relates to property, plant and equipment of the Japan Hotels. The depreciation and amortisation expenses of S\$991,000 at HBT Group relates to property, plant and equipment of the UK Hotel.*
- (i) *Other trust expenses of H-REIT Group comprise mainly professional fees and administrative costs. The expenses were lower in 1Q 2016 mainly due to reversal of accruals for expenses in respect of prior years, which are no longer required. In HBT Group, the expenses were lower in 1Q 2016 due to a reversal of accrual for transaction costs of £246,000 (S\$495,000) in relation to the UK acquisition following the finalisation of such costs, which does not impact distributable income.*

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(j) Net finance costs comprise the following:

	H-REIT Group			HBT Group		
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
Interest income received/ receivable from banks	75	65	15.4	-	-	-
Interest income received/ receivable from HBT Group ⁽ⁱ⁾	516	-	N.M	-	-	-
Exchange gain	-	933	N.M	-	2	N.M
Finance income	591	998	(40.8)	-	2	N.M
Exchange loss ⁽ⁱⁱ⁾	(294)	-	N.M	(91)	-	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,629)	(4,581)	22.9	-	-	-
Interest paid/payable to HREIT Group ⁽ⁱ⁾	-	-	-	(516)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(267)	(253)	5.5	-	-	-
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(49)	4.1	-	-	-
Finance costs	(6,241)	(4,883)	27.8	(607)	-	N.M
Net finance costs	(5,650)	(3,885)	45.4	(607)	2	N.M

	CDL Hospitality Trusts		
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
Interest income received/ receivable from banks	75	65	15.4
Exchange gain	-	935	N.M
Finance income	75	1,000	(92.5)
Exchange loss ⁽ⁱⁱ⁾	(385)	-	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,629)	(4,581)	22.9
Amortisation of transaction costs capitalised ^(iv)	(267)	(253)	5.5
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(49)	4.1
Finance costs	(6,332)	(4,883)	29.7
Net finance costs	(6,257)	(3,883)	61.1

- (i) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the UK acquisition.
- (ii) The exchange loss for the quarter ended 31 March 2016 relates mainly to the revaluation of foreign currency denominated receivables and cash equivalent balances at reporting date, which was largely contributed by the year-on-year depreciation of the Australian dollar (“AUD”) and New Zealand dollar (“NZD”) against the Singapore dollar (“SGD”).

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- (iii) The interest paid/payable to banks for quarter ended 31 March 2016 was higher due to increased borrowings drawn to finance the UK Hotel and asset enhancement works for Singapore properties as well as the higher proportion of fixed rate borrowings, which increased the funding costs. There was also a general rise in interest rates on the group’s floating rate borrowings.
- (iv) The amortisation costs for the quarter ended 31 March 2016 relate to the amortisation of transaction costs arising from the medium term note issuance, revolving credit facility, term loan facility and TMK bond.
- (k) *Net income of CDL Hospitality Trusts is contributed by:*

	CDL Hospitality Trusts	
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000
H-REIT	20,310	17,904
Other H-REIT group entities (including consolidation adjustments)	2,255	7,408
HBT	397	(51)
Other HBT group entities (including consolidation adjustments)	(336)	198
CDL Hospitality Trusts’ consolidation adjustments	(713)	62
	21,913	25,521

- (l) *This mainly relates to current and deferred tax in respect of the properties at overseas.*

	H-REIT Group		HBT Group		CDL Hospitality Group	
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000
Corporate income tax	(416)	(264)	(36)	(29)	(452)	(293)
Deferred tax	(455)	32	-	-	(455)	32
Others	(2)	-	(67)	-	(69)	-
	(873)	(232)	(103)	(29)	(976)	(261)

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

	CDL Hospitality Trusts	
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000
Net income of H-REIT	20,310	17,904
Net income of HBT	397	-
Add/(Less): Non tax deductible/(tax chargeable) items:		
- Amortisation of transaction costs	232	236
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	51	49
- Exchange loss	700	5,715
- H-REIT Manager's fees paid/payable in Stapled Securities	2,455	2,537
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	51	-
- Other items	184	191
Income available for distribution to holders of Stapled Securities (before deducting income retained for working capital)	24,380	26,632
Less :		
Income retained for working capital	(2,438)	(2,663)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital) ⁽ⁱⁱ⁾	21,942	23,969
Comprising :		
- Taxable income	17,309	18,926
- Tax exempt income	4,633	5,043
	21,942	23,969

- (i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT.
- (ii) The total distributable income for the quarter ended 31 March 2016 of S\$21,942,000 comprises all of CDLHT's taxable income and net tax exempt income (after retaining an amount of S\$2,438,000 for working capital purposes) for the period from 1 January 2016 to 31 March 2016.

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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

Footnotes	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts		
	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	
ASSETS							
Non-current assets							
	(b)	2,253,591	2,257,091	-	-	2,175,257	2,176,664
	(c)	71,052	69,198	117,925	128,636	259,120	270,855
		-	-	-	-	7,374	7,406
	(d)	126,261	135,742	-	-	-	-
		-	216	-	-	-	216
		2,450,904	2,462,247	117,925	128,636	2,441,751	2,455,141
Current assets							
		-	-	1,182	1,280	1,182	1,280
		20,435	18,741	8,072	6,322	20,849	19,094
	(e)	38,610	62,267	9,931	9,701	48,542	71,968
		59,045	81,008	19,185	17,303	70,573	92,342
		2,509,949	2,543,255	137,110	145,939	2,512,324	2,547,483
LIABILITIES							
Non-current liabilities							
	(f)	707,922	703,208	-	-	707,922	703,208
	(g)	8,703	8,749	-	-	8,703	8,749
	(d)	-	-	126,261	135,742	-	-
		10,875	10,514	-	-	10,875	10,514
		727,500	722,471	126,261	135,742	727,500	722,471
Current liabilities							
	(f)	209,424	219,136	-	-	209,424	219,136
	(h)	32,125	26,819	11,787	11,389	36,130	32,239
		322	156	135	117	456	273
		241,871	246,111	11,922	11,506	246,010	251,648
		969,371	968,582	138,183	147,248	973,510	974,119
		1,540,578	1,574,673	(1,073)	(1,309)	1,538,814	1,573,364
Net assets							
Represented by:							
Unitholders' funds							
	(j)	1,540,578	1,574,673	-	-	-	-
	(i),(j)	-	-	(1,073)	(1,309)	-	-
	(j)	-	-	-	-	1,538,814	1,573,364
		1,540,578	1,574,673	(1,073)	(1,309)	1,538,814	1,573,364

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2016**

Footnotes

- (a) *The Statement of Financial Position of HBT Group comprises the resort operations of Jumeirah Dhevanafushi, the Japan Hotels (acquired on 19 December 2014) and the UK Hotel (acquired on 1 October 2015).*
- (b) *Included in investment properties at H-REIT Group is a net translation loss of S\$10,346,000 (31 December 2015: translation loss of S\$3,945,000) relating to its overseas properties.*
- (c) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the UK Hotel respectively.*

The property, plant and equipment at CDLHT comprise the Japan Hotels, Jumeirah Dhevanafushi and the UK Hotel. For Jumeirah Dhevanafushi, the property is leased by H-REIT’s indirect wholly-owned subsidiary to HBT’s indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT’s indirect wholly-owned subsidiary. Under FRS 40, these properties are considered property held for use as owner-occupied properties. Accordingly, these properties are classified as property, plant and equipment instead of investment property in CDLHT’s financial statements. As at 31 December 2015, an impairment loss of S\$1,557,000 has been charged on the property, plant and equipment of Jumeirah Dhevanafushi. No impairment has been recorded as at 31 March 2016.

- (d) *As at 31 March 2016, H-REIT drew down £64.6 million (S\$125.8 million) from its multi-currency bridge loan facility (refer to Section 1(b)(ii) Footnote (iv) on page 11 to the Announcement) and extended a loan to HBT to finance the acquisition of the UK Hotel. The intra-group loan between H-REIT and HBT is classified as other receivables/payables at H-REIT Group and HBT Group respectively.*
- (e) *Cash and cash equivalents for the H-REIT Group comprise mainly rental income from H-REIT’s investment properties, which are reserved for distribution to unitholders at the next scheduled distribution.*
- (f) *Financial liabilities of the H-REIT Group of S\$917.3 million (31 December 2015: S\$922.3 million), which are measured at amortised cost, comprise S\$203.6 million notes issued pursuant to the Medium Term Note Programme, S\$37.3 million TMK bond and S\$680.0 million bank borrowings, as explained under Section 1(b)(ii) on pages 10 to 11 of the Announcement.*
- (g) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (h) *Trade and other payables for the H-REIT Group relates mainly to payables for operational and trust expenses.*
- (i) *HBT group recorded net liabilities of S\$1,073,000 as at 31 March 2016 (31 December 2015: net liabilities of S\$1,309,000) due to the expensing of a one-time transaction costs arising from the UK acquisition. This net liability position of HBT Group will be addressed and mitigated over the financial year as profit from the operations of the group’s newly acquired asset, Hilton Cambridge City Centre, is recognised.*
- (j) *The movement in unitholders’ funds are set out in Section 1(d).*

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

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

		H-REIT Group and CDL Hospitality Trusts	
		31 Mar 2016 S\$'000	31 Dec 2015 S\$'000
Amount repayable after one year	Footnotes		
Secured TMK bond	(i)	37,324	36,332
Unsecured medium term notes	(ii)	120,000	120,000
Unsecured borrowings	(iii)	554,092	550,525
		711,416	706,857
Amount repayable within one year			
Unsecured medium term notes	(ii)	83,600	83,600
Unsecured borrowings	(iv)	125,844	135,563
		209,444	219,163
Total borrowings^(a)		920,860	926,020

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

Footnotes

i. Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese Yen denominated bond of JPY3.1 billion (S\$37.3 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokutei Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokutei Kaisha (“TMK”) structure, and such TMK structures are required to issue bond to fund the acquisition of assets.

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

ii. 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\$203.6 million medium term notes have been issued by this subsidiary. These comprise:

- (a) S\$83.6 million medium term notes comprising 5-year floating rate note, which are re-priced every six months.
- (b) S\$120.0 million 5-year fixed rate medium term note.

iii. Unsecured borrowings, after one year

- (a) a 3-year to 3.25-year S\$250.0 million committed bilateral multi-currency revolving credit facility (the “RCF Facility”).

In December 2015, H-REIT secured a fresh S\$250.0 million RCF Facility from two banks (comprising S\$150.0 million for a 3-year term and another S\$100.0 million for a 3.25-year term).

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

This facility was utilised to refinance the matured facility and another S\$9.0 million to fund the asset enhancement works for Claymore Connect and other operating expenses.

During the reporting quarter, H-REIT drew down another S\$8.0 million to fund the asset enhancement works for Singapore properties. Consequently, as at 31 March 2016, only S\$93.0 million of the RCF Facility remained unutilised.

- (b) a 5-year A\$93.2 million (S\$96.1 million) bank facility (the “TL1 Facility”).

In December 2015, the previous 3-year A\$93.2 million term loan matured and H-REIT refinanced it with a fresh 5-year term fixed rate term loan facility.

As at the reporting date, there was no unutilised balance as the TL1 Facility was fully drawn down to fund the loan relating to the Australia hotels.

- (c) a 5-year US\$75.0 million (S\$102.7 million) fixed rate term loan facility (the “TL2 Facility”).

As at the reporting date, there was no unutilised balance as the TL2 Facility was fully drawn down to fund the loan relating to Angsana Velavaru.

- (d) a 5-year S\$70.0 million fixed rate term loan facility (the “TL3 Facility”).

In April 2015, H-REIT exercised its option to convert its existing 5-year S\$70.0 million floating rate term loan into a fixed rate term loan, as allowed under the terms of the TL3 Facility.

As at the reporting date, there was no unutilised balance as the TL3 Facility was fully drawn down to redeem the outgoing S\$70.0 million medium term notes, which expired in August 2014.

- (e) a 5-year US\$65.0 million (S\$89.0 million) fixed rate term loan facility (the “TL4 Facility”).

In January 2015, H-REIT exercised its option to convert its existing 5-year US\$65.0 million (S\$89.0 million) floating rate term loan into a fixed rate term loan, as allowed under the terms of the TL4 Facility.

As at the reporting date, there was no unutilised balance as the TL4 Facility was fully drawn down to fund the loan relating to Jumeirah Dhevanafushi (which expired in December 2014), and for working capital purposes.

- (f) In September 2015, H-REIT secured a 5-year JPY3.3 billion (S\$39.4 million) fixed rate term loan facility. This was used to refinance the existing short-term bridging loans, which were previously drawn in December 2014 to fund the acquisition of Japan Hotels.

iv. 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 31 March 2016, £64.6 million (S\$125.8 million) was drawn down to fund the acquisition of the UK Hotel as explained under Footnote (d) on page 9 of the Announcement.

Approximately S\$174.2 million of the Bridge Loan Facility remains unutilised as at the reporting date.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1(c) Consolidated Statements of Cash Flows

Foot- notes	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000
Operating activities						
Net income	22,565	25,312	61	147	21,913	25,521
Adjustments for:						
H-REIT Manager's/HBT Trustee- Manager's fee paid/payable in Stapled Securities (a)	2,455	2,537	51	-	2,506	2,537
Depreciation of property, plant and equipment	401	402	991	-	2,159	1,103
Amortisation of prepaid land lease	-	-	-	-	69	60
Impairment loss on trade receivables	-	-	81	-	81	-
Net finance costs	5,650	3,885	607	2	6,257	3,883
Operating income before working capital changes	31,071	32,136	1,791	149	32,985	33,104
Changes in working capital:						
Inventories	-	-	60	242	60	242
Trade and other receivables	(1,739)	(2,414)	(1,596)	(712)	(2,447)	1,207
Trade and other payables	4,981	2,483	395	(484)	4,364	(3,153)
Cash generated from/(used in) operating activities	34,313	32,205	650	(805)	34,962	31,400
Tax paid	(93)	(89)	(72)	(3)	(165)	(92)
Net cash generated from/(used in) operating activities	34,220	32,116	578	(808)	34,797	31,308
Investing activities						
Capital expenditure on investment properties	(7,373)	(5,607)	-	-	(7,052)	(5,348)
Additions to property, plant and equipment and prepaid land lease	(396)	(14)	(64)	-	(780)	(273)
Proceeds from disposal of property, plant and equipment	-	-	367	-	367	-
Interest received	86	63	-	-	86	63
Cash (used in)/generated from investing activities	(7,683)	(5,558)	303	-	(7,379)	(5,558)
Financing activities						
Restricted cash	271	-	-	-	271	-
Proceeds from bank loans (b)	8,257	58	-	-	8,257	58
Payment of transaction costs related to bank loans	(88)	(76)	-	-	(88)	(76)
Finance costs paid	(5,186)	(4,291)	-	-	(5,186)	(4,291)
Distribution to holders of Stapled Securities	(53,118)	(56,380)	-	-	(53,118)	(56,380)
Cash used in financing activities	(49,864)	(60,689)	-	-	(49,864)	(60,689)
Net (decrease)/increase in cash and cash equivalents	(23,327)	(34,131)	881	(808)	(22,446)	(34,939)
Cash and cash equivalents at beginning of the period	60,896	72,381	9,701	4,066	70,597	76,447
Effect of exchange rate changes on cash and cash equivalents	(59)	-	(651)	-	(709)	-
Cash and cash equivalents at end of the period (c)	37,510	38,250	9,931	3,258	47,442	41,508

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

Footnotes

- (a) 1,922,812 (Quarter ended 31 March 2015: 1,461,507) Stapled Securities amounting to S\$2,506,193 (Quarter ended 31 March 2015: S\$2,536,593) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 31 March 2016.
- (b) Proceeds from RCF Facility were utilised to fund the asset enhancement works for Singapore properties.
- (c) Cash and cash equivalents for H-REIT Group and CDL Hospitality Trusts as at 31 March 2016 are as follows:

	HREIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	38,610	48,542
Restricted cash ^(a)	(1,100)	(1,100)
Cash and cash equivalents in the Statement of Cash Flows	37,510	47,442

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

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1 (d)(i) Statement of Movements in Unitholders’ funds for the period from 1 January 2016 to 31 March 2016

		Unitholders’ funds of H-REIT Group				
	Footnotes	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
Balance as at 1 January 2016		1,158,930	(23,921)	(32,952)	472,616	1,574,673
Operations						
Increase in net assets resulting from operations		-	-	-	21,692	21,692
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries		-	-	(4,365)	-	(4,365)
- Exchange differences on hedge of net investment in a foreign operation		-	-	4,088	-	4,088
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	(4,847)	-	(4,847)
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a)	2,455	-	-	-	2,455
(ii) Distribution to holders of Stapled Securities	(b)	(1,088)	-	-	(52,030)	(53,118)
Decrease in net assets resulting from unitholders’ transactions		1,367	-	-	(52,030)	(50,663)
Balance as at 31 March 2016		1,160,297	(23,921)	(38,076)	442,278	1,540,578

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 January 2015 to 31 March 2015

Unitholders’ funds of H-REIT Group

	Footnotes	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
Balance as at 1 January 2015		1,148,720	(23,921)	(23,650)	(581)	518,277	1,618,845
Operations							
Increase in net assets resulting from operations		-	-	-	-	25,080	25,080
Movements in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	(d)	-	-	-	(235)	-	(235)
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries		-	-	7,470	-	-	7,470
- Exchange differences on hedge of net investment in a foreign operation		-	-	(7,516)	-	-	(7,516)
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	1,132	-	-	1,132
Unitholders’ transactions							
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a)	2,537	-	-	-	-	2,537
(ii) Distribution to holders of Stapled Securities	(c)	-	-	-	-	(56,380)	(56,380)
Decrease in net assets resulting from unitholders’ transactions		2,537	-	-	-	(56,380)	(53,843)
Balance as at 31 March 2015		1,151,257	(23,921)	(22,564)	(816)	486,977	1,590,933

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 January 2016 to 31 March 2016

Unitholders’ funds of HBT Group

	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated losses S\$’000	Total S\$’000
Balance as at 1 January 2016	500	(121)	27	(1,715)	(1,309)
Operations					
Decrease in net assets resulting from operations	-	-	-	(42)	(42)
Movements in foreign currency translation reserve:					
- Translation differences relating to financial statements of foreign subsidiaries	-	-	227	-	227
Unitholders’ transactions					
Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (e)	51	-	-	-	51
Balance as at 31 March 2016	551	(121)	254	(1,757)	(1,073)

1 (d)(iv) Statement of Movements in Unitholders’ funds for the period from 1 January 2015 to 31 March 2015

Unitholders’ funds of HBT Group

	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
Balance as at 1 January 2015	500	(121)	9	140	528
Operations					
Increase in net assets resulting from operations	-	-	-	118	118
Movements in foreign currency translation reserve:					
- Translation differences relating to financial statements of foreign subsidiaries	-	-	13	-	13
Balance as at 31 March 2015	500	(121)	22	258	659

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1 (d)(v) Statement of Movements in Unitholders’ funds for the period from 1 January 2016 to 31 March 2016

Unitholders’ funds of CDL Hospitality Trusts

Footnotes	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000
Balance as at 1 January 2016	1,159,430	(24,042)	(33,175)	471,151	1,573,364
Operations					
Increase in net assets resulting from operations	-	-	-	20,937	20,937
Movements in foreign currency translation reserve:					
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(4,116)	-	(4,116)
- Exchange differences on hedge of net investment in a foreign operation	-	-	4,088	-	4,088
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(4,847)	-	(4,847)
Unitholders’ transactions					
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,455	-	-	-	2,455
(ii) Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (e)	51	-	-	-	51
(iii) Distribution to holders of Stapled Securities (b)	(1,088)	-	-	(52,030)	(53,118)
Decrease in net assets resulting from unitholders’ transactions	1,418	-	-	(52,030)	(50,612)
Balance as at 31 March 2016	1,160,848	(24,042)	(38,050)	440,058	1,538,814

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

1 (d)(vi) Statement of Movements in Unitholders’ funds for the period from 1 January 2015 to 31 March 2015

Unitholders’ funds of CDL Hospitality Trusts

Footnotes	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
Balance as at 1 January 2015	1,149,220	(24,042)	(23,774)	(581)	515,304	1,616,127
Operations						
Increase in net assets resulting from operations	-	-	-	-	25,260	25,260
Movements in hedging reserve:						
Effective portion of changes in fair value of cash flow hedge (d)	-	-	-	(235)	-	(235)
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	7,379	-	-	7,379
- Exchange differences on hedge of net investment in a foreign operation	-	-	(7,516)	-	-	(7,516)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	1,132	-	-	1,132
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,537	-	-	-	-	2,537
(ii) Distribution to holders of Stapled Securities (c)	-	-	-	-	(56,380)	(56,380)
Decrease in net assets resulting from unitholders’ transactions	2,537	-	-	-	(56,380)	(53,843)
Balance as at 31 March 2015	1,151,757	(24,042)	(22,779)	(816)	484,184	1,588,304

Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. Prior to 1 January 2016, the Stapled Securities for the portion of the management fee (comprising base fee and performance fee) are issued within 30 days from the end of the quarter. With effect from 1 January 2016, due to a new requirement of the Monetary Authority of Singapore, the Stapled Securities for the performance fee is issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group. The arrangement for the base fee remains unchanged, where the Stapled Securities are issued within 30 days from the quarter end.*
- (b) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2015 to 31 December 2015, which includes a capital distribution of S\$1,088,000.*
- (c) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2014 to 31 December 2014.*
- (d) *The hedging reserve relates to the changes in fair value of the interest rate swap entered into to hedge the interest rate risk of the previous 3-year A\$93.2 million term loan facility. The interest rate swap expired in December 2015 as this loan was refinanced with 5-year fixed rate term loan facility.*

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

(e) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from the date of issuance of the audited financial statements of the Group.*

1 (e)(i) Details of any changes in the units for the period from 1 January 2016 to 31 March 2016

	H-REIT Group	HBT Group	CDL Hospitality Trusts
Footnotes	1 Jan 2016 to 31 Mar 2016	1 Jan 2016 to 31 Mar 2016	1 Jan 2016 to 31 Mar 2016
Issued units at the beginning of the period	987,136,888	987,136,888	987,136,888
Issue of new units - as payment of H-REIT Manager's management fees	2,017,102	2,017,102	2,017,102
Issued units at the end of the period	989,153,990	989,153,990	989,153,990
Units to be issued: - as payment of H-REIT Manager's and HBT Trustee-Manager's management fees	(a),(b) 1,922,812	1,922,812	1,922,812
Total issued and issuable units at the end of the period	991,076,802	991,076,802	991,076,802

1 (e)(ii) Details of any changes in the units for the period from 1 January 2015 to 31 March 2015

	H-REIT Group	HBT Group	CDL Hospitality Trusts
Footnotes	1 Jan 2015 to 31 Mar 2015	1 Jan 2015 to 31 Mar 2015	1 Jan 2015 to 31 Mar 2015
Issued units at the beginning of the period	980,284,978	980,284,978	980,284,978
Issue of new units - as payment of H-REIT Manager's management fees	1,579,075	1,579,075	1,579,075
- as payment of H-REIT Manager's acquisition fee	368,029	368,029	368,029
Issued units at the end of the period	982,232,082	982,232,082	982,232,082
Units to be issued: - as payment of H-REIT Manager's management fees	(a) 1,461,507	1,461,507	1,461,507
Total issued and issuable units at the end of the period	983,693,589	983,693,589	983,693,589

Footnotes

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

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

(b) *Included in the balance to be issued for performance fee is an estimated 1,016,302 H-REIT units/HBT units/Stapled Securities, which will only be crystalized once a year.*

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

The figures have not been audited but have been extracted from financial information for the three months ended 31 March 2016 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2015.

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

There has been no change in accounting policies and methods of computation adopted by H-REIT Group, HBT Group and CDL Hospitality Trusts.

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

CDL Hospitality Trust

	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015
Weighted average number of Stapled Securities	989,175,120 ^(a)	982,248,321 ^(a)
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)		
- basic and diluted	2.12	2.57
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	1.75	1.92
- Tax exempt income	0.47	0.52
	2.22 ^(b)	2.44 ^(b)

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

Footnotes

- (a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 March 2016 is 989,175,120. This comprise:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 March 2016 of 989,153,990; and*
 - (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of management fee payable in units for the quarter ended 31 March 2016 of 21,130.*
- (b) *The computation of DPS for the quarter ended 31 March 2016 is based on the number of Stapled Securities entitled to distribution of 990,060,500. This comprise:*
- (i) *The number of Stapled Securities in issue as at 31 March 2016 of 989,153,990; and*
 - (ii) *The Stapled Securities to be issued to the H-REIT Manager as satisfaction of base fee payable in units for the quarter ended 31 March 2016 of 906,510.*

7 Net asset value (“NAV”) per unit based on issued and issuable units at the end of the period

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	31 Mar 2016 S\$	31 Dec 2015 S\$	31 Mar 2016 S\$	31 Dec 2015 S\$	31 Mar 2016 S\$	31 Dec 2015 S\$
Net asset value per unit	1.5544 ^(a)	1.5919	(0.0011) ^(b)	(0.0013)	1.5527 ^(c)	1.5906

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 March 2016 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,540,578,000; and*
 - *The number of issued and issuable H-REIT units of 991,076,802 (31 December 2015: 989,153,990) (Refer Section 1(e) on page 19 for details).*
- (b) *The net asset value per HBT unit as at 31 March 2016 is computed based on:*
- *Unitholders’ funds of HBT Group of (S\$1,073,000); and*
 - *The number of issued and issuable HBT units of 991,076,802 (31 December 2015: 989,153,990) (Refer Section 1(e) on page 19 for details).*
- (c) *The net asset value per Stapled Security as at 31 March 2016 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 March 2016 of S\$1,538,814,000; and*
 - *The number of issued and issuable Stapled Securities of 991,076,802 (31 December 2015: 989,153,990) (Refer Section 1(e) on page 19 for details).*

CDL HOSPITALITY TRUSTS (“CDLHT”)
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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2016

8 Review of the performance for the quarter ended 31 March 2016

8 (i) Breakdown of Total Gross Revenue by Geography

Footnotes	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
<u>Master leases</u>									
<i>Singapore</i>									
- Hotels	22,304	23,427	(4.8)	-	-	-	22,304	23,427	(4.8)
- Claymore Connect	1,421	461	N.M	-	-	-	1,421	461	N.M
<i>Maldives</i>	2,104	2,022	4.1	-	-	-	2,104	2,022	4.1
<i>Australia</i>	3,848	4,731	(18.7)	-	-	-	3,848	4,731	(18.7)
<i>New Zealand</i>	2,851	2,537	12.4	-	-	-	2,851	2,537	12.4
	32,528	33,178	(2.0)	-	-	-	32,528	33,178	(2.0)
<u>Management contracts</u>									
<i>Maldives</i>	1,683	1,618	4.0	5,392	6,554	(17.7)	5,392	6,554	(17.7)
<i>Japan</i>	1,548	1,653	(6.4)	2,464	2,480	(0.6)	2,464	2,480	(0.6)
<i>United Kingdom</i>	-	-	-	4,280	-	N.M	4,280	-	N.M
	3,231	3,271	(1.2)	12,136	9,034	34.3	12,136	9,034	34.3
Total	35,759	36,449	(1.9)	12,136	9,034	34.3	44,664	42,212	5.8

Footnotes

- (a) The rental income and expenses recorded in 1Q 2016 included rental and expenses from the newly renovated mall, Claymore Connect. The mall underwent refurbishment works since end of December 2013 and received its Temporary Occupation Permit (“TOP”) in March 2015. Rental income from new tenants was recognised in Q3 2015 following the completion of their own retrofitting works. The mall was officially opened on 8 October 2015.

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2016**

(ii) Breakdown of Net Property Income by Geography

Footnotes	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 31 Mar 2016 S\$'000	1 Jan 2015 to 31 Mar 2015 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	19,839	21,288	(6.8)	-	-	-	19,839	21,288	(6.8)
- Claymore Connect	(a) 740	259	N.M	-	-	-	740	259	N.M
<i>Maldives</i>	(b) 3,406	3,062	11.2	133	173	(23.1)	3,662	4,058	(9.8)
<i>Australia</i>	3,848	4,731	(18.7)	-	-	-	3,848	4,731	(18.7)
<i>New Zealand</i>	2,851	2,537	12.4	-	-	-	2,851	2,537	12.4
<i>Japan</i>	(c) 1,470	1,592	(7.7)	(4)	32	N.M	1,466	1,624	(9.7)
<i>United Kingdom</i>	(d) -	-	-	1,304	-	N.M	1,304	-	N.M
Total	32,154	33,469	(3.9)	1,433	205	N.M	33,710	34,497	(2.3)

Footnotes

(b) *The Maldives resorts includes a Master Lease and Management Contract as follows:*

(i) Master Lease

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

(ii) Management Contract

There is a lease agreement between H-REIT's indirectly wholly-owned subsidiary and CDL HBT Oceanic Maldives Pvt Ltd, HBT's indirect wholly-owned subsidiary. The hotel operator for this resort is Jumeirah Management Services (Maldives) Private Limited.

For H-REIT Group, the gross revenue for the reporting period includes S\$1.7 million (US\$1.2 million) rental income from HBT Group (based on 80% of the gross operating profit of Jumeirah Dhevanafushi, not exceeding US\$6.0 million per annum or US\$1.2 million per quarter (the "threshold")). Any excess rental income above the threshold is expected to be recognised by H-REIT in the second and fourth quarter of the financial year.

For HBT Group, the gross revenue for the reporting period comprises the entire revenue derived from the resort operations of Jumeirah Dhevanafushi.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2016**

(ii) Breakdown of Net Property Income by Geography

Footnotes

For 1Q 2016, H-REIT Group’s net property income (“NPI”) for Maldives included a reversal of over accruals of S\$0.2 million relating to property tax and insurance. Excluding this reversal, the NPI increase over 1Q 2015 was 4.7%.

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

For H-REIT Group, the gross revenue for the reporting period includes S\$1.5 million (JPY127.9 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available for distribution in the second quarter once the financial results for the fiscal year ended 31 March 2016 are audited and the income is ascertained. The fiscal period for the Japan Hotels will be set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.

(d) *The UK Hotel is owned and operated by HBT’s indirectly wholly-owned subsidiary. The gross revenue for the reporting period comprises the entire revenue derived from the hotel operations of the UK Hotel. There are no comparative figures shown last year as the UK Hotel was only acquired on 1 October 2015.*

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

8 (iii) Review of the Performance

First Quarter ended 31 March 2016

CDLHT's gross revenue for 1Q 2016 was S\$44.7 million, 5.8% or S\$2.5 million higher than the same period last year. The improvement was largely attributed to the recognition of a full quarter's fresh contribution of S\$4.3 million from Hilton Cambridge City Centre in United Kingdom (“UK”), which was acquired on 1 October 2015. This was further bolstered by a S\$1.0 million incremental income from its re-furbished mall, the Claymore Connect, which recorded a committed occupancy (including the Galleria) of 82% as at 31 March 2016, following the re-opening of the mall in the last quarter of 2015. These improvements were however dampened by a decline in the underlying performance of the Singapore Hotels and Maldives resorts, which reduced collectively by S\$2.2 million year-on-year (“yoy”).

Gross revenue for the portfolio was weighed down further by lower fixed rent contribution from its Australia and New Zealand hotels, due to the continued adverse currency movements of the Australia and New Zealand dollar (“AUD” and “NZD” respectively) against the Singapore dollar (“SGD”) and lower net variable income. The Australia Hotels' full year variable income for FY 2015 (which is recognised upon finalisation in 1Q 2016) was only S\$0.4 million, as compared to S\$1.1 million for the same period last year. This decline was ameliorated by the variable income of S\$0.5 million from the New Zealand hotel, which was absent last year.

The Singapore hospitality market in 1Q 2016 was affected by the competitive trading environment induced by new hotel room supply into the market and the uncertain global economic environment. The group's hotels experienced weak corporate segment demand during the quarter and disruptions from the ongoing soft refurbishment at M Hotel and more significantly, the closure of the lobby and certain public areas, including the two food and beverage outlets at Grand Copthorne Waterfront Hotel, had affected revenue. The Easter holidays falling earlier in March this year compared to April last year also affected trading as corporate activity is usually subdued during Easter. Consequently, the revenue per available room (“RevPAR”) for the Singapore hotels dipped 6.9% yoy to S\$161.

In Maldives, the strength of the USD against the currencies of its major source markets has eroded the spending power of these guests as room rates are priced in USD. Chinese arrivals, which is the top source market into Maldives, registered a 10.8% decline in the first three months of this year. In addition, the cautious consumer sentiment towards discretionary spending in the high-end leisure market has affected the Maldives Resorts' performance, as guests seek to trade down. Resorts in the Maldives responded by launching aggressive promotions to defend market share. Amidst the competitive landscape, the two resorts posted a yoy combined RevPAR decline of 28.7%.

Conversely, catalysed by positive government initiatives towards tourism, visitor arrivals to Japan continued its upward trajectory. Against this backdrop, the group's two hotels in Japan continue to post improved performances, registering a combined yoy RevPAR growth of 7.5% over the same period last year. Occupancies of the Japan Hotels during the reporting quarter were partly affected by the conversion of some of its room inventory into non-smoking rooms to capitalise on the increasing demand for this room category. Despite the RevPAR growth, CDLHT's gross revenue showed a decline of 0.6% over 1Q 2015. This is because last year's results included a one-off revenue contribution of S\$0.3 million arising from the last 13 days of December 2014, which was recognised in 1Q 2015 following the acquisition of the Japan Hotels. On a same store basis (excluding the one-off 13-day contribution in 1Q 2015), CDLHT's gross revenue registered a 15.6% increase over 1Q 2015, mainly due to the RevPAR growth and the appreciation of Yen against SGD. The adjusted net property income (excluding the 13-day contribution) would show an increase of 9.0% yoy (instead of a contraction of 9.7%) over 1Q 2015.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

Hilton Cambridge City Centre recorded a 1Q 2016 yoy RevPAR growth of 7.3%¹. The growth was fuelled by increased business from corporates due to the refurbished product and the re-branding of the hotel.

In aggregate, CDLHT's net property income (after deducting Jumeirah Dhevanafushi, Japan Hotels and Hilton Cambridge City Centre operating expenses and the portfolio's property tax and insurance expenses) decreased by S\$0.8 million or 2.3% to S\$33.7 million for 1Q 2016.

Interest expense increased by S\$1.1 million to S\$5.6 million, mainly due to additional S\$0.4 million interest expense incurred on drawings to finance Hilton Cambridge City Centre acquisition and a general rise in interest rates on the group's floating rate borrowings (which increased by S\$0.5 million yoy). In addition, the Group also increased its fixed rate borrowings ratio to 60% (from 52% as at 31 March 2015), which contributed to higher funding costs. Overall, net finance costs in 1Q 2016 was higher than the same period last year in the absence of an exchange gain of S\$0.9 million, which was largely contributed by the appreciation of the USD against SGD in respect of its foreign currency denominated receivables and cash equivalent balances as at 31 March 2015. In 1Q 2016, there was an exchange loss of S\$0.2 million (arising from the depreciation of the AUD and NZD against SGD) recorded on these balances.

Overall, the total income available for distribution (after deducting income retained for working capital) of S\$21.9 million for 1Q 2016 was S\$2.0 million or 8.5% lower yoy. The distributable income does not include contribution from the Japan Hotels, which is only available for distribution in the second quarter once the financial results of its Japanese subsidiary for the fiscal period ended 31 March 2016 are audited. Correspondingly, the income available for distribution per Stapled Security (after deducting the income retained for working capital) of 2.22 cents in 1Q 2016 was lower than the 2.44 cents recorded in the previous corresponding quarter.

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

	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015	Increase/(Decrease)
Average Occupancy Rate	83.9%	87.7%	(3.8)pp
Average Daily Rate	S\$191	S\$197	(3.0)%
RevPAR	S\$161	S\$173	(6.9)%

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

No forecast has been disclosed.

¹ The yoy RevPAR comparison assumes HBT owned the Hilton Cambridge City Centre for the quarter ended 31 March 2015.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

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

Singapore Tourism Board (“STB”) has forecasted 15.2 million to 15.7 million visitor arrivals¹ in 2016, implying a modest growth of up to 3.0%. In the first two months of 2016, visitor arrivals increased 12.3% yoy to 2.7 million while total visitor days grew 6.5% yoy to 9.7 million². The growth in visitor arrivals was mainly due to increases in the top two source markets - Indonesia and China. To support further growth in the tourism industry, the Singapore government has recently announced S\$700 million to be allocated to a third tranche of the Tourism Development Fund from 2016 to 2020³.

Looking ahead, while 2016 is expected to see a better events calendar as compared to 2015, the outlook for the hospitality sector in Singapore remains uncertain. The slowing growth in China coupled with the tepid economies in Japan and Europe, and a more modest pace of expansion in the US economy, are likely to dampen global economic outlook. Overall, the slower pace of growth and weak economic sentiment are likely to weigh on attendant demand for hotel rooms in Singapore.

On the supply front in Singapore, industry room inventory will continue to grow by an estimated 3,930⁴ rooms in 2016, further increasing room stock by 6.5%. As such, room rates are likely to remain competitive as new hotels seek to build their base. For the first 27 days of April 2016, RevPAR for the Singapore Hotels increased by 1.0% as compared to the same period last year.

As part of ongoing asset enhancements and continued investment in the medium to long term potential of assets, Grand Copthorne Waterfront Hotel is currently undergoing renovation to refresh its lobby, add meeting room capacity and augment its food and beverage offerings. Although the hotel remains operational, it is experiencing some disruption and revenue loss as a result of this renovation in the short term. The renovation is expected to be completed around the end of the third quarter this year. At M Hotel, the ongoing room refurbishment is also expected to complete in second half of 2016.

In Australia, overall GDP growth picked up in 2016 over 2015⁵. Mining investment continues to be weak despite improvements in the commodity prices. The increase in new hotel rooms supply in Perth and Brisbane will also weigh on the trading performance of the hospitality sector. However, any weakness in the performance of the Australia Hotels is mitigated by the defensive lease structure which provides CDLHT with largely fixed rent.

In New Zealand, the tourism sector is enjoying strong demand with visitor arrivals growing 9.6% yoy to a record 3.1 million in 2015⁶. The growth trajectory in the hospitality market is expected to continue.

Japan continues to see strong growth momentum in the tourism sector, recording a phenomenal yoy growth of 39.3%⁷ in visitor arrivals for the first three months of 2016. In March 2016, Japanese Prime Minister Shinzo Abe doubled the target of inbound tourists to 40 million by year 2020 and this will be supported by further relaxation of visa requirements as well as improved flight access⁸. The outlook for the hospitality sector is expected to remain positive in 2016.

¹ Singapore Tourism Board, “Modest growth expected in 2016 amidst global uncertainties and increasing regional competition”, 29 February 2016
² STB

³ The Business Times, “Singapore Tourism Industry to get S\$700 million boost over next 5 years”, 26 April 2016

⁴ Based on Horwath data (January 2016) and CDLHT research

⁵ Reserve Bank of Australia, “Statement by Glenn Stevens, Governor: Monetary Policy Decision”, 5 April 2016

⁶ Tourism – Statistics New Zealand

⁷ Japanese National Tourism Organization

⁸ The Business Times, “Abe sets sights higher for Japan’s tourism arrivals and spending”, 1 April 2016

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

The near term outlook for Maldives remains challenging given the relative strength of the US dollar, particularly against the euro and Russian rouble, which has the effect of eroding the spending power of guests from these markets. The slowing growth in China coupled with the weak Chinese yuan may also affect the appetite for luxury accommodation in Maldives.

In United Kingdom, the hospitality sector continued its growth momentum with international visitor arrivals hitting a record 35.8 million in 2015, representing a yoy growth of 4.1%⁹. The Cambridge hospitality market is likely to remain buoyant.

11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

No

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediately preceding financial period?

No

11 (c) Book closure date

Not applicable

11 (d) Date payable

Not applicable

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

Not applicable

13 General mandate relating to Interested Person Transactions

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

⁹ VisitBritain

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH
2016**

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 31 March 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

29 April 2016

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)

29 April 2016

By Order of the Board

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

29 April 2016



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

29 April 2016

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 31 March 2016. CDL Hospitality Trusts comprise the H-REIT Group and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:-

- Statements of Financial Position of H-REIT Group and CDL Hospitality Trusts as at 31 March 2016;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 31 March 2016;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 March 2016;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 March 2016;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 March 2016; 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 provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



Scope of review

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

Conclusion

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

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting 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