



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 SECOND  
QUARTER AND SIX MONTHS ENDED 30 JUNE 2016**

**TABLE OF CONTENTS**

	<b>Page</b>
INTRODUCTION	1
SUMMARY OF CDL HOSPITALITY TRUSTS' RESULTS	2
1(a) STATEMENTS OF TOTAL RETURN AND STATEMENTS OF COMPREHENSIVE INCOME	3 - 8
1(b)(i) STATEMENTS OF FINANCIAL POSITION	9 - 10
1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES	11 - 12
1(c) STATEMENTS OF CASH FLOWS	13 - 15
1(d) STATEMENT OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS	16 - 20
1(e) DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES	21
2 AUDIT STATEMENT	22
3 AUDITORS' REPORT	22
4 ACCOUNTING POLICIES	22
5 CHANGES IN ACCOUNTING POLICIES	22
6 EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY	22 - 23
7 NET ASSET VALUE PER UNIT	23
8 REVIEW OF PERFORMANCE	24 - 30
9 VARIANCE BETWEEN FORECAST OR PROSPECTUS STATEMENT AND ACTUAL	30
10 OUTLOOK AND PROSPECTS	31
11 DISTRIBUTIONS	32 - 33
12 DISTRIBUTION STATEMENT	33
13 GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS	33
14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL	34
15 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL	34



## 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 SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 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 of 30 June 2016, owns 15 hotels, two resorts and a retail mall comprising a total of 4,911 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, acquisitions and investments which may not be suitable for H-REIT.

On 1 October 2015, HBT 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 stapled securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions, when paid, will be in Singapore dollars.

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**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
Gross revenue	42,459	39,001	8.9	87,123	81,213	7.3
Net property income	31,324	31,621	(0.9)	65,034	66,118	(1.6)
Total return for the period	17,877	18,771	(4.8)	38,814	44,031	(11.8)
Income available for distribution to Stapled Securityholders (before retention)	23,719	24,602	(3.6)	48,099	51,234	(6.1)
Less:						
Income retained for working capital	(2,372)	(2,460)	(3.6)	(4,810)	(5,123)	(6.1)
Income to be distributed to Stapled Securityholders (after retention)	21,347	22,142	(3.6)	43,289	46,111	(6.1)
Capital distribution	738	-	N.M	738	-	N.M
Total distribution to Stapled Securityholders (after retention and capital distribution)	22,085	22,142	(0.3)	44,027	46,111	(4.5)
<b>Total distribution per Stapled Security (before retention)<sup>1</sup>(cents)</b>						
For the period	2.47	2.50	(1.2)	4.93	5.20	(5.2)
<b>Total distribution per Stapled Security (after retention)<sup>1</sup>(cents)</b>						
For the period	2.23	2.25	(0.9)	4.45	4.69	(5.1)

<sup>1</sup>. This includes capital distribution.

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

Foot-note	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts			
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	
	<b>Gross revenue</b>									
	Gross rental revenue	32,701	35,375	(7.6)	-	-	-	30,227	31,944	(5.4)
	Room revenue	-	-	-	9,683	5,146	88.2	9,683	5,146	88.2
	Food & beverage revenue	-	-	-	1,642	989	66.0	1,642	989	66.0
	Other income	-	-	-	907	922	(1.6)	907	922	(1.6)
(a)		32,701	35,375	(7.6)	12,232	7,057	73.3	42,459	39,001	8.9
	<b>Property expenses</b>									
	Operations and maintenance expenses	-	-	-	(3,762)	(2,127)	76.9	(3,762)	(2,127)	76.9
	Hotel management fee	-	-	-	(636)	(426)	49.3	(636)	(426)	49.3
(c)	Property tax	(2,275)	(2,094)	8.6	(230)	-	N.M	(2,504)	(2,094)	19.6
(d)	Insurance	(343)	(446)	(23.1)	(92)	-	N.M	(435)	(446)	(2.5)
	Administrative and general expenses	-	-	-	(1,614)	(1,074)	50.3	(1,614)	(1,074)	50.3
	Sales and marketing expenses	-	-	-	(555)	(262)	N.M	(555)	(262)	N.M
	Energy and utility expenses	-	-	-	(504)	(460)	9.6	(504)	(460)	9.6
(e)	Rental expenses	-	-	-	(2,432)	(2,608)	(6.7)	(82)	-	N.M
(f)	Other property expenses	(1,043)	(491)	N.M	-	-	-	(1,043)	(491)	N.M
	<b>Net property income</b>	29,040	32,344	(10.2)	2,407	100	N.M	31,324	31,621	(0.9)
	H-REIT Manager's base fees	(1,486)	(1,505)	(1.3)	-	-	-	(1,486)	(1,505)	(1.3)
	H-REIT Manager's performance fees	(1,452)	(1,618)	(10.3)	-	-	-	(1,452)	(1,618)	(10.3)
	H-REIT Trustee's fees	(68)	(68)	-	-	-	-	(68)	(68)	-
	HBT Trustee-Manager's management fees	-	-	-	(112)	-	N.M	(112)	-	N.M
	HBT Trustee-Manager's trustee fees	-	-	-	(33)	(5)	N.M	(33)	(5)	N.M
(g)	Valuation fees	(51)	(69)	(26.1)	(7)	-	N.M	(58)	(69)	(15.9)
(h)	Depreciation and amortisation	(432)	(354)	22.0	(956)	-	N.M	(2,204)	(1,123)	96.3
(i)	Other trust expenses	(530)	(230)	N.M	(256)	(53)	N.M	(786)	(283)	N.M
	Finance income	538	63	N.M	116	-	N.M	20	63	(68.3)
	Finance costs	(6,165)	(6,598)	(6.6)	(746)	(2)	N.M	(6,277)	(6,600)	(4.9)
(j)	Net finance costs	(5,627)	(6,535)	(13.9)	(630)	(2)	N.M	(6,257)	(6,537)	(4.3)
	<b>Net income before tax</b>	19,394	21,965	(11.7)	413	40	N.M	18,868	20,413	(7.6)
(l)	Income tax expense	(486)	(1,618)	(70.0)	(505)	(24)	N.M	(991)	(1,642)	(39.6)
(k)	<b>Total return/Total comprehensive income for the period</b>	18,908	20,347	(7.1)	(92)	16	N.M	17,877	18,771	(4.8)

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

Foot-note	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
	<b>Gross revenue</b>								
	68,460	71,824	(4.7)	-	-	-	62,755	65,122	(3.6)
	-	-	-	18,933	11,873	59.5	18,933	11,873	59.5
	-	-	-	3,427	2,210	55.1	3,427	2,210	55.1
	-	-	-	2,008	2,008	-	2,008	2,008	-
(a)	68,460	71,824	(4.7)	24,368	16,091	51.4	87,123	81,213	7.3
	<b>Property expenses</b>								
	-	-	-	(7,310)	(4,581)	59.6	(7,310)	(4,581)	59.6
	-	-	-	(1,291)	(1,046)	23.4	(1,291)	(1,046)	23.4
(c)	(4,780)	(4,309)	10.9	(525)	-	N.M	(5,305)	(4,309)	23.1
(d)	(620)	(829)	(25.2)	(122)	-	N.M	(742)	(829)	(10.5)
	-	-	-	(3,212)	(1,911)	68.1	(3,212)	(1,911)	68.1
	-	-	-	(1,166)	(609)	91.5	(1,166)	(609)	91.5
	-	-	-	(1,029)	(937)	9.8	(1,029)	(937)	9.8
(e)	-	-	-	(5,873)	(6,702)	(12.4)	(168)	-	N.M
(f)	(1,866)	(873)	N.M	-	-	-	(1,866)	(873)	N.M
	<b>Net property income</b>								
	61,194	65,813	(7.0)	3,840	305	N.M	65,034	66,118	(1.6)
	(2,947)	(3,003)	(1.9)	-	-	-	(2,947)	(3,003)	(1.9)
	(3,060)	(3,291)	(7.0)	-	-	-	(3,060)	(3,291)	(7.0)
	(135)	(136)	(0.7)	-	-	-	(135)	(136)	(0.7)
	-	-	-	(176)	-	N.M	(176)	-	N.M
	-	-	-	(67)	(21)	N.M	(67)	(21)	N.M
(g)	(101)	(134)	(24.6)	(15)	-	N.M	(116)	(134)	(13.4)
(h)	(833)	(756)	10.2	(1,947)	-	N.M	(4,432)	(2,286)	93.9
(i)	(882)	(796)	10.8	76	(97)	N.M	(806)	(893)	(9.7)
	1,129	128	N.M	116	-	N.M	95	128	(25.8)
	(12,406)	(10,548)	17.6	(1,353)	-	N.M	(12,609)	(10,548)	19.5
(j)	(11,277)	(10,420)	8.2	(1,237)	-	N.M	(12,514)	(10,420)	20.1
	<b>Net income before tax</b>								
	41,959	47,277	(11.2)	474	187	N.M	40,781	45,934	(11.2)
(l)	(1,359)	(1,850)	(26.5)	(608)	(53)	N.M	(1,967)	(1,903)	3.4
	<b>Total return/Total comprehensive income for the period</b>								
(k)	40,600	45,427	(10.6)	(134)	134	N.M	38,814	44,031	(11.8)

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**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 24 to 25 of the Announcement.
- (b) Gross revenue and property expenses for HBT Group have increased in 2Q 2016 and 1H 2016 as compared to the corresponding period last year primarily due to the inclusion of the operating results of the UK Hotel (acquired on 1 October 2015).
- (c) The increase in property tax in 2Q 2016 and 1H 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 property tax payable of S\$0.2 million in 2Q 2016 or S\$0.5 million in 1H 2016 for UK Hotel, which was absent last year.
- (d) Insurance expense in 2Q 2016 and 1H 2016 decreased mainly due to lower insurance premiums for the Singapore Hotels and Maldives resorts.
- (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 27 of the Announcement.
- (f) Other property expenses comprise mainly direct operating expenses of the Claymore Connect. Expenses in 2Q 2016 and 1H 2016 were higher as the mall is fully operational. For the corresponding period last year, the mall was still undergoing refurbishment works. Also included in other property expenses is a bad debt provision of \$55K made in 2Q 2016 in relation to Claymore Connect's rental income in arrears.
- (g) The lower valuation fees in 2Q 2016 and 1H 2016 was mainly due to lower fees incurred for some overseas properties.
- (h) The depreciation and amortisation expenses for the group mainly relates to property, plant and equipment of the Japan and UK Hotels and Jumeirah Dhevanafushi. The higher expenses in 2Q 2016 and 1H 2016 is mainly due to the appreciation of JPY and the inclusion of the UK hotel (acquired on 1 October 2015).
- (i) Other trust expenses in CDLHT comprise mainly professional fees and administrative costs. In 2Q 2016, other trust expenses were higher than the corresponding period last year mainly due to the absence of a one-off reversal of accruals no longer required (adjusted in 2Q 2015) and the recognition of a full quarter's expenses from the UK Hotel (acquired on 1 October 2015). However, there was a dip in CDLHT's other trust expenses in 1H 2016 yoy mainly due to a reversal of accruals for transaction costs of £246,000 (S\$495,000) in 1Q 2016 relating to the acquisition of the UK Hotel following the finalisation of such costs (which does not impact the distributable income), which partially offset the full six months' expenses recognised from the UK Hotel during the reporting period.
- (j) Net finance costs comprise the following:

	H-REIT Group					
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
Interest income received/ receivable from banks	12	63	(81.0)	87	128	(32.0)
Interest income received/ receivable from HBT Group <sup>(i)</sup>	526	-	N.M	1,042	-	N.M
Finance income	538	63	N.M	1,129	128	N.M
Exchange loss <sup>(ii)</sup>	(214)	(1,157)	(81.5)	(508)	(224)	N.M
Interest paid/payable to banks <sup>(iii)</sup>	(5,537)	(5,139)	7.7	(11,166)	(9,720)	14.9
Fair value loss on derivatives	(108)	-	N.M	(108)	-	N.M
Amortisation of transaction costs capitalised <sup>(iv)</sup>	(255)	(253)	0.8	(522)	(506)	3.2
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(49)	4.1	(102)	(98)	4.1
Finance costs	(6,165)	(6,598)	(6.6)	(12,406)	(10,548)	17.6
Net finance costs	(5,627)	(6,535)	(13.9)	(11,277)	(10,420)	8.2

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HBT Group						
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
Fair value gain on derivatives <sup>(v)</sup>	116	-	N.M	116	-	N.M
Finance income	116	-	N.M	116	-	N.M
Exchange loss <sup>(ii)</sup>	(220)	(2)	N.M	(311)	-	N.M
Interest paid/payable to H-REIT Group <sup>(i)</sup>	(526)	-	N.M	(1,042)	-	N.M
Finance costs	(746)	(2)	N.M	(1,353)	-	N.M
Net finance costs	(630)	(2)	N.M	(1,237)	-	N.M

CDL Hospitality Trusts						
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	12	63	(81.0)	87	128	(32.0)
Fair value gain on derivatives <sup>(v)</sup>	8	-	N.M	8	-	N.M
Finance income	20	63	(68.3)	95	128	(25.8)
Exchange loss <sup>(ii)</sup>	(434)	(1,159)	(62.6)	(819)	(224)	N.M
Interest paid/payable to banks <sup>(iii)</sup>	(5,537)	(5,139)	7.7	(11,166)	(9,720)	14.9
Amortisation of transaction costs capitalised <sup>(iv)</sup>	(255)	(253)	0.8	(522)	(506)	3.2
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(49)	4.1	(102)	(98)	4.1
Finance costs	(6,277)	(6,600)	(4.9)	(12,609)	(10,548)	19.5
Net finance costs	(6,257)	(6,537)	(4.3)	(12,514)	(10,420)	20.1

- (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 acquisition of UK Hotel.
- (ii) The exchange loss 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 (“AUD”), New Zealand (“NZD”) and United States (“USD”) dollar against the Singapore dollar (“SGD”), as well as the foreign currency impact from inclusion of the British pound (“GBP”) intra-group loan with H-REIT that was not present in the prior year. Please refer to footnote (d) on page 10 for more details.
- (iii) The interest paid/payable to banks in 2Q 2016 and 1H 2016 was higher due to increased borrowings drawn to finance the acquisition UK Hotel and asset enhancement works for Singapore properties as well as the higher quantum 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 in 2Q 2016 and 1H 2016 relate to the amortisation of transaction costs arising from the group’s borrowings.
- (v) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT’s and HBT’s income from overseas.

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

(k) Total return of CDL Hospitality Trusts is contributed by:

	CDL Hospitality Trusts			
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000
H-REIT	21,028	11,955	41,338	29,859
Other H-REIT group entities (including consolidation adjustments)	(2,120)	8,392	(738)	15,568
HBT	934	(27)	1,331	(78)
Other HBT group entities (including consolidation adjustments)	(1,026)	43	(1,465)	212
CDL Hospitality Trusts' consolidation adjustments	(939)	(1,592)	(1,652)	(1,530)
	17,877	18,771	38,814	44,031

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000
Corporate income tax	(220)	(266)	(139)	(11)	(359)	(277)
Deferred tax	(172)	(1,235)	-	-	(172)	(1,235)
Others	(61)	-	(366)	-	(427)	-
Underprovision in respect of prior year tax	(33)	(117)	-	(13)	(33)	(130)
	(486)	(1,618)	(505)	(24)	(991)	(1,642)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000
Corporate income tax	(634)	(483)	(171)	(40)	(806)	(523)
Deferred tax	(627)	(1,203)	-	-	(627)	(1,203)
Others	(62)	-	(417)	-	(478)	-
Underprovision in respect of prior year tax	(36)	(164)	(20)	(13)	(56)	(177)
	(1,359)	(1,850)	(608)	(53)	(1,967)	(1,903)



**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

	CDL Hospitality Trusts			
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000
Total return of H-REIT	21,028	11,955	41,338	29,859
Comprehensive income of HBT	934	-	1,331	-
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	230	240	462	476
- Fair value (gain)/loss on financial derivatives	108	-	108	-
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	51	49	102	98
- Exchange (gain)/loss	(1,267)	9,719	(567)	15,434
- H-REIT Manager's fees paid/payable in Stapled Securities	2,351	2,498	4,806	5,035
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	90	-	141	-
- HBT Trustee-Manager's trustee fees	33	-	67	-
- Other items	161	141	311	332
Income available for distribution to Stapled Securityholders (before retention)	23,719	24,602	48,099	51,234
Less :				
Income retained for working capital	(2,372)	(2,460)	(4,810)	(5,123)
Income available for distribution to Stapled Securityholders (after retention)	21,347	22,142	43,289	46,111
Capital distribution <sup>(ii)</sup>	738	-	738	-
Total distribution to Stapled Securityholders (after retention and capital distribution) <sup>(iii)</sup>	22,085	22,142	44,027	46,111
Comprising :				
- Taxable income	16,256	18,631	33,565	37,557
- Tax exempt income	5,091	3,511	9,724	8,554
- Capital distribution	738	-	738	-
	22,085	22,142	44,027	46,111

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

(ii) The capital distribution of S\$0.7 million arose from its Japan Hotels, as explained under Footnote (c) on page 27 of the Announcement.

(iii) The total distributable income for six months ended 30 June 2016 of S\$44.0 million comprises all of CDLHT's taxable income, net tax exempt income (after retaining an amount of S\$4.8 million for working capital) and capital distribution for the period from 1 January 2016 to 30 June 2016.

**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 SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2016**

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

Footnote	H-REIT Group		HBT Group <sup>(a)</sup>		CDL Hospitality Trusts	
	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	(b) 78,017	69,198	108,648	128,636	255,384	270,855
Investment properties	(c) 2,253,185	2,257,091	-	-	2,175,614	2,176,664
Prepaid land lease	-	-	-	-	7,234	7,406
Deferred tax assets	-	216	-	-	-	216
Other receivables	(d) 116,865	135,742	-	-	-	-
	2,448,067	2,462,247	108,648	128,636	2,438,232	2,455,141
<b>Current assets</b>						
Inventories	-	-	1,162	1,280	1,162	1,280
Trade and other receivables	19,342	18,741	6,470	6,322	21,510	19,094
Cash and cash equivalents	59,357	62,267	10,111	9,701	69,468	71,968
Financial derivative assets	(e) -	-	116	-	116	-
	78,699	81,008	17,859	17,303	92,256	92,342
<b>Total assets</b>	<b>2,526,766</b>	<b>2,543,255</b>	<b>126,507</b>	<b>145,939</b>	<b>2,530,488</b>	<b>2,547,483</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Loans and borrowings	(f) 715,535	703,208	-	-	715,535	703,208
Rental deposits	(g) 8,775	8,749	-	-	8,775	8,749
Other payables	(d) -	-	116,865	135,742	-	-
Deferred tax liabilities	10,663	10,514	-	-	10,663	10,514
	734,973	722,471	116,865	135,742	734,973	722,471
<b>Current liabilities</b>						
Loans and borrowings	(f) 200,457	219,136	-	-	200,457	219,136
Trade and other payables	(h) 26,818	26,819	10,115	11,389	32,631	32,239
Financial derivative liabilities	(e) 108	-	-	-	108	-
Provision for taxation	914	156	252	117	1,166	273
	228,297	246,111	10,367	11,506	234,362	251,648
<b>Total liabilities</b>	<b>963,270</b>	<b>968,582</b>	<b>127,232</b>	<b>147,248</b>	<b>969,335</b>	<b>974,119</b>
<b>Net assets</b>	<b>1,563,496</b>	<b>1,574,673</b>	<b>(725)</b>	<b>(1,309)</b>	<b>1,561,153</b>	<b>1,573,364</b>
Represented by:						
<b>Unitholders' funds</b>						
Unitholders' funds of H-REIT Group	1,563,496	1,574,673	-	-	-	-
Unitholders' funds of HBT Group	(i) -	-	(725)	(1,309)	-	-
Unitholders' funds of Stapled Group	-	-	-	-	1,561,153	1,573,364
	<b>1,563,496</b>	<b>1,574,673</b>	<b>(725)</b>	<b>(1,309)</b>	<b>1,561,153</b>	<b>1,573,364</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 SECOND QUARTER AND SIX  
MONTHS ENDED 30 JUNE 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) *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.*
- The decrease in property, plant and equipment at CDLHT is mainly due to a net translation loss of S\$11.7 million and depreciation of S\$4.3 million incurred during the period.*
- (c) *The decrease in investment properties at H-REIT group is mainly due to a net translation loss of S\$13.6 million during the period, partially offset by capital expenditure incurred of S\$9.7 million.*
- (d) *As at 30 June 2016, H-REIT drew down £64.6 million (S\$116.9 million) from its multi-currency bridge loan facility (refer to Section 1(b)(ii) Footnote (iv) on page 12 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 non-current other receivables/payables at H-REIT Group and HBT Group respectively. The loan interest which is payable every 3 months, is correspondingly classified as current other receivables/payables at H-REIT Group and HBT Group respectively.*
- (e) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts.*
- (f) *Loans and borrowings of the H-REIT Group of S\$916.0 million (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, JPY 3.1 billion (S\$40.4 million) TMK bond and S\$672.0 million bank borrowings, as explained under Section 1(b)(ii) on pages 11 to 12 of the Announcement.*
- (g) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, 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\$0.7 million as at 30 June 2016 (2015: S\$1.3 million) due to the expensing of a one-time transaction costs arising from the UK acquisition. This treatment is in accordance with FRS 103 Business Combinations, which requires such expenses to be expensed off. 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.*

**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 SECOND QUARTER AND SIX  
MONTHS ENDED 30 JUNE 2016**

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

		H-REIT Group and CDL Hospitality Trusts	
		30 Jun 2016	31 Dec 2015
		S\$'000	S\$'000
<b>Amount repayable after one year</b>	Footnote		
Secured TMK bond	(i)	41,075	36,332
Unsecured medium term notes	(ii)	120,000	120,000
Unsecured borrowings	(iii)	557,773	550,525
		718,848	706,857
<b>Amount repayable within one year<sup>(a)</sup></b>			
Unsecured medium term note	(ii)	83,600	83,600
Unsecured borrowings	(iv)	116,865	135,563
		200,465	219,163
<b>Total borrowings<sup>(b)</sup></b>		919,313	926,020

<sup>(a)</sup> H-REIT has secured refinancing for the unsecured medium term note of S\$83.6 million and unsecured borrowings of S\$116.9 million (£64.6 million) which are maturing in August 2016.

<sup>(b)</sup> 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\$41.1 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 partially fund the acquisition of Japan assets.

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

**ii. 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 5-year floating rate medium term note, which is 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 from the banks (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 SECOND QUARTER AND SIX  
MONTHS ENDED 30 JUNE 2016**

*This facility was utilised to refinance the matured facility and other operating expenses and another S\$17.0 million to fund the asset enhancement works for Claymore Connect. Consequently, as at 30 June 2016, only S\$88.8 million of the RCF Facility remained unutilised.*

- (b) a 5-year A\$93.2 million (S\$93.5 million) fixed rate term loan 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, 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\$101.6 million) fixed rate term loan facility (the “TL2 Facility”).

*As at the reporting date, the TL2 Facility was fully drawn down to fund the loan relating to Angsana Velavaru and for working capital purposes.*

- (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, 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\$88.1 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\$88.1 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, 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\$43.3 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 partially 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 30 June 2016, £64.6 million (S\$116.9 million) was drawn down to fund the acquisition of the UK Hotel as explained under Footnote (d) on page 10 of the Announcement.*

*Approximately S\$183.1 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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000
	<b>Operating activities</b>					
	19,394	21,965	413	40	18,868	20,413
	Adjustments for:					
(a)	2,351	2,498	90	-	2,441	2,498
	432	354	956	-	2,137	1,062
	-	-	-	-	67	61
	55	-	36	-	91	-
	5,627	6,535	630	2	6,257	6,537
	<b>Operating income before working capital changes</b>					
	27,859	31,352	2,125	42	29,861	30,571
	Changes in working capital:					
	-	-	7	5	7	5
	562	(1,097)	901	810	(2,409)	(542)
	(3,207)	(3,213)	(1,588)	(1,451)	(799)	(3,586)
	<b>Cash generated from/(used in) operating activities</b>					
	25,214	27,042	1,445	(594)	26,660	26,448
	79	(388)	(368)	(57)	(289)	(445)
	<b>Net cash generated from/(used in) operating activities</b>					
	25,293	26,654	1,077	(651)	26,371	26,003
	<b>Investing activities</b>					
	(3,024)	(4,907)	-	-	(3,002)	(3,534)
	(360)	(12)	(32)	-	(415)	(1,385)
	310	46	-	-	11	46
	<b>Cash generated from/(used in) investing activities</b>					
	(3,074)	(4,873)	(32)	-	(3,406)	(4,873)
	<b>Financing activities</b>					
(b)	(255)	-	-	-	(255)	-
	4,288	51	-	-	4,288	51
	(1)	-	-	-	(1)	-
	(5,782)	(5,069)	(299)	-	(5,782)	(5,069)
	<b>Cash generated from/(used in) financing activities</b>					
	(1,750)	(5,018)	(299)	-	(1,750)	(5,018)
	<b>Net increase/(decrease) in cash and cash equivalents</b>					
	20,469	16,763	746	(651)	21,215	16,112
	37,510	38,250	9,931	3,258	47,442	41,508
	(107)	-	(566)	-	(674)	-
(c)	<b>Cash and cash equivalents at end of the period</b>					
	57,872	55,013	10,111	2,607	67,983	57,620

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

	Foot- notes	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000
<b>Operating activities</b>							
Net income before tax		41,959	47,277	474	187	40,781	45,934
Adjustments for:							
H-REIT Manager's/HBT Trustee- Manager's fee paid/payable in Stapled Securities	(a)	4,806	5,035	141	-	4,947	5,035
Depreciation of property, plant and equipment		833	756	1,947	-	4,296	2,165
Amortisation of prepaid land lease		-	-	-	-	136	121
Impairment loss on trade receivables		55	-	117	-	172	-
Net finance costs		11,277	10,420	1,237	-	12,514	10,420
<b>Operating income before working capital changes</b>		<b>58,930</b>	<b>63,488</b>	<b>3,916</b>	<b>187</b>	<b>62,846</b>	<b>63,675</b>
Changes in working capital:							
Inventories		-	-	67	246	67	247
Trade and other receivables		(1,177)	(3,511)	(328)	99	(4,489)	665
Trade and other payables		1,774	(730)	(1,193)	(1,931)	3,565	(6,740)
<b>Cash generated from/(used in) operating activities</b>		<b>59,527</b>	<b>59,247</b>	<b>2,462</b>	<b>(1,399)</b>	<b>61,989</b>	<b>57,847</b>
Income tax paid		(14)	(477)	(440)	(60)	(454)	(536)
<b>Net cash generated from/(used in) operating activities</b>		<b>59,513</b>	<b>58,770</b>	<b>2,022</b>	<b>(1,459)</b>	<b>61,535</b>	<b>57,311</b>
<b>Investing activities</b>							
Capital expenditure on investment properties		(10,397)	(10,514)	-	-	(10,054)	(8,882)
Addition of property, plant and equipment and prepaid land lease		(756)	(26)	(96)	-	(1,195)	(1,658)
Interest received		396	109	-	-	97	109
<b>Cash generated from/(used in) investing activities</b>		<b>(10,757)</b>	<b>(10,431)</b>	<b>(96)</b>	<b>-</b>	<b>(11,152)</b>	<b>(10,431)</b>
<b>Financing activities</b>							
Restricted cash		61	-	-	-	61	-
Proceeds from bank loans	(b)	12,545	109	-	-	12,545	109
Payment of transaction costs related to bank loans		(89)	(76)	-	-	(89)	(76)
Finance costs paid		(10,968)	(9,360)	(299)	-	(10,968)	(9,360)
Distribution to holders of Stapled Securities		(53,118)	(56,380)	-	-	(53,118)	(56,380)
<b>Cash generated from/(used in) financing activities</b>		<b>(51,569)</b>	<b>(65,707)</b>	<b>(299)</b>	<b>-</b>	<b>(51,569)</b>	<b>(65,707)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,813)</b>	<b>(17,368)</b>	<b>1,627</b>	<b>(1,459)</b>	<b>(1,186)</b>	<b>(18,827)</b>
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		(211)	-	(1,217)	-	(1,428)	-
<b>Cash and cash equivalents at end of the period</b>	(c)	<b>57,872</b>	<b>55,013</b>	<b>10,111</b>	<b>2,607</b>	<b>67,983</b>	<b>57,620</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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**Footnotes**

(a) Significant non-cash transactions

2Q 2016

1,647,299 (2Q 2015: 1,530,776) Stapled Securities amounting to S\$2.4 million (2Q 2015: S\$2.5 million) 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.

1H 2016

3,570,111 (1H 2015: 2,992,283) Stapled Securities amounting to S\$4.9 million (1H 2015: S\$5.0 million ) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of 1H 2016.

(b) Proceeds from RCF Facility were utilised to fund the asset enhancement works for Singapore properties and capital expenditure of Angsana Velavaru.

(c) Cash and cash equivalents for H-REIT Group and CDL Hospitality Trusts as at 30 June 2016 are as follows:

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	59,357	69,468
Restricted cash <sup>(a)</sup>	(1,485)	(1,485)
Cash and cash equivalents in the Statement of Cash Flows	57,872	67,983

<sup>(a)</sup> 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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**1 (d)(i) Statement of Movements in Stapled Securityholders’ funds for the period from 1 April 2016 to 30 June 2016**

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	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 2016</b>	1,160,297	(23,921)	(38,076)	442,278	<b>1,540,578</b>	551	(121)	254	(1,757)	<b>(1,073)</b>	<b>1,538,814</b>
<b>Operations</b>											
Increase/(decrease) in net assets resulting from operations	-	-	-	18,908	<b>18,908</b>	-	-	-	(92)	<b>(92)</b>	<b>17,877</b>
<b>Movements in foreign currency translation reserve</b>											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	111	-	<b>111</b>	-	-	350	-	<b>350</b>	<b>473</b>
- Exchange differences on hedge of net investment in a foreign operation	-	-	924	-	<b>924</b>	-	-	-	-	<b>-</b>	<b>924</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	624	-	<b>624</b>	-	-	-	-	<b>-</b>	<b>624</b>
<b>Increase/(decrease) in foreign currency translation reserve</b>	-	-	1,659	-	<b>1,659</b>	-	-	350	-	<b>350</b>	<b>2,021</b>
<b>Stapled securityholders’ transactions</b>											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 2,351	-	-	-	<b>2,351</b>	-	-	-	-	<b>-</b>	<b>2,351</b>
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees	(b) -	-	-	-	<b>-</b>	90	-	-	-	<b>90</b>	<b>90</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>	2,351	-	-	-	<b>2,351</b>	90	-	-	-	<b>90</b>	<b>2,441</b>
<b>Balance as at 30 June 2016</b>	1,162,648	(23,921)	(36,417)	461,186	<b>1,563,496</b>	641	(121)	604	(1,849)	<b>(725)</b>	<b>1,561,153</b>

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**1 (d)(ii) Statement of Movements in Stapled Securityholders’ funds for the period from 1 January 2016 to 30 June 2016**

Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	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 2016</b>	1,158,930	(23,921)	(32,952)	472,616	<b>1,574,673</b>	500	(121)	27	(1,715)	<b>(1,309)</b>	<b>1,573,364</b>
<b>Operations</b>											
Increase/(decrease) in net assets resulting from operations	-	-	-	40,600	<b>40,600</b>	-	-	-	(134)	<b>(134)</b>	<b>38,814</b>
<b>Movements in foreign currency translation reserve</b>											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(4,254)	-	<b>(4,254)</b>	-	-	577	-	<b>577</b>	<b>(3,643)</b>
- Exchange differences on hedge of net investment in a foreign operation	-	-	5,012	-	<b>5,012</b>	-	-	-	-	<b>-</b>	<b>5,012</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(4,223)	-	<b>(4,223)</b>	-	-	-	-	<b>-</b>	<b>(4,223)</b>
<b>Increase/(decrease) in foreign currency translation reserve</b>	-	-	(3,465)	-	<b>(3,465)</b>	-	-	577	-	<b>577</b>	<b>(2,854)</b>
<b>Stapled securityholders’ transactions</b>											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	4,806	-	-	-	<b>4,806</b>	-	-	-	-	<b>-</b>	<b>4,806</b>
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (b)	-	-	-	-	<b>-</b>	141	-	-	-	<b>141</b>	<b>141</b>
- Distribution to Stapled Securityholders (c)	(1,088)	-	-	(52,030)	<b>(53,118)</b>	-	-	-	-	<b>-</b>	<b>(53,118)</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>	3,718	-	-	(52,030)	<b>(48,312)</b>	141	-	-	-	<b>141</b>	<b>(48,171)</b>
<b>Balance as at 30 June 2016</b>	1,162,648	(23,921)	(36,417)	461,186	<b>1,563,496</b>	641	(121)	604	(1,849)	<b>(725)</b>	<b>1,561,153</b>

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**1 (d)(iii)Statement of Movements in Stapled Securityholders’ funds for the period from 1 April 2015 to 30 June 2015**

Footnote	H-REIT Group						HBT Group					CDL Hospitality Trusts
	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	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 2015</b>	1,151,257	(23,921)	(22,564)	(816)	486,977	<b>1,590,933</b>	500	(121)	22	258	<b>659</b>	<b>1,588,304</b>
<b>Operations</b>												
Increase/(decrease) in net assets resulting from operations	-	-	-	-	20,347	<b>20,347</b>	-	-	-	16	<b>16</b>	<b>18,771</b>
<b>Movements in hedging reserve</b>												
Effective portion of changes in fair value of cash flow hedge (e)	-	-	-	349	-	<b>349</b>	-	-	-	-	<b>-</b>	<b>349</b>
<b>Movements in foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(6,308)	-	-	<b>(6,308)</b>	-	-	(10)	-	<b>(10)</b>	<b>(6,261)</b>
- Exchange differences on hedge of net investment in a foreign operation	-	-	8,823	-	-	<b>8,823</b>	-	-	-	-	<b>-</b>	<b>8,823</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(17,948)	-	-	<b>(17,948)</b>	-	-	-	-	<b>-</b>	<b>(17,948)</b>
<b>Increase/(decrease) in foreign currency translation reserve</b>	-	-	(15,433)	-	-	<b>(15,433)</b>	-	-	(10)	-	<b>(10)</b>	<b>(15,386)</b>
<b>Stapled securityholders’ transactions</b>												
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,498	-	-	-	-	<b>2,498</b>	-	-	-	-	<b>-</b>	<b>2,498</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>	2,498	-	-	-	-	<b>2,498</b>	-	-	-	-	<b>-</b>	<b>2,498</b>
<b>Balance as at 30 June 2015</b>	1,153,755	(23,921)	(37,997)	(467)	507,324	<b>1,598,694</b>	500	(121)	12	274	<b>665</b>	<b>1,594,536</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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**1 (d)(iv)Statement of Movements in Stapled Securityholders’ funds for the period from 1 January 2015 to 30 June 2015**

Footnote	H-REIT Group						HBT Group					CDL Hospitality Trusts
	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	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 2015</b>	1,148,720	(23,921)	(23,650)	(581)	518,277	<b>1,618,845</b>	500	(121)	9	140	<b>528</b>	<b>1,616,127</b>
<b>Operations</b>												
Increase/(decrease) in net assets resulting from operations	-	-	-	-	45,427	<b>45,427</b>	-	-	-	134	<b>134</b>	<b>44,031</b>
<b>Movements in hedging reserve</b>												
Effective portion of changes in fair value of cash flow hedge	(e)	-	-	114	-	<b>114</b>	-	-	-	-	-	<b>114</b>
<b>Movements in foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries		-	1,162	-	-	<b>1,162</b>	-	-	3	-	<b>3</b>	<b>1,118</b>
- Exchange differences on hedge of net investment in a foreign operation		-	1,307	-	-	<b>1,307</b>	-	-	-	-	-	<b>1,307</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	(16,816)	-	-	<b>(16,816)</b>	-	-	-	-	-	<b>(16,816)</b>
<b>Increase/(decrease) in foreign currency translation reserve</b>		-	(14,347)	-	-	<b>(14,347)</b>	-	-	3	-	<b>3</b>	<b>(14,391)</b>
<b>Stapled securityholders’ transactions</b>												
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a)	5,035	-	-	-	<b>5,035</b>	-	-	-	-	-	<b>5,035</b>
- Distribution to Stapled Securityholders	(d)	-	-	-	(56,380)	<b>(56,380)</b>	-	-	-	-	-	<b>(56,380)</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>		5,035	-	-	(56,380)	<b>(51,345)</b>	-	-	-	-	-	<b>(51,345)</b>
<b>Balance as at 30 June 2015</b>	1,153,755	(23,921)	(37,997)	(467)	507,324	<b>1,598,694</b>	500	(121)	12	274	<b>665</b>	<b>1,594,536</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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**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) were 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 will be 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) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee incurred for the respective quarters.*
- (c) *Distribution to Stapled Securityholders in respect of the period from 1 July 2015 to 31 December 2015, which includes a capital distribution of S\$1,088,000.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2014 to 31 December 2014.*
- (e) *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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

		CDL Hospitality Trusts	
Foot-note		1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015
	Issued stapled securities at beginning of the period	989,153,990	982,232,082
	Issue of new stapled securities: - as payment of H-REIT Manager’s management fees	906,510	1,461,507
	Issued stapled securities at end of the period	990,060,500	983,693,589
	Stapled securities to be issued: - as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	(a) 2,663,601	1,530,776
	Total issued and issuable stapled securities at end of the period	992,724,101	985,224,365

		CDL Hospitality Trusts	
Foot-note		1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015
	Issued stapled securities at beginning of the period	987,136,888	980,284,978
	Issue of new stapled securities: - as payment of H-REIT Manager’s management fees - as payment of H-REIT Manager’s acquisition fees	2,923,612 -	3,040,582 368,029
	Issued stapled securities at end of the period	990,060,500	983,693,589
	Stapled securities to be issued: - as payment of H-REIT Manager’s and HBT Trustee-manager’s management fees	(a) 2,663,601	1,530,776
	Total issued and issuable stapled securities at end of the period	992,724,101	985,224,365

**Footnote**

(a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for performance fee is an estimated 1,822,276 Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

The figures have not been audited but have been extracted from the financial information for the six months ended 30 June 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 Trusts			
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015
<b><u>EPS</u></b>				
<b><u>Basic EPS</u></b>				
Weighted average number of Stapled Securities				
- in issue	990,060,500	983,693,589	989,612,225	982,974,948
- issuable	9,245	16,822	4,623	8,457
	990,069,745	983,710,411	989,616,848	982,983,405
Basic EPS <sup>(a)</sup> (cents)	1.81	1.91	3.92	4.48
<b><u>Diluted EPS</u></b>				
Weighted average number of Stapled Securities				
- in issue	990,060,500	983,693,589	989,612,225	982,974,948
- issuable	2,663,601	1,530,776	3,111,876	2,249,417
	992,724,101	985,224,365	992,724,101	985,224,365
Diluted EPS <sup>(b)</sup> (cents)	1.80	1.91	3.91	4.48

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**DPS**

Number of Stapled Securities entitled to distribution:

- in issue
- issuable

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

- Taxable income
- Tax exempt income
- Capital distribution

CDL Hospitality Trusts			
1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015
990,060,500	983,693,589	987,136,888	982,232,082
841,325	1,530,776	3,764,937	2,992,283
990,901,825	985,224,365	990,901,825	985,224,365
1.64	1.89	3.39	3.81
0.51	0.36	0.98	0.88
0.08	-	0.08	-
2.23	2.25	4.45	4.69

**Footnotes**

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

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

Net asset value (S\$'000)  
Number of Stapled Securities issued and to be issued at end of the period  
Net asset value per Stapled Security (S\$)

CDL Hospitality Trusts	
30 Jun 2016	31 Dec 2015
1,561,153	1,573,364
992,724,101	989,153,990
1.5726	1.5906



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 SECOND QUARTER  
 AND SIX MONTHS ENDED 30 JUNE 2016**

**8 Review of the performance for the second quarter and six months ended 30 June 2016**

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

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
<b><u>Master leases</u></b>									
<i>Singapore</i>									
- Hotels	20,929	23,475	(10.9)	-	-	-	20,929	23,475	(10.9)
- Claymore Connect	1,399	455	N.M.	-	-	-	1,399	455	N.M.
<i>Maldives</i>	2,046	2,008	1.9	-	-	-	2,046	2,008	1.9
<i>Australia</i>	3,453	3,571	(3.3)	-	-	-	3,453	3,571	(3.3)
<i>New Zealand</i>	2,400	2,435	(1.4)	-	-	-	2,400	2,435	(1.4)
	30,227	31,944	(5.4)	-	-	-	30,227	31,944	(5.4)
<b><u>Management contracts</u></b>									
<i>Maldives</i>	897	2,169	(58.6)	3,758	4,779	(21.4)	3,758	4,779	(21.4)
<i>Japan</i>	1,577	1,262	25.0	2,711	2,278	19.0	2,711	2,278	19.0
<i>United Kingdom</i>	-	-	-	5,763	-	N.M.	5,763	-	N.M.
	2,474	3,431	(27.9)	12,232	7,057	73.3	12,232	7,057	73.3
<b>Total</b>	32,701	35,375	(7.6)	12,232	7,057	73.3	42,459	39,001	8.9

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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016

8 (i) Breakdown of Total Gross Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
<b><u>Master leases</u></b>									
<i>Singapore</i>									
- Hotels	43,233	46,902	(7.8)	-	-	-	43,233	46,902	(7.8)
- Claymore Connect	2,820	916	N.M.	-	-	-	2,820	916	N.M.
(a)									
<i>Maldives</i>	4,150	4,030	3.0	-	-	-	4,150	4,030	3.0
(b)									
<i>Australia</i>	7,301	8,302	(12.1)	-	-	-	7,301	8,302	(12.1)
<i>New Zealand</i>	5,251	4,972	5.6	-	-	-	5,251	4,972	5.6
	62,755	65,122	(3.6)	-	-	-	62,755	65,122	(3.6)
<b><u>Management contracts</u></b>									
<i>Maldives</i>	2,580	3,787	(31.9)	9,150	11,333	(19.3)	9,150	11,333	(19.3)
(b)									
<i>Japan</i>	3,125	2,915	7.2	5,175	4,758	8.8	5,175	4,758	8.8
(c)									
<i>United Kingdom</i>	-	-	-	10,043	-	N.M.	10,043	-	N.M.
(d)									
	5,705	6,702	(14.9)	24,368	16,091	51.4	24,368	16,091	51.4
<b>Total</b>	68,460	71,824	(4.7)	24,368	16,091	51.4	87,123	81,213	7.3

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Apr 2016 to 30 Jun 2016 S\$'000	1 Apr 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	18,882	21,457	(12.0)	-	-		18,882	21,457	(12.0)
- Claymore Connect (a)	430	135	N.M.	-	-		430	135	N.M.
Maldives (b)	2,379	3,545	(32.9)	16	90	(82.2)	2,270	2,812	(19.3)
Australia	3,453	3,571	(3.3)	-	-		3,453	3,571	(3.3)
New Zealand	2,400	2,435	(1.4)	-	-		2,400	2,435	(1.4)
Japan (c)	1,496	1,201	24.6	41	10	N.M.	1,537	1,211	26.9
United Kingdom (d)	-	-	-	2,350	-	N.M.	2,352	-	N.M.
<b>Total</b>	<b>29,040</b>	<b>32,344</b>	<b>(10.2)</b>	<b>2,407</b>	<b>100</b>	<b>N.M.</b>	<b>31,324</b>	<b>31,621</b>	<b>(0.9)</b>

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Jun 2016 S\$'000	1 Jan 2015 to 30 Jun 2015 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	38,721	42,745	(9.4)	-	-	-	38,721	42,745	(9.4)
- Claymore Connect (a)	1,170	394	N.M.	-	-	-	1,170	394	N.M.
Maldives (b)	5,785	6,607	(12.4)	147	263	(44.1)	5,932	6,870	(13.7)
Australia	7,301	8,302	(12.1)	-	-	-	7,301	8,302	(12.1)
New Zealand	5,251	4,972	5.6	-	-	-	5,251	4,972	5.6
Japan (c)	2,966	2,793	6.2	37	42	(11.9)	3,003	2,835	5.9
United Kingdom (d)	-	-	-	3,656	-	N.M.	3,656	-	N.M.
<b>Total</b>	<b>61,194</b>	<b>65,813</b>	<b>(7.0)</b>	<b>3,840</b>	<b>305</b>	<b>N.M.</b>	<b>65,034</b>	<b>66,118</b>	<b>(1.6)</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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**Footnotes**

- (a) *Claymore Connect. 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.*
- (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).*
- (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 2Q 2016 and 1H 2016 includes S\$0.9 million (US\$0.7 million) and S\$2.6 million (US\$1.9 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).*
- For HBT Group, the gross revenue for the reporting period comprises the entire revenue derived from the resort operations of Jumeirah Dhevanafushi.*
- (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 2Q 2016 and 1H 2016 includes S\$1.6 million (JPY126.1 million) and S\$3.1 million (JPY254.0 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels of S\$1.0 million (JPY84.5 million), after deducting operating expenses, was included in the income available for distribution in the second quarter as the financial results for the fiscal period ended 31 March 2016 has been audited and the income was 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 as the UK Hotel was only acquired on 1 October 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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

**Second Quarter ended 30 June 2016**

In 2Q 2016, CDLHT achieved gross revenue of S\$42.5 million, S\$3.5 million or 8.9% higher than the corresponding period last year. The improvement was largely attributed to inorganic contribution of S\$5.8 million from Hilton Cambridge City Centre (acquired on 1 October 2015) and an incremental revenue boost of S\$0.9 million from its refurbished mall, the Claymore Connect. The mall was re-opened in the last quarter of 2015 and the committed occupancy (including the Galleria) as of 30 June 2016 was 91%. These contributions more than offset the weaker trading performance from the Singapore Hotels and Maldives resorts, which declined collectively by S\$3.5 million year-on-year (“yoy”).

Protected by largely fixed rent structures, revenue contribution from its Australia and New Zealand portfolio was similar to 2Q 2015. In SGD terms, the revenue from these properties decreased slightly due to the depreciation of the AUD and NZD against SGD.

The Singapore Hotels RevPAR for 2Q 2016 fell 9.2% yoy to S\$157 due to the competitive trading environment induced by new rooms supply and softening demand from the corporate sector and conference business due to the weak global economic environment. The trading performance of the group’s Singapore Hotels continue to be affected by ongoing refurbishment works at M Hotel and the closure of the main lobby and certain public areas (including two food and beverage outlets) at Grand Copthorne Waterfront Hotel. The absence of the city-wide South East Asia Games (“SEA Games”) in June this year had a very significant impact on revenue as 4 of the 6 hotels in the portfolio were designated official SEA Games hotels last year.

The challenging conditions and cautious consumer sentiment in the Maldives market continued in 2Q 2016. The weakening Chinese yuan, and relative strength of the USD against the euro and Russian rouble continue to exert pressure on the luxury accommodation. Spurred by lower Chinese arrivals to Maldives, which fell 13.0% yoy in the months of April and May 2016, aggressive promotions were offered by the resorts to safeguard their market share. Amidst this competitive environment, Jumeirah Dhevanafushi and Angsana Velavaru posted a combined yoy RevPAR decline of 26.6%.

Riding on the crest of positive government initiatives towards tourism, MyStays Asakusabashi and MyStays Kamata posted a resilient RevPAR growth of 6.4% in 2Q 2016 as compared to the corresponding period last year. Despite the dampening effects caused by the Kumamoto earthquake on April 16, 2016, Japan still recorded an inbound arrivals growth of 19.0% for the period of April to June 2016 on a yoy basis.

Hilton Cambridge City Centre recorded a 2Q 2016 yoy RevPAR growth of 18.9%<sup>1</sup>. The city centre hotel benefitted from increased corporate business attributable to the refurbished product and the re-branding of the hotel.

In aggregate, CDLHT’s net property income<sup>2</sup> decreased by S\$0.3 million or 0.9% to S\$31.3 million for 2Q 2016.

Overall, the total distribution to Stapled Securityholders (after retention and capital distribution) for 2Q 2016 remained similar to the corresponding period last year at S\$22.1 million. This distribution includes S\$0.7 million capital distribution from the Japan Hotels for the six months fiscal period ended 31 March 2016 (which was received in June 2016 following the completion of its audit and tax filing). For the reporting quarter, the total distribution per Stapled Security (after retention and capital distribution) was 2.23 cents, slightly lower than the corresponding period last year.

<sup>1</sup> The yoy RevPAR comparison assumes HBT owned the Hilton Cambridge City Centre in 2Q 2015.

<sup>2</sup> Net property income is derived after deducting the operating expenses of Jumeirah Dhevanafushi, Japan Hotels and Hilton Cambridge City Centre and the property tax and insurance expenses of the portfolio.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

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

	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	Increase/(Decline)
Average Occupancy Rate	83.5%	86.5%	(3.0)pp
Average Daily Rate	S\$188	S\$200	(6.0)%
RevPAR	S\$157	S\$173	(9.2)%

**Six months ended 30 June 2016**

CDL Hospitality Trusts reported a gross revenue of S\$87.1 million in 1H 2016, which was 7.3% or S\$5.9 million higher than the corresponding period last year. This was mainly due to the recognition of a full six months inorganic contribution of S\$10.0 million from Hilton Cambridge City Centre Hotel (which was absent in the corresponding period last year) and higher rent contribution of S\$1.9 million from the refurbished Claymore Connect mall. The revenue contribution from its Japan and New Zealand properties were also higher by S\$0.7 million as compared to 1H 2015.

This improvement was however dampened by lower gross revenue from the other properties, which was 9.5% or S\$6.7 million lower than 1H 2015. Contributions from the Singapore Hotels and Maldives Resorts declined collectively by S\$5.7 million yoy due to softer trading conditions amid the global economic slowdown while the Australia Hotels recorded lower rent contribution of S\$1.0 million due to local currency weakness against SGD and a smaller variable income (1H 2016: S\$0.4 million as compared to 1H 2015: S\$1.1 million).

The Singapore Hotels saw a decline in RevPAR of 8.1% yoy to S\$159 for 1H 2016 as the hotels continue to face headwinds from soft demand as a result of the weak economic environment and the intense price competition amidst the increased supply of hotel rooms by new entrants in the market. The refurbishment works at M Hotel and Grand Copthorne Waterfront Hotel coupled with the absence of SEA games in 1H 2016 had affected the performance of the Singapore Hotels. On the tourism front, although the overall visitor arrivals to Singapore increased 13.3% yoy to 6.9 million for the first five months of 2016, total visitor days increased only 4.8% yoy as the average length of stay has decreased 8.1% to 3.4 days.

Triggered by strong arrival growth, Rendezvous Hotel Auckland’s rental income in local currency terms (including a variable income of NZD 0.5 million<sup>3</sup>) grew 12.6% to NZD 5.6 million in 1H 2016. However, the improved performance was offset by the weaker NZD against SGD, thereby resulting in a lower yoy revenue growth (in SGD terms) of 5.6%.

The Maldives resorts’ performance bore the brunt of the appreciating USD against the currencies of its key source markets and the slowing growth in China. The cautious consumer sentiment towards discretionary spending in the high-end leisure market has led to guests seeking to trade down, particularly with the strong USD. Chinese arrivals, which are the top source market into Maldives, also registered a 11.7 % yoy decline in the first five months of the year. Amidst the weak market, both resorts posted a collective RevPAR decline of 27.7% in the first six months of 2016.

The Japan Tourism market continues to record strong growth in 1H 2016. According to the Japan National Tourism Organization, Japan welcomed 11.7 million visitors in the first six months this year, a 28.2% increase over the corresponding period last year. Against this backdrop, the Japan hotels posted a combined RevPAR growth of 6.9% against the correspondingly period last year.

Hilton Cambridge City Centre’s RevPAR in 1H 2016 increased 13.8%<sup>4</sup> yoy. The positive influence of the re-branding exercise, coupled with a refurbished product, led the hotel’s yoy growth.

Net property income<sup>2</sup> decreased by S\$1.1 million or 1.6% to S\$65.0 million in 1H 2016.

<sup>2</sup> Net property income is derived after deducting the operating expenses of Jumeirah Dhevanafushi, Japan Hotels and Hilton Cambridge City Centre and the property tax and insurance expenses of the portfolio.

<sup>3</sup> The variable rental income attributed to 7 Sep 2014 to 6 Sep 2015 was recognized for the first time in 1Q2016 due to the strong underlying revenue performance of the Rendezvous Hotel Auckland.

<sup>4</sup> The yoy RevPAR comparison assumes HBT owned the Hilton Cambridge City Centre in 1H 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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

Net finance costs for 1H 2016 increased by S\$2.1 million to S\$12.5 million, mainly a result of higher interest expense of S\$1.5 million and an exchange loss of S\$0.6 million over the corresponding period last year. This was mainly due to additional interest expense incurred on drawings to finance the acquisition of the UK Hotel and the group’s asset enhancement works as well as a higher quantum of fixed rate borrowings, which increased its funding costs. In addition, there was also a general rise in interest rates on the group’s floating rate borrowings. The exchange loss in 1H 2016 relates mainly to the revaluation of foreign currency denominated receivables and cash balances the reporting date, which was largely contributed by the depreciation of the GBP and AUD against SGD.

Overall, the total income available for distribution (after retention and capital distribution) of S\$44.0 million for 1H 2016 was 4.5% or S\$2.1 million lower than the corresponding period last year. This distributable income includes S\$0.7 million capital distribution from its Japan Hotels, following the completion of its audit and tax filing for the six months fiscal period ended 31 March 2016. Correspondingly, the total income available for distribution per Stapled Security (after retention and capital distribution) was 4.45 cents in 1H 2016, which was lower than the 4.69 cents recorded in the corresponding period last year.

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

	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	Increase/(Decline)
Average Occupancy Rate	83.7%	87.1%	(3.4)pp
Average Daily Rate	S\$190	S\$199	(4.5)%
RevPAR	S\$159	S\$173	(8.1)%

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

No forecast has been disclosed.

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 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**

According to Singapore Tourism Board (“STB”), for the period from January to May, international visitor arrivals have increased 13.3% yoy to 6.9 million. Total visitor days only grew 4.8% yoy to 23.6 million as the average length of stay has declined from 3.7 days to 3.4 days for the first five months of the year. The growth in visitor arrivals was mainly due to increases in the top two source markets – China and Indonesia.

Based on World Bank’s Global Economic Prospects released in June 2016, global growth forecast for 2016 has been revised down to 2.4% from January 2016’s projection of 2.9% due to factors such as sluggish growth in advanced economies and weak global trade<sup>1</sup>. In Singapore, business expectations among companies in the accommodation services industry are also pointing to a less than favourable outlook. In spite of the stronger tourist arrivals, hoteliers are expecting a drop in corporate travelers as a result of the weaker business conditions<sup>2</sup>.

On the supply front in Singapore, industry room inventory will continue to grow by an estimated 2,866<sup>3</sup> rooms in 2016, further increasing room stock by 4.7%. As such, room rates are likely to remain competitive as new hotels seek to build their base. For the first 26 days of July 2016, RevPAR for the Singapore Hotels increased by 0.1% as compared to the corresponding period last year.

During the second quarter, Grand Copthorne Waterfront Hotel completed the refurbishment of its lobby, and three F&B outlets in June. The remaining public area renovation, which involves the addition of new meeting rooms and a tea lounge, as well as a refurbishment of some existing meeting rooms, will complete by 2016. Although the hotel remains operational, it will face some disruption and revenue loss in the short term. At M Hotel, the ongoing room refurbishment is expected to complete in second half of 2016. Hilton Cambridge City Centre is also undergoing renovation to add a new executive lounge and fitness centre and these works are expected to complete before year end.

In Australia, while commodity prices are above recent lows, mining investment continues to be subdued. The increase in new hotel room supply in Perth and Brisbane, coupled with continued anemic mining investment, will 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 11.7% yoy to a record 1.7 million for the first six months of 2016<sup>4</sup>. In addition, the growth in new international air services and a strong events calendar are likely to support the growth momentum in the hospitality market. As the existing lease for the Rendezvous Hotel Auckland is expiring on [6 September 2016], a new lease with a subsidiary of Millennium & Copthorne Hotels New Zealand Limited was entered on 17 June 2016 and will commence following the expiry of the existing lease. The hotel will be rebranded as Grand Millennium Auckland when the new lease commences. Under the new lease structure, CDLHT is positioned to benefit from the growth trajectory in the Auckland hospitality market as the terms provide for more variable income as opposed to the largely fixed rent currently.

Japan continues to see growth in the tourism sector, recording a yoy increase of 28.2%<sup>5</sup> in visitor arrivals for the first six months of 2016. However, the recent strengthening of the Japanese yen may result in a moderation of the growth in inbound arrivals and trading performance of the hospitality sector.

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 weakening Chinese yuan may continue to affect the performance of Maldivian resorts.

Post-Brexit, IMF has revised UK’s growth forecast down by 0.2 percentage points to 1.7% for 2016. The downward revision from 2.2% to 1.3% is more severe in 2017, with IMF citing sizeable uncertainty that would affect market and consumer confidence<sup>6</sup>. The impact on the corporate segment in Cambridge is uncertain although the UK tourism sector is likely to benefit from increased inbound leisure arrivals due to the weaker British pound.

<sup>1</sup> The World Bank, “Global Economic Prospects”, June 2016

<sup>2</sup> Department of Statistics Singapore, “Business Expectations of Services Sector, 2Q2016”, 29 April 2016

<sup>3</sup> Based on Horwath data (July 2016) and CDLHT research

<sup>4</sup> Tourism – Statistics New Zealand

<sup>5</sup> Japan National Tourism Organization

<sup>6</sup> IMF, “World Economic Outlook”, 19 July 2016



**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**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 2016 to 30 June 2016

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	3.39	0.98	0.08	<b>4.45</b>

Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities 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%.

Tax exempt income distribution

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

Capital distribution

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

**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 SECOND QUARTER  
 AND SIX MONTHS ENDED 30 JUNE 2016**

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

Any distributions declared for the current financial period?

Yes

Name of distribution

Distribution for the period from 1 January 2015 to 30 June 2015

Distribution type	Taxable income	Tax exempt income	Capital	Total
Amount (cents per Stapled Security)	3.81	0.88	-	<b>4.69</b>

Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities 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%.

Tax exempt income distribution

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

**11 (c) Book closure date**

5.00 p.m. on 8 August 2016

**11 (d) Date payable**

29 August 2016

**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 stapled securityholders for Interested Person Transactions.

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 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 30 June 2016 to be false or misleading in any material respect.

**15 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

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

On behalf of the Board of Directors

WONG HONG REN  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

29 July 2016

**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 SECOND QUARTER  
AND SIX MONTHS ENDED 30 JUNE 2016**

**IMPORTANT NOTICE**

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

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

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

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

By Order of the Board

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

29 July 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 July 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 July 2016

Dear Sirs

## **CDL Hospitality Trusts Review of Interim Financial Information**

### *Introduction*

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts for the quarter and six-month period ended 30 June 2016. CDL Hospitality Trusts comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:-

- Statement of Financial Position of CDL Hospitality Trusts as at 30 June 2016;
- Portfolio Statement of CDL Hospitality Trusts as at 30 June 2016;
- Statement of Total Return of CDL Hospitality Trusts for the three-month period ended 30 June 2016 and six-month period ended 30 June 2016;
- Statement of Movements in Unitholders' Funds of CDL Hospitality Trusts for the six-month period ended 30 June 2016;
- Distribution Statement of CDL Hospitality Trusts for the three-month period ended 30 June 2016 and six-month period ended 30 June 2016;
- Statement of Cash Flows of CDL Hospitality Trusts for the six-month period ended 30 June 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 recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***Scope of review***

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

***Conclusion***

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

***Restriction on use***

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