



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS  
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS,  
H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD  
QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017**

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## CDL HOSPITALITY TRUSTS

A stapled group comprising:

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

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

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

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

## **CDL HOSPITALITY TRUSTS**

## **UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017**

### **INTRODUCTION**

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.7 billion. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 30 September 2017, CDLHT owns 17 hotels and two resorts comprising a total of 5,414 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel (collectively, the “**Singapore Hotels**”), as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) 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 (Grand Millennium Auckland, previously known as Rendezvous Hotel Auckland) (the “**New Zealand Hotel**”);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester) (the “**UK Hotels**”);
- (vi) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich (the “**German Hotel**”); and
- (vii) two resorts in Maldives, comprising Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi) (collectively, the “**Maldives Resorts**”).

In December 2013, the HBT Trustee-Manager activated HBT. As at 30 September 2017, it owns Hilton Cambridge City Centre and The Lowry Hotel and is also the master lessee of the Japan Hotels and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi), both of which are owned by the H-REIT Group. It will continue its functions as a master lessee of last resort and may undertake certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable or deemed suitable for H-REIT.

On 4 May 2017, HBT through its indirectly wholly-owned subsidiary, CDL HBT North Ltd, completed the acquisition of The Lowry Hotel through the acquisition of 100% of the issued share capital of The Lowry Hotel Limited.

On 14 July 2017, H-REIT through its wholly-owned subsidiary, CDLHT Munich One Pte. Ltd., completed the acquisition of an effective interest of 94.5% in Pullman Hotel Munich and its office, retail components and the fixture, furniture and equipment used by the German Hotel.

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On 27 June 2017, CDLHT announced the launch of an underwritten and renounceable rights issue (“Rights Issue”) and had on 2 August 2017, issued 199,545,741 new Stapled Securities to raise total gross proceeds of S\$255.4 million. The new Stapled Securities rank pari passu with the existing Stapled Securities issued and issuable as at the date of issue of the rights Stapled Securities, including the right to any distributions.

CDLHT’s distribution policy is to distribute at least 90.0% of its taxable income and all of its tax exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager’s and HBT Trustee-Manager’s discretion. CDLHT makes distributions to stapled securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the 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 Jul 2017 to 30 Sep 2017 ("3Q 2017") S\$'000	1 Jul 2016 to 30 Sep 2016 ("3Q 2016") S\$'000	Increase/ (Decrease)  %	1 Jan 2017 to 30 Sep 2017 ("YTD Sep 2017") S\$'000	1 Jan 2016 to 30 Sep 2016 ("YTD Sep 2016") S\$'000	Increase/ (Decrease)  %
Revenue	54,826	45,408	20.7	149,075	132,531	12.5
Net property income	40,358	34,832	15.9	111,136	99,866	11.3
Total return for the period	25,751	22,553	14.2	56,358	61,367	(8.2)
Income available for distribution to Stapled Securityholders (before retention)	30,432	26,861	13.3	82,437	74,960	10.0
Less:						
Income retained for working capital	(3,043)	(2,686)	13.3	(8,244)	(7,496)	10.0
Income to be distributed to Stapled Securityholders (after retention)	27,389	24,175	13.3	74,193	67,464	10.0
Capital distribution	-	-	-	2,215	738	N.M
Total distribution to Stapled Securityholders (after retention)	27,389	24,175	13.3	76,408	68,202	12.0
<b>Total distribution per Stapled Security (before retention)<sup>1</sup> (cents)</b>						
For the period	2.54	2.62 <sup>2</sup>	(3.1)	7.07	7.39 <sup>2</sup>	(4.3)
<b>Total distribution per Stapled Security (after retention)<sup>1</sup> (cents)</b>						
For the period	2.29	2.36 <sup>2</sup>	(3.0)	6.39	6.66 <sup>2</sup>	(4.1)
<b>For information only Total distribution per Stapled Security (after retention and excluding the effect of the Rights Issue)<sup>1</sup> (cents)</b>						
For the period	2.74	2.44	12.3	7.65	6.89	11.0

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

<sup>2</sup> On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the Rights Issue. Distribution per Stapled Security ("DPS") before and after retention for the quarter and period ended 30 September 2016 have been restated to reflect the effect of bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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

	Foot-note	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts		
		3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>										
Rental revenue		39,565	35,346	11.9	-	-	-	37,892	32,958	15.0
Hotel revenue		-	-	-	16,934	12,450	36.0	16,934	12,450	36.0
	(a)	39,565	35,346	11.9	16,934	12,450	36.0	54,826	45,408	20.7
<b>Property expenses</b>	(c)									
Operation and maintenance		-	-	-	(3,573)	(2,274)	57.1	(3,573)	(2,274)	57.1
Employee benefits expenses		-	-	-	(3,832)	(2,237)	71.3	(3,832)	(2,237)	71.3
Rental expenses		-	-	-	(1,847)	(2,507)	(26.3)	(174)	(119)	46.2
Property tax	(d)	(1,982)	(2,210)	(10.3)	(564)	(226)	N.M	(2,546)	(2,436)	4.5
Other property expenses	(e)	(1,259)	(1,113)	13.1	(3,084)	(2,397)	28.7	(4,343)	(3,510)	23.7
		(3,241)	(3,323)	(2.5)	(12,900)	(9,641)	33.8	(14,468)	(10,576)	36.8
<b>Net property income</b>		36,324	32,023	13.4	4,034	2,809	43.6	40,358	34,832	15.9
H-REIT Manager's base fees		(1,595)	(1,516)	5.2	-	-	-	(1,595)	(1,516)	5.2
H-REIT Manager's performance fees		(1,817)	(1,601)	13.5	-	-	-	(1,817)	(1,601)	13.5
H-REIT Trustee's fees		(71)	(68)	4.4	-	-	-	(71)	(68)	4.4
HBT Trustee-Manager's management fees		-	-	-	-	(149)	N.M	-	(149)	N.M
HBT Trustee-Manager's trustee fees		-	-	-	(58)	(34)	70.6	(58)	(34)	70.6
Valuation fees		(57)	(46)	23.9	(7)	(7)	-	(64)	(53)	20.8
Depreciation, amortisation and impairment losses	(f)	(333)	(472)	(29.4)	(1,687)	(937)	80.0	(2,807)	(2,222)	26.3
Other trust expenses	(g)	(601)	(598)	0.5	(377)	(235)	60.4	(978)	(833)	17.4
Finance income		691	783	(11.7)	100	12	N.M	682	94	N.M
Finance costs		(8,355)	(5,876)	42.2	(882)	(689)	28.0	(6,335)	(5,864)	8.0
Net finance costs	(i)	(7,664)	(5,093)	50.5	(782)	(677)	15.5	(5,653)	(5,770)	(2.0)
<b>Net income before tax</b>		24,186	22,629	6.9	1,123	770	45.8	27,315	22,586	20.9
Income tax expense	(j)	(1,025)	(46)	N.M	(539)	13	N.M	(1,564)	(33)	N.M
<b>Total return</b>	(k)	23,161	22,583	2.6	584	783	(25.4)	25,751	22,553	14.2
<b>Attributable to:</b>										
Unitholders		23,096	22,583	2.3	584	783	(25.4)	25,686	22,553	13.9
Non-controlling interests	(h)	65	-	N.M	-	-	-	65	-	N.M
<b>Total return</b>		23,161	22,583	2.6	584	783	(25.4)	25,751	22,553	14.2

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

Foot-note	H-REIT Group			HBT Group <sup>(b)</sup>			CDL Hospitality Trusts		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>									
Rental revenue	112,289	103,806	8.2	-	-	-	105,653	95,713	10.4
Hotel revenue	-	-	-	43,422	36,818	17.9	43,422	36,818	17.9
	112,289	103,806	8.2	43,422	36,818	17.9	149,075	132,531	12.5
<b>Property expenses</b>									
Operation and maintenance	-	-	-	(8,848)	(6,871)	28.8	(8,848)	(6,871)	28.8
Employee benefits expenses	-	-	-	(9,300)	(6,707)	38.7	(9,300)	(6,707)	38.7
Rental expenses	-	-	-	(7,034)	(8,380)	(16.1)	(398)	(287)	38.7
Property tax	(6,112)	(6,990)	(12.6)	(1,272)	(751)	69.4	(7,384)	(7,741)	(4.6)
Other property expenses	(3,499)	(3,599)	(2.8)	(8,510)	(7,460)	14.1	(12,009)	(11,059)	8.6
	(9,611)	(10,589)	(9.2)	(34,964)	(30,169)	15.9	(37,939)	(32,665)	16.1
<b>Net property income</b>	102,678	93,217	10.1	8,458	6,649	27.2	111,136	99,866	11.3
H-REIT Manager's base fees	(4,564)	(4,463)	2.3	-	-	-	(4,564)	(4,463)	2.3
H-REIT Manager's performance fees	(5,135)	(4,661)	10.2	-	-	-	(5,135)	(4,661)	10.2
H-REIT Trustee's fees	(206)	(203)	1.5	-	-	-	(206)	(203)	1.5
HBT Trustee-Manager's management fees	-	-	-	(35)	(325)	(89.2)	(35)	(325)	(89.2)
HBT Trustee-Manager's trustee fees	-	-	-	(138)	(101)	36.6	(138)	(101)	36.6
HBT Trustee-Manager's acquisition fee	-	-	-	(94)	-	N.M	(94)	-	N.M
Valuation fees	(152)	(147)	3.4	(20)	(22)	(9.1)	(172)	(169)	1.8
Depreciation, amortisation and impairment losses	(1,303)	(1,305)	(0.2)	(10,461)	(2,884)	N.M	(14,117)	(6,654)	N.M
Other trust expenses	(1,635)	(1,480)	10.5	(2,124)	(159)	N.M	(3,727)	(1,639)	N.M
Finance income	2,165	1,699	27.4	112	128	(12.5)	308	116	N.M
Finance costs	(25,478)	(18,069)	41.0	(2,285)	(2,042)	11.9	(23,001)	(18,400)	25.0
Net finance costs	(23,313)	(16,370)	42.4	(2,173)	(1,914)	13.5	(22,693)	(18,284)	24.1
<b>Net income/(loss) before tax</b>	66,370	64,588	2.8	(6,587)	1,244	N.M	60,255	63,367	(4.9)
Income tax expense	(2,970)	(1,405)	N.M	(927)	(595)	55.8	(3,897)	(2,000)	94.9
<b>Total return/(Net loss)</b>	63,400	63,183	0.3	(7,514)	649	N.M	56,358	61,367	(8.2)
<b>Attributable to:</b>									
Unitholders	63,335	63,183	0.2	(7,514)	649	N.M	56,293	61,367	(8.3)
Non-controlling interests	65	-	N.M	-	-	-	65	-	N.M
<b>Total return/(Net loss)</b>	63,400	63,183	0.3	(7,514)	649	N.M	56,358	61,367	(8.2)

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**1 (a) Consolidated Statements of Total Return of H-REIT Group and CDL Hospitality Trusts and  
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the corresponding period of the immediately preceding financial year**

	HBT Group		
	3Q 2017	3Q 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
<b>Net loss for the period</b>	584	783	(25.4)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Tax effect on revaluation surplus on property, plant and equipment	(2)	-	N.M
	(2)	-	N.M
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences - foreign operations	3,947	195	N.M
	3,947	195	N.M
<b>Other comprehensive income for the period, net of tax</b>	3,945	195	N.M
<b>Total comprehensive income for the period</b>	4,529	978	N.M

	HBT Group		
	YTD Sep 2017	YTD Sep 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
<b>Net loss for the period</b>	(7,514)	649	N.M
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Revaluation surplus on property, plant and equipment	3,512	-	N.M
Tax effect on revaluation surplus on property, plant and equipment	(604)	-	N.M
	2,908	-	N.M
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences - foreign operations	3,917	195	N.M
	3,917	195	N.M
<b>Other comprehensive income for the period, net of tax</b>	6,825	195	N.M
<b>Total comprehensive income for the period</b>	(689)	844	N.M

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**Footnotes**

- (a) Revenue comprises rental revenue and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 29 to 33 of the Announcement.
- (b) Revenue and property expenses for HBT Group have increased in 3Q 2017 and YTD Sep 2017 as compared to the corresponding period last year primarily due to the inclusion of the operating results of The Lowry Hotel which was acquired on 4 May 2017.
- (c) The breakdown of property expenses has been revised in the current period to present the significant components included in this caption so as to provide users with a more meaningful analysis of such expenses. Accordingly, certain comparatives have been reclassified to conform with the current period's presentation.
- (d) Property tax of the H-REIT Group was lower in 3Q 2017 and YTD Sep 2017 as compared to the corresponding period last year, as YTD Sep 2016 property tax included additional property tax of the prior years following finalisation of the tax assessment for the Singapore Hotels. In contrast, HBT Group's property tax expenses increased year-on-year (“yoy”) due to the inclusion of The Lowry Hotel's property tax (which was absent for the same period last year).
- (e) CDLHT's other property expenses comprise mainly utilities, insurance and other direct operating expenses of Claymore Connect, the German, Japan and UK Hotels and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi).
- (f) The depreciation, amortisation and impairment losses for CDLHT mainly relate to property, plant and equipment of the Japan and UK Hotels and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi). For 3Q 2017, higher expenses were recorded due to the inclusion of depreciation expenses from The Lowry Hotel. The higher expenses in YTD Sep 2017 is mainly due to the recording of an impairment of goodwill of S\$6.6 million in relation to the acquisition of The Lowry Hotel. This impairment was previously reported in 2Q 2017 SGX-ST announcement released on 28 July 2017.

In accordance with FRS 103 Business Combinations, CDLHT is currently performing a purchase price allocation (“PPA”) exercise for its investment in The Lowry Hotel, which resulted in a goodwill impairment. The fair value of the assets acquired and liabilities assumed at the acquisition date and the resultant goodwill may still be adjusted subsequently when the PPA exercise is completed by the end of the financial year.

- (g) Other trust expenses in CDLHT comprise mainly professional fees and administrative costs. HBT Group recorded higher fees and administrative expenses in 3Q 2017 due to the inclusion of such expenses from its newly acquired asset, The Lowry Hotel.

For YTD Sep 2016, expenses for HBT Group was lower due to a write back of accruals for expenses no longer required and a reversal of an accrual for transaction costs of £0.2 million (S\$0.5 million) relating to the Hilton Cambridge City Centre acquisition (following the finalisation of such costs), which did not recur in YTD Sep 2017.

Overall, CDLHT recorded higher other trust expenses for YTD Sep 2017 primarily due to the inclusion of a one-off transaction costs of £0.8 million (S\$1.5 million) incurred in relation to the UK acquisition. This treatment is in accordance with FRS 103 Business Combinations, which requires such expenses to be written off.

- (h) Non-controlling interests relate to the interest owned by the minority shareholder in relation to the newly acquired Pullman Hotel Munich (acquired on 14 July 2017).



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(i) Net finance costs comprise the following:

	H-REIT Group			H-REIT Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	46	29	58.6	178	116	53.4
Interest income received/receivable from HBT Group <sup>(i)</sup>	569	541	5.2	1,735	1,583	9.6
Fair value gain on derivatives <sup>(ii)</sup>	76	-	N.M	252	-	N.M
Exchange gain <sup>(iii)</sup>	-	213	N.M	-	-	-
Finance income	691	783	(11.7)	2,165	1,699	27.4
Exchange loss <sup>(iii)</sup>	(2,274)	-	N.M	(7,855)	(295)	N.M
Interest paid/payable to banks <sup>(iv)</sup>	(5,758)	(5,487)	4.9	(16,577)	(16,653)	(0.5)
Fair value loss on derivatives <sup>(ii)</sup>	-	(33)	N.M	-	(141)	N.M
Amortisation of transaction costs capitalised <sup>(v)</sup>	(270)	(305)	(11.5)	(886)	(827)	7.1
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(53)	(51)	3.9	(160)	(153)	4.6
Finance costs	(8,355)	(5,876)	42.2	(25,478)	(18,069)	41.0
Net finance costs	(7,664)	(5,093)	50.5	(23,313)	(16,370)	42.4

	HBT Group			HBT Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	1	-	N.M	1	-	N.M
Fair value gain on derivatives <sup>(ii)</sup>	-	12	N.M	-	128	N.M
Exchange gain <sup>(iii)</sup>	99	-	N.M	111	-	N.M
Finance income	100	12	N.M	112	128	(12.5)
Exchange loss <sup>(iii)</sup>	-	(148)	N.M	-	(459)	N.M
Interest paid/payable to banks <sup>(iv)</sup>	(253)	-	N.M	(425)	-	N.M
Interest paid/payable to H-REIT Group <sup>(i)</sup>	(569)	(541)	5.2	(1,735)	(1,583)	9.6
Amortisation of transaction costs capitalised <sup>(v)</sup>	(3)	-	N.M	(3)	-	N.M
Fair value loss on derivatives <sup>(ii)</sup>	(57)	-	N.M	(122)	-	N.M
Finance costs	(882)	(689)	28.0	(2,285)	(2,042)	11.9
Net finance costs	(782)	(677)	15.5	(2,173)	(1,914)	13.5

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

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	CDL Hospitality Trusts			CDL Hospitality Trusts		
	3Q 2017	3Q 2016	Increase/ (Decrease)	YTD Sep 2017	YTD Sep 2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income received/receivable from banks	46	29	58.6	178	116	53.4
Fair value gain on derivatives <sup>(ii)</sup>	19	-	N.M	130	-	N.M
Exchange gain <sup>(iii)</sup>	617	65	N.M	-	-	-
Finance income	682	94	N.M	308	116	N.M
Exchange loss <sup>(iii)</sup>	-	-	-	(4,952)	(754)	N.M
Interest paid/payable to banks <sup>(iv)</sup>	(6,009)	(5,487)	9.5	(17,000)	(16,653)	2.1
Fair value loss on derivatives <sup>(ii)</sup>	-	(21)	N.M	-	(13)	N.M
Amortisation of transaction costs capitalised <sup>(v)</sup>	(273)	(305)	(10.5)	(889)	(827)	7.5
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(53)	(51)	3.9	(160)	(153)	4.6
Finance costs	(6,335)	(5,864)	8.0	(23,001)	(18,400)	25.0
Net finance costs	(5,653)	(5,770)	(2.0)	(22,693)	(18,284)	24.1

- (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 Hilton Cambridge City Centre (“Intra-group loan”). At the end of 3Q 2017, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan. Accordingly, no intra-group interest income/expenses are expected to be incurred going forward.
- (ii) 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.
- (iii) The exchange loss at H-REIT Group for 3Q 2017 arose from the translation of the British Pound (“GBP”) denominated bank loan. This exchange loss was transferred to the foreign currency translation reserve at CDLHT Group level and has no impact on distributions. Included in YTD Sep 2017 H-REIT Group and CDLHT’s net finance cost is a foreign currency translation loss of S\$6.5 million, which arose mainly from the repayment of a New Zealand dollar (“NZD loan”) intercompany loan in 1Q 2017 that contributed to the exchange loss. This exchange loss was partially offset by S\$1.4 million gains from the United States Dollar (“USD”) denominated bank loan. These exchange differences (apart from those which are revenue in nature) do not have an impact on the distributable income of CDLHT.
- (iv) The interest paid/payable to banks for 3Q 2017 and YTD Sep 2017 were higher mainly due to additional interests incurred on two new loans taken to finance the acquisitions in UK and Germany as well as some costs arising from the repayment of certain loans during the reporting period.
- (v) The amortisation costs in 3Q 2017 and YTD Sep 2017 relate to the amortisation of transaction costs arising from the group’s borrowings.

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(j) *This relates to current and deferred tax in respect of CDLHT’s properties.*

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2017 S\$'000	3Q 2016 S\$'000	3Q 2017 S\$'000	3Q 2016 S\$'000	3Q 2017 S\$'000	3Q 2016 S\$'000
Corporate income tax	(981)	(202)	(234)	(253)	(1,215)	(454)
Deferred tax	(45)	153	78	-	33	153
Withholding tax	1	(3)	(200)	266	(199)	262
Over/(Under)provision in respect of prior year tax	-	6	(183)	-	(183)	6
	(1,025)	(46)	(539)	13	(1,564)	(33)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
Corporate income tax	(2,814)	(836)	(459)	(424)	(3,273)	(1,260)
Deferred tax	(92)	(474)	164	-	72	(474)
Withholding tax	(60)	(65)	(391)	(151)	(451)	(216)
Underprovision in respect of prior year tax	(4)	(30)	(241)	(20)	(245)	(50)
	(2,970)	(1,405)	(927)	(595)	(3,897)	(2,000)

(k) *Total return of CDLHT is contributed by:*

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2017 S\$'000	3Q 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
H-REIT	23,778	25,148	73,819	66,486
Other H-REIT group entities (including consolidation adjustments)	(617)	(2,565)	(10,419)	(3,303)
HBT	2,276	1,848	4,204	3,179
Other HBT group entities (including consolidation adjustments)	(1,692)	(1,065)	(11,718)	(2,530)
CDL Hospitality Trusts’ consolidation adjustments	2,006	(813)	472	(2,465)
	25,751	22,553	56,358	61,367

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

	CDL Hospitality Trusts		CDL Hospitality Trusts	
	3Q 2017 S\$'000	3Q 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
Total return of H-REIT	23,778	25,148	73,819	66,486
Total comprehensive income of HBT	2,276	1,848	4,204	3,179
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	239	255	786	717
- Fair value gain/(loss) on financial derivatives	(76)	33	(251)	141
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	53	51	160	153
- Exchange (gain)/loss	292	(3,130)	(5,642)	(3,697)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,729	2,493	7,759	7,299
- H-REIT Trustee's fees	71	68	206	203
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	-	119	28	260
- HBT Trustee-Manager's trustee fees	58	34	138	101
- Other items	1,012	(58)	1,230	118
Income available for distribution to Stapled Securityholders (before retention)	30,432	26,861	82,437	74,960
Less :				
Income retained for working capital	(3,043)	(2,686)	(8,244)	(7,496)
Income to be distributed to Stapled Securityholders (after retention)	27,389	24,175	74,193	67,464
Capital distribution <sup>(ii)</sup>	-	-	2,215	738
Total distribution to Stapled Securityholders (after retention)	27,389	24,175	76,408	68,202
Comprising :				
- Taxable income	19,524	18,648	54,791	52,213
- Tax exempt income	7,865	5,527	19,402	15,251
- Capital distribution	-	-	2,215	738
	27,389	24,175	76,408	68,202

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

(ii) The capital distribution of S\$2.2 million comprises income from the Group's overseas properties. For a meaningful yoy comparison of the total income from overseas properties, tax exempt income and capital distribution should be read collectively.

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

	Footnote	H-REIT Group		HBT Group <sup>(a)</sup>		CDL Hospitality Trusts	
		30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Investment properties	(b)	2,417,615	2,246,808	-	-	2,349,570	2,175,008
Property, plant and equipment	(c)	78,619	71,947	205,659	107,432	343,897	244,361
Prepaid land lease		-	-	-	-	6,158	6,817
Deferred tax assets	(d)	645	-	-	-	645	-
Other receivables	(e)	149	117,831	-	-	149	-
		<b>2,497,028</b>	<b>2,436,586</b>	<b>205,659</b>	<b>107,432</b>	<b>2,700,419</b>	<b>2,426,186</b>
<b>Current assets</b>							
Inventories		-	-	1,106	1,053	1,106	1,053
Trade and other receivables		25,269	26,530	10,381	5,820	27,217	25,704
Financial derivative assets	(f)	107	105	-	66	107	171
Cash and cash equivalents		45,617	67,927	14,838	14,301	60,455	82,228
		<b>70,993</b>	<b>94,562</b>	<b>26,325</b>	<b>21,240</b>	<b>88,885</b>	<b>109,156</b>
<b>Total assets</b>		<b>2,568,021</b>	<b>2,531,148</b>	<b>231,984</b>	<b>128,672</b>	<b>2,789,304</b>	<b>2,535,342</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Loans and borrowings	(g)	549,797	928,849	-	-	549,797	928,849
Rental deposits	(h)	9,251	8,981	-	-	9,251	8,981
Other payables	(e)	-	-	-	117,831	-	-
Deferred tax liabilities	(i)	11,221	8,902	14,409	6,213	25,630	15,115
		<b>570,269</b>	<b>946,732</b>	<b>14,409</b>	<b>124,044</b>	<b>584,678</b>	<b>952,945</b>
<b>Current liabilities</b>							
Loans and borrowings	(g)	280,131	-	96,392	-	376,522	-
Trade and other payables	(j)	39,370	28,116	16,679	11,964	47,615	33,433
Financial derivative liabilities	(f)	34	284	108	52	142	336
Provision for taxation		2,788	1,551	972	656	3,760	2,207
		<b>322,323</b>	<b>29,951</b>	<b>114,151</b>	<b>12,672</b>	<b>428,039</b>	<b>35,976</b>
<b>Total liabilities</b>		<b>892,592</b>	<b>976,683</b>	<b>128,560</b>	<b>136,716</b>	<b>1,012,717</b>	<b>988,921</b>
<b>Net assets/(liabilities)</b>		<b>1,675,429</b>	<b>1,554,465</b>	<b>103,424</b>	<b>(8,044)</b>	<b>1,776,587</b>	<b>1,546,421</b>
Represented by:							
Unitholders' funds		1,670,326	1,554,465	103,424	(8,044)	1,771,484	1,546,421
Non-controlling interests	(k)	5,103	-	-	-	5,103	-
<b>Total Equity</b>		<b>1,675,429</b>	<b>1,554,465</b>	<b>103,424</b>	<b>(8,044)</b>	<b>1,776,587</b>	<b>1,546,421</b>

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

(a) *The Statement of Financial Position of HBT Group comprises the resort operations of Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi), the Japan Hotels and the UK Hotels (including The Lowry Hotel which was acquired on 4 May 2017).*

(b) *The increase in investment properties at CDLHT was mainly attributed to the inclusion of Pullman Hotel Munich of S\$169.3 million, additional capital expenditure of about S\$8.6 million incurred during the period, partially offset by a net translation loss of S\$3.4 million.*

(c) *The property, plant and equipment at H-REIT Group and HBT Group comprise the Japan Hotels and the UK Hotels respectively.*

*The property, plant and equipment at CDLHT comprise the Japan Hotels, Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi) and the UK Hotels. For Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels, 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.*

*With effect from 1 January 2017, CDLHT changed its accounting policy with respect to the subsequent measurement of land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Please refer to Section 5 on page 26 of the Announcement for details.*

*The increase in property, plant and equipment at CDLHT is mainly due to the inclusion of The Lowry Hotel of S\$94.4 million, a revaluation gain on land and buildings of S\$13.2 million arising from its Japan and UK Hotels, following the remeasurement to revaluation model and additions of S\$2.0 million. This was offset by a net translation loss of S\$2.7 million from the Maldives and UK properties, and depreciation expense of S\$7.4 million for the period.*

(d) *The deferred tax asset relates to Pullman Hotel Munich which was newly acquired on 14 July 2017.*

(e) *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 intra-group loan arose as H-REIT extended a loan to HBT to finance the acquisition of Hilton Cambridge City Centre. 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. During the reporting quarter, HBT utilised its share of the gross proceeds from the Rights Issue to fully repay the Intra-group loan.*

(f) *Movement in financial derivatives arose from fair value changes upon re-measurement of foreign exchange forward contracts.*

(g) *Loans and borrowings of CDLHT of S\$926.3 million (as at 31 December 2016: S\$928.8 million), which are measured at amortised cost, comprise S\$120.0 million notes issued pursuant to the Medium Term Note Programme, JPY 3.1 billion (S\$37.4 million) TMK bond and S\$768.9 million bank borrowings, as explained under Section 1(b)(ii) on pages 14 to 16 of the Announcement.*

*During 3Q 2017, CDLHT repaid approximately S\$251 million of its borrowings (comprising the AUD and USD term loan and a portion of its revolving credit facility) out of the proceeds from the Group’s recent Rights Issue. This decrease was offset by the increase in short-term borrowings, being new loans drawn down to finance the acquisition of The Lowry Hotel on 4 May 2017 and Pullman Hotel Munich on 14 July 2017.*

(h) *Rental deposits relate to rental deposits collected from the Master Lessees and tenants at Claymore Connect, stated at amortised cost.*

(i) *The deferred tax liabilities relate to the Australia, UK, Japan and Germany properties. The increase in liability is mainly due to the additional deferred liability recognised on acquisition of The Lowry Hotel and Pullman Hotel Munich as well as for the UK and Japan Hotels following the recognition of revaluation gain on land and buildings, as explained under Section 1(b)(i) footnote (c) above. Please refer to Section 5 on page 26 of the Announcement for details.*

(j) *Trade and other payables for the H-REIT Group relates mainly to payables for operational and trust expenses.*

(k) *Non-controlling interests relate to the interest owned by the minority shareholder in relation to the newly acquired Pullman Hotel Munich (acquired on 14 July 2017).*

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000
<b>Amount repayable after one year</b>						
Secured TMK bond	37,355	38,254	-	-	37,355	38,254
Unsecured medium term note (i)	-	120,000	-	-	-	120,000
Unsecured borrowings (ii)	514,674	774,373	-	-	514,674	774,373
	552,029	932,627	-	-	552,029	932,627
<b>Amount repayable within one year</b>						
Unsecured medium term note (i)	120,000	-	-	-	120,000	-
Unsecured borrowings (iii)	160,157	-	96,396	-	256,553	-
	280,157	-	96,396	-	376,553	-
<b>Total borrowings<sup>(a)</sup></b>	<b>832,186</b>	<b>932,627</b>	<b>96,396</b>	<b>-</b>	<b>928,582</b>	<b>932,627</b>

<sup>(a)</sup> The borrowings are presented before the deduction of unamortised transaction costs.

(i) The unsecured medium term note has been reclassified to amount repayable within one year as the repayment is due in 2Q 2018.

(ii) Unsecured borrowings for CDLHT was lower as at 30 September 2017 due to the repayment of certain loans arising from proceeds raised from the Group's recent rights issue. Please refer to Section 1 (b)(i) footnote (g) on page 13 of the Announcement for details.

(iii) The unsecured borrowings of H-REIT Group and HBT Group arose from borrowings taken to finance the acquisition of Pullman Hotel Munich and The Lowry Hotel respectively. Please refer to Section 1 (b)(ii) on page 16 of the Announcement for details.

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

**Details of borrowings**

The facilities and borrowings of the H-REIT Group, HBT Group and CDL Hospitality Trusts are set out below:

Facilities		H-REIT Group			HBT Group			CDL Hospitality Trusts		
		30 Sep 2017			30 Sep 2017			30 Sep 2017		
Currency	Type	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000	Facility amount S\$'000	Draw n dow n S\$'000	Undraw n S\$'000
JPY	TMK bond (¥3.1 billion)	37,355	37,355	-	-	-	-	37,355	37,355	-
JPY	5-year term loan (¥3.27 billion)	39,404	39,404	-	-	-	-	39,404	39,404	-
SGD	Medium term note	1,000,000	120,000	880,000	-	-	-	1,000,000	120,000	880,000
SGD	Bridge loan (uncommitted)	300,000	160,157	139,843	200,000	96,396	103,604	500,000	256,553	243,447
SGD	3 to 3.25-year revolving credit (committed)	250,000	112,417	137,583	-	-	-	250,000	112,417	137,583
SGD	5-year term loan	153,600	153,600	-	-	-	-	153,600	153,600	-
USD	5-year term loan (US\$65.0 million)	88,303	88,303	-	-	-	-	88,303	88,303	-
GBP	5-year term loan (£66.5 million)	120,950	120,950	-	-	-	-	120,950	120,950	-
		<b>1,989,612</b>	<b>832,186</b>	<b>1,157,426</b>	<b>200,000</b>	<b>96,396</b>	<b>103,604</b>	<b>2,189,612</b>	<b>928,582</b>	<b>1,261,030</b>



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**Secured TMK bond**

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$37.4 million) issued by H-REIT’s indirectly owned subsidiary, CDLHT Hanei Tokutei Mokuteki Kaisha. CDLHT’s interest in Japan Hotels is held via a Tokutei Mokuteki Kaisha (“TMK”) structure, and such TMK structure is required to issue bond to partially fund the acquisition of Japan assets.

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

**Unsecured medium term note**

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

**Unsecured bridge loan**

H-REIT and HBT has in place a S\$300.0 million and S\$200.0 million (fresh facility secured in April 2017) uncommitted multi-currency bridge loan facility with a bank respectively (the “Bridge Loan Facilities”) to fund acquisitions, capital expenditure and working capital requirements.

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

As at 30 September 2017, £53.0 million (S\$96.4 million) was drawn down by HBT to fund the acquisition of The Lowry Hotel which was acquired on 4 May 2017 and €100.3 million (S\$160.2 million) was drawn down by H-REIT to fund the acquisition of an effective interest of 94.5% in Pullman Hotel Munich on 14 July 2017.

**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 THIRD QUARTER AND NINE  
MONTHS ENDED 30 SEPTEMBER 2017**

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	3Q 2017	3Q 2016	3Q 2017	3Q 2016	3Q 2017	3Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>						
Net income/(loss) before tax	24,186	22,629	1,123	770	27,315	22,586
Adjustments for:						
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	2,729	2,493	-	119	2,729	2,612
Depreciation of property, plant and equipment	333	472	1,595	937	2,650	2,156
Amortisation of prepaid land lease	-	-	-	-	65	66
Impairment of goodwill	-	-	92	-	92	-
Impairment loss on trade receivables	25	30	4	15	28	45
Net finance costs	7,664	5,093	782	677	5,653	5,770
Transaction costs on acquisition of a subsidiary	-	-	3	-	3	-
<b>Operating income before working capital changes</b>	<b>34,937</b>	<b>30,717</b>	<b>3,599</b>	<b>2,518</b>	<b>38,535</b>	<b>33,235</b>
Changes in working capital:						
Inventories	-	-	118	168	118	168
Trade and other receivables	11,578	4,607	100	(217)	10,033	1,615
Trade and other payables	(6,126)	(3,865)	(164)	803	(4,647)	(288)
<b>Cash generated from operating activities</b>	<b>40,389</b>	<b>31,459</b>	<b>3,653</b>	<b>3,272</b>	<b>44,039</b>	<b>34,730</b>
Income tax (paid)/refunded	(70)	(517)	(548)	261	(618)	(256)
<b>Net cash generated from operating activities</b>	<b>40,319</b>	<b>30,942</b>	<b>3,105</b>	<b>3,533</b>	<b>43,421</b>	<b>34,474</b>
<b>Investing activities</b>						
Acquisition of subsidiaries, net of cash acquired	(153,664)	-	-	-	(153,664)	-
Capital expenditure on investment properties	(3,624)	(1,716)	-	-	(3,313)	(1,657)
Addition of property, plant and equipment and prepaid land lease	(139)	(24)	(252)	-	(699)	(83)
Other (receivables)/payables	115,998	-	-	-	-	-
Interest received	1,605	480	-	-	48	29
<b>Cash generated used in investing activities</b>	<b>(39,824)</b>	<b>(1,260)</b>	<b>(252)</b>	<b>-</b>	<b>(157,628)</b>	<b>(1,711)</b>
<b>Financing activities</b>						
Other (receivables)/payables	-	(3,282)	(115,998)	3,282	-	-
Proceeds from rights issue	138,325	-	117,093	-	255,418	-
Payment of transaction costs related to rights issue	(4,048)	-	-	-	(4,048)	-
Proceeds from bank loans	145,959	210,954	-	-	145,959	210,954
Repayment of bank loans	(250,903)	(207,422)	-	-	(250,903)	(207,422)
Payment of transaction costs related to bank loans	(9)	(1,090)	(8)	-	(17)	(1,090)
Finance costs paid	(1,889)	(5,351)	(1,913)	(452)	(2,246)	(5,351)
Distribution to holders of Stapled	(47,099)	(41,620)	(2,020)	(2,476)	(49,119)	(44,096)
Movement in restricted cash	282	140	-	-	282	140
<b>Cash generated from/(used in) financing activities</b>	<b>(19,382)</b>	<b>(47,671)</b>	<b>(2,846)</b>	<b>354</b>	<b>95,326</b>	<b>(46,865)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(18,887)</b>	<b>(17,989)</b>	<b>7</b>	<b>3,887</b>	<b>(18,881)</b>	<b>(14,102)</b>
Cash and cash equivalents at beginning of the period	63,647	57,872	14,605	10,111	78,253	67,983
Effect of exchange rate changes on cash and cash equivalents	(175)	493	226	(42)	51	451
<b>Cash and cash equivalents at end of the period</b>	<b>44,585</b>	<b>40,376</b>	<b>14,838</b>	<b>13,956</b>	<b>59,423</b>	<b>54,332</b>

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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE  
MONTHS ENDED 30 SEPTEMBER 2017**

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

Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000
	<b>Operating activities</b>					
	66,370	64,588	(6,587)	1,244	60,255	63,367
	Adjustments for:					
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	7,759	7,299	28	260	7,787	7,559
Depreciation of property, plant and equipment	1,303	1,305	3,813	2,884	7,270	6,452
Amortisation of prepaid land lease	-	-	-	-	199	202
Impairment of goodwill	-	-	6,648	-	6,648	-
Impairment loss on trade receivables	54	85	28	132	81	217
Net finance costs	23,313	16,370	2,173	1,914	22,693	18,284
Transaction costs on acquisition of a subsidiary	-	-	1,451	-	1,451	-
	<b>98,799</b>	<b>89,647</b>	<b>7,554</b>	<b>6,434</b>	<b>106,384</b>	<b>96,081</b>
	<b>Operating income before working capital changes</b>					
	Changes in working capital:					
Inventories	-	-	156	235	156	235
Trade and other receivables	(529)	3,430	(1,885)	(641)	590	(2,970)
Trade and other payables	(204)	(2,091)	1,560	(390)	(1,512)	3,277
	<b>98,066</b>	<b>90,986</b>	<b>7,385</b>	<b>5,638</b>	<b>105,618</b>	<b>96,623</b>
	<b>Cash generated from operating activities</b>					
Income tax paid	(1,679)	(531)	(797)	(179)	(2,476)	(710)
	<b>96,387</b>	<b>90,455</b>	<b>6,588</b>	<b>5,459</b>	<b>103,142</b>	<b>95,913</b>
	<b>Investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	(153,664)	-	(92,638)	-	(246,302)	-
Capital expenditure on investment properties	(9,761)	(12,113)	-	-	(9,088)	(11,711)
Addition of property, plant and equipment and prepaid land lease	(355)	(780)	(746)	-	(1,940)	(1,182)
Other (receivables)/payables	115,998	-	-	-	-	-
Interest received	2,685	876	-	-	177	126
	<b>(45,097)</b>	<b>(12,017)</b>	<b>(93,384)</b>	<b>-</b>	<b>(257,153)</b>	<b>(12,767)</b>
	<b>Financing activities</b>					
Other (receivables)/payables	-	(3,282)	(115,998)	3,282	-	-
Proceeds from rights issue	138,325	-	117,093	-	255,418	-
Payment of transaction costs related to rights issue	(4,048)	-	-	-	(4,048)	-
Proceeds from bank loans	154,702	223,499	93,958	-	248,660	223,499
Repayment of bank loans	(252,482)	(207,422)	-	-	(252,482)	(207,422)
Payment of transaction costs related to bank loans	(18)	(1,179)	(8)	-	(26)	(1,179)
Finance costs paid	(10,566)	(16,319)	(2,864)	(751)	(10,923)	(16,319)
Distribution to holders of Stapled Securities	(99,250)	(94,738)	(4,964)	(2,476)	(104,214)	(97,214)
Movement in restricted cash	402	201	-	-	402	201
	<b>(72,935)</b>	<b>(99,240)</b>	<b>87,217</b>	<b>55</b>	<b>132,787</b>	<b>(98,434)</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>					
	<b>(21,645)</b>	<b>(20,802)</b>	<b>421</b>	<b>5,514</b>	<b>(21,224)</b>	<b>(15,288)</b>
	Cash and cash equivalents at beginning of the period					
	66,471	60,896	14,301	9,701	80,772	70,597
	Effect of exchange rate changes on cash and cash equivalents					
	(241)	282	116	(1,259)	(125)	(977)
	<b>44,585</b>	<b>40,376</b>	<b>14,838</b>	<b>13,956</b>	<b>59,423</b>	<b>54,332</b>

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**Footnotes**

(a) Significant non-cash transactions

3Q 2017

1,689,293 (3Q 2016: 1,914,345) Stapled Securities amounting to S\$2.7 million (3Q 2016: S\$2.6 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.

YTD Sep 2017

4,975,258 (YTD Sep 2016: 5,484,456) Stapled Securities amounting to S\$7.8 million (YTD Sep 2016: S\$7.6 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 nine months ended 30 September 2017.

(b) *Cash and cash equivalents for H-REIT Group and CDLHT as at 30 September 2017 are as follows:*

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	45,617	60,455
Restricted cash <sup>(a)</sup>	(1,032)	(1,032)
Cash and cash equivalents in the Statement of Cash Flow s	44,585	59,423

<sup>(a)</sup> *Relates to cash reserved by a trust bank in Japan.*

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**1 (d)(i) Statement of Movements in Unitholders’ funds for the period from 1 July 2017 to 30 September 2017**

Footnote	H-REIT Group							HBT Group						CDL Hospitality Trusts			
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/(Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Balance as at 1 July 2017</b>	1,168,634	(23,921)	(8,987)	7,942	419,610	1,563,278	-	1,563,278	878	(121)	2,186	2,910	(22,031)	(16,178)	1,545,587	-	1,545,587
<b>Operations</b>																	
Increase/(decrease) in net assets resulting from operations	-	-	-	-	23,096	23,096	65	23,161	-	-	-	-	584	584	25,686	65	25,751
<b>Movements in revaluation reserve</b>				6	-	6	-	6				(2)	-	(2)	4	-	4
<b>Movements in foreign currency translation reserve</b>																	
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(7,923)	-	-	(7,923)	76	(7,847)	-	-	3,947	-	-	3,947	(3,942)	76	(3,866)
- Exchange differences on hedge of net investment in a foreign operation	-	-	(913)	-	-	(913)	-	(913)	-	-	-	-	-	-	(3,706)	-	(3,706)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	2,875	-	-	2,875	-	2,875	-	-	-	-	-	-	2,875	-	2,875
<b>Increase/(decrease) in foreign currency translation reserve</b>	-	-	(5,961)	-	-	(5,961)	76	(5,885)	-	-	3,947	-	-	3,947	(4,773)	76	(4,697)
<b>Transactions with owners</b>																	
- Stapled Securities to be issued (a)	2,729	-	-	-	-	2,729	-	2,729	-	-	-	-	-	-	2,729	-	2,729
- Rights issue	138,325	-	-	-	-	138,325	-	138,325	117,093	-	-	-	-	117,093	255,418	-	255,418
- Issue expenses	-	(4,048)	-	-	-	(4,048)	-	(4,048)	-	-	-	-	-	-	(4,048)	-	(4,048)
- Distribution to Stapled Securityholders (b)	(2,156)	-	-	-	(44,943)	(47,099)	-	(47,099)	-	-	-	-	(2,020)	(2,020)	(49,119)	-	(49,119)
- Distribution to non-controlling interests (c)	-	-	-	-	-	-	(65)	(65)	-	-	-	-	-	-	-	(65)	(65)
<b>Increase/(decrease) in net assets resulting from transactions with owners</b>	138,898	(4,048)	-	-	(44,943)	89,907	(65)	89,842	117,093	-	-	-	(2,020)	115,073	204,980	(65)	204,915
<b>Ownership interests in subsidiaries</b>																	
- Acquisition of subsidiary with non-controlling interest (c)	-	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
<b>Changes in ownership interests in subsidiaries</b>																	
-	-	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
<b>Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions</b>	138,898	(4,048)	-	-	(44,943)	89,907	4,962	94,869	117,093	-	-	-	(2,020)	115,073	204,980	4,962	209,942
<b>Balance as at 30 September 2017</b>	1,307,532	(27,969)	(14,948)	7,948	397,763	1,670,326	5,103	1,675,429	117,971	(121)	6,133	2,908	(23,467)	103,424	1,771,484	5,103	1,776,587

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**1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 January 2017 to 30 September 2017**

Footnote	H-REIT Group							HBT Group						CDL Hospitality Trusts			
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation Reserve S\$'000	Accumulated Profits/(Losses) S\$'000	Total S\$'000	Attributable to Stapled Securityholders S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Balance as at 1 January 2017</b>	1,166,980	(23,921)	(16,740)	-	428,146	1,554,465	-	1,554,465	850	(121)	2,216	-	(10,989)	(8,044)	1,546,421	-	1,546,421
<b>Operations</b>																	
Increase/(decrease) in net assets resulting from operations	-	-	-	-	63,335	63,335	65	63,400	-	-	-	-	(7,514)	(7,514)	56,293	65	56,358
<b>Movements in revaluation reserve</b>	-	-	-	7,948	-	7,948	-	7,948	-	-	-	2,908	-	2,908	10,856	-	10,856
<b>Movements in foreign currency translation reserve</b>																	
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(11,819)	-	-	(11,819)	76	(11,743)	-	-	3,917	-	-	3,917	(7,847)	76	(7,771)
- Exchange differences on hedge of net investment in a foreign operation	-	-	6,000	-	-	6,000	-	6,000	-	-	-	-	-	-	3,207	-	3,207
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	1,112	-	-	1,112	-	1,112	-	-	-	-	-	-	1,112	-	1,112
- Transfer of exchange differences to statement of total return upon repayment of intercompany loan which formed part of net investment in a foreign operation	-	-	6,499	-	-	6,499	-	6,499	-	-	-	-	-	-	6,499	-	6,499
<b>Increase in foreign currency translation reserve</b>	-	-	1,792	-	-	1,792	76	1,868	-	-	3,917	-	-	3,917	2,971	76	3,047
<b>Transactions with owners</b>																	
- Stapled Securities to be issued	(a) 7,759	-	-	-	-	7,759	-	7,759	28	-	-	-	-	28	7,787	-	7,787
- Rights issue	138,325	-	-	-	-	138,325	-	138,325	117,093	-	-	-	-	117,093	255,418	-	255,418
- Issue expenses	-	(4,048)	-	-	-	(4,048)	-	(4,048)	-	-	-	-	-	-	(4,048)	-	(4,048)
- Distribution to Stapled Securityholders	(b) (5,532)	-	-	-	(93,718)	(99,250)	-	(99,250)	-	-	-	-	(4,964)	(4,964)	(104,214)	-	(104,214)
- Distribution to non-controlling interests	(c) -	-	-	-	-	-	(65)	(65)	-	-	-	-	-	-	-	(65)	(65)
<b>Increase/(decrease) in net assets resulting from transactions with owners</b>	140,552	(4,048)	-	-	(93,718)	42,786	(65)	42,721	117,121	-	-	-	(4,964)	112,157	154,943	(65)	154,878
<b>Ownership interests in subsidiaries</b>																	
- Acquisition of subsidiary with non-controlling interest	(c) -	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
<b>Changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	5,027	5,027	-	-	-	-	-	-	-	5,027	5,027
<b>Increase/(decrease) in net assets resulting from Stapled Securityholders’ transactions</b>	140,552	(4,048)	-	-	(93,718)	42,786	4,962	47,748	117,121	-	-	-	(4,964)	112,157	154,943	4,962	159,905
<b>Balance as at 30 September 2017</b>	1,307,532	(27,969)	(14,948)	7,948	397,763	1,670,326	5,103	1,675,429	117,971	(121)	6,133	2,908	(23,467)	103,424	1,771,484	5,103	1,776,587

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**1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 July 2016 to 30 September 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/ (Losses) S\$’000	Total S\$’000	Total S\$’000
<b>Balance as at 1 July 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>
<b>Operations</b>											
Increase in net assets resulting from operations	-	-	-	22,583	<b>22,583</b>	-	-	-	783	<b>783</b>	<b>22,553</b>
<b>Movements in foreign currency translation reserve</b>											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	4,455	-	<b>4,455</b>	-	-	195	-	<b>195</b>	<b>4,643</b>
- Exchange differences on hedge of net investment in a foreign operation	-	-	(5,388)	-	<b>(5,388)</b>	-	-	-	-	<b>-</b>	<b>(5,388)</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	8,748	-	<b>8,748</b>	-	-	-	-	<b>-</b>	<b>8,748</b>
<b>Increase in foreign currency translation reserve</b>	-	-	7,815	-	<b>7,815</b>	-	-	195	-	<b>195</b>	<b>8,003</b>
<b>Stapled securityholders’ transactions</b>											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees (a)	2,493	-	-	-	<b>2,493</b>	-	-	-	-	<b>-</b>	<b>2,493</b>
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees (a)	-	-	-	-	<b>-</b>	119	-	-	-	<b>119</b>	<b>119</b>
- Distribution to Stapled Securityholders (d)	(793)	-	-	(40,827)	<b>(41,620)</b>	-	-	-	(2,476)	<b>(2,476)</b>	<b>(44,096)</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>	1,700	-	-	(40,827)	<b>(39,127)</b>	119	-	-	(2,476)	<b>(2,357)</b>	<b>(41,484)</b>
<b>Balance as at 30 September 2016</b>	1,164,348	(23,921)	(28,602)	442,942	<b>1,554,767</b>	760	(121)	799	(3,542)	<b>(2,104)</b>	<b>1,550,225</b>

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1 (d)(iv) Statement of Movements in Unitholders’ funds for the period from 1 January 2016 to 30 September 2016

	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/ (Losses) 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 in net assets resulting from operations	-	-	-	63,183	<b>63,183</b>	-	-	-	649	<b>649</b>	<b>61,367</b>
<b>Movements in foreign currency translation reserve</b>											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	201	-	<b>201</b>	-	-	772	-	<b>772</b>	<b>1,000</b>
- Exchange differences on hedge of net investment in a foreign operation	-	-	(376)	-	<b>(376)</b>	-	-	-	-	-	<b>(376)</b>
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	4,525	-	<b>4,525</b>	-	-	-	-	-	<b>4,525</b>
<b>Increase in foreign currency translation reserve</b>	-	-	4,350	-	<b>4,350</b>	-	-	772	-	<b>772</b>	<b>5,149</b>
<b>Stapled securityholders’ transactions</b>											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 7,299	-	-	-	<b>7,299</b>	-	-	-	-	-	<b>7,299</b>
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees	(a) -	-	-	-	-	260	-	-	-	<b>260</b>	<b>260</b>
- Distribution to Stapled Securityholders	(d) (1,881)	-	-	(92,857)	<b>(94,738)</b>	-	-	-	(2,476)	<b>(2,476)</b>	<b>(97,214)</b>
<b>Increase/(decrease) in net assets resulting from stapled securityholders’ transactions</b>	5,418	-	-	(92,857)	<b>(87,439)</b>	260	-	-	(2,476)	<b>(2,216)</b>	<b>(89,655)</b>
<b>Balance as at 30 September 2016</b>	1,164,348	(23,921)	(28,602)	442,942	<b>1,554,767</b>	760	(121)	799	(3,542)	<b>(2,104)</b>	<b>1,550,225</b>



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**Footnotes**

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. The Stapled Securities for H-REIT Manager’s base fee will be issued within 30 days from the end of the quarter while the Stapled Securities for H-REIT Manager and HBT Trustee-manager’s performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*
- (b) *Distribution to Stapled Securityholders in respect of the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017, which includes a capital distribution of S\$2,156,000 in 3Q 2017 and S\$5,532,000 in YTD Sep 2017.*
- (c) *Non-controlling interest arose from CDLHT’s acquisition of an effective interest of 94.5% in Pullman Hotel Munich on 14 July 2017.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 July 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016, which includes a capital distribution of S\$793,000 in 3Q 2016 and S\$1,881,000 in YTD Sep 2016.*

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

		CDL Hospitality Trusts	
Foot-note		3Q 2017	3Q 2016
	Issued stapled securities at beginning of the period	997,728,708	990,060,500
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	1,548,236	841,325
(b)	- rights issue	199,545,741	-
	Issued stapled securities at end of the period	1,198,822,685	990,901,825
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	2,564,332	3,736,621
	Total issued and issuable stapled securities at end of the period	1,201,387,017	994,638,446

		CDL Hospitality Trusts	
Foot-note		YTD Sep 2017	YTD Sep 2016
	Issued stapled securities at beginning of the period	991,771,059	987,136,888
	Issue of new stapled securities:		
	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	7,505,885	3,764,937
(b)	- rights issue	199,545,741	-
	Issued stapled securities at end of the period	1,198,822,685	990,901,825
	Stapled securities to be issued:		
(a)	- as payment of H-REIT Manager’s and HBT Trustee-Manager’s management fees	2,564,332	3,736,621
	Total issued and issuable stapled securities at end of the period	1,201,387,017	994,638,446

**Footnotes**

(a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for 3Q 2017 and YTD Sep 2017 is 2.6 million Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

(b) *An additional 199,545,741 Stapled Securities have been issued on 2 August 2017, following the closing of the Rights Issue on 24 July 2017.*

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

The figures have not been audited but have been extracted from the financial information for the nine months ended 30 September 2017 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 2016 except as explained in section 5 below.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

On 1 January 2017, the H-REIT Group, the HBT Group and CDLHT (collectively, the “Group”) changed their accounting policy with respect to the subsequent measurement of freehold land, leasehold land and buildings included as part of property, plant and equipment from the cost model to the revaluation model. Under the revaluation model, any surplus arising on revaluation is recognised in other comprehensive income or the statement of unitholders’ funds (as the case may be). Any deficit in revaluation arising on revaluation is recognised in profit or loss or the statement of total return (as the case may be) except to the extent that it reverses a previous revaluation on the same asset.

The subsequent measurement of the above asset classes using the revaluation model aligns the policy for such assets with that for properties classified as investment properties, assists users to better understand the risks associated with these assets and provides users with information on the net asset value of the Group that incorporates the latest valuations of their properties classified as property, plant and equipment. This change in accounting policy has been applied prospectively in accordance with FRS 16 *Property, plant and equipment* and FRS 8 *Accounting policies, changes in estimates and errors*.

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

H-REIT Group

A revaluation surplus and deferred tax liabilities of S\$9.7 million and S\$1.8 million respectively, have been recognised in unitholders’ funds.

HBT Group

A revaluation surplus and deferred tax liabilities of S\$3.5 million and S\$0.6 million respectively, have been recognised in other comprehensive income.

CDLHT

A revaluation surplus and deferred tax liabilities of S\$13.2 million and S\$2.4 million respectively, have been recognised in unitholders’ funds.

The additional annual depreciation arising from the adoption of the revaluation model is not material for the Group.

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

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	3Q 2017	3Q 2016 Restated	3Q 2016 Previously reported	YTD Sep 2017	YTD Sep 2016 Restated	YTD Sep 2016 Previously reported
<b>EPS</b>						
<b>Basic EPS</b>						
Weighted average number of Stapled Securities	1,157,030,608	1,024,701,347	990,911,273	1,073,681,949	1,023,812,227	990,051,472
Basic EPS <sup>(a)</sup> (cents)	2.22	2.20	2.28	5.24	5.99	6.20
<b>Diluted EPS</b>						
Weighted average number of Stapled Securities	1,160,382,716	1,028,555,617	994,638,446	1,077,843,227	1,028,555,617	994,638,446
Diluted EPS <sup>(b)</sup> (cents)	2.21	2.19	2.27	5.22	5.97	6.17

	CDL Hospitality Trusts			CDL Hospitality Trusts		
	3Q 2017	3Q 2016 Restated	3Q 2016 Previously reported	YTD Sep 2017	YTD Sep 2016 Restated	YTD Sep 2016 Previously reported
<b>DPS</b>						
Number of Stapled Securities entitled to distribution:						
- in issue	998,480,512	990,901,825	990,901,825	991,771,059	987,136,888	987,136,888
- issuable	796,432	869,234	869,234	7,505,885	4,634,171	4,634,171
- rights issue	199,545,741 <sup>(c)</sup>	33,819,393 <sup>(d)</sup>	-	199,545,741 <sup>(c)</sup>	33,819,393 <sup>(d)</sup>	-
	1,198,822,685	1,025,590,452	991,771,059	1,198,822,685	1,025,590,452	991,771,059
DPS for the period based on the total number of Stapled Securities entitled to the distribution (cents)						
- Taxable income	1.63	1.82	1.88	4.58	5.10	5.27
- Tax exempt income	0.66	0.54	0.56	1.63	1.49	1.54
- Capital distribution	-	-	-	0.18	0.07	0.08
	2.29	2.36	2.44	6.39	6.66	6.89

**Footnotes**

- (a) Basic EPS has been calculated using total return for the period and the weighted average number of Stapled Securities issued and issuable during the period.
- (b) Diluted EPS has been calculated using the weighted average number of Stapled Securities issued and issuable during the period and taking into consideration the number of Stapled Securities to be issued as payment for performance fee.
- (c) On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the Rights Issue. The new Stapled Securities rank pari passu in all respects with the existing Stapled Securities in issue as at the date of issue of the rights Stapled Securities, including the right to distribution.
- (d) The number of Stapled Securities entitled for distribution and DPS have been restated to reflect the effect of the bonus element in the Rights Issue, arising from exercise price being lower than the market price of the Stapled Securities.

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

	CDL Hospitality Trusts	
	30 Sep 2017	31 Dec 2016
Net asset value/net tangible asset attributable to unitholders(S\$'000)	1,771,484	1,546,421
Number of Stapled Securities issued and to be issued at end of the period	1,201,387,017	996,866,018
Net asset value/net tangible asset per Stapled Security (S\$)	1.4745	1.5513

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8 Review of the performance for the third quarter and nine months ended 30 September 2017

8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %
<b>Master leases</b>									
<i>Singapore</i>									
- Hotels	23,147	23,094	0.2	-	-	-	23,147	23,094	0.2
- Claymore Connect	1,717	1,510	13.7	-	-	-	1,717	1,510	13.7
<i>Maldives</i>	2,042	2,025	0.8	-	-	-	2,042	2,025	0.8
<i>Australia</i>	3,677	3,524	4.3	-	-	-	3,677	3,524	4.3
<i>New Zealand</i>	4,379	2,805	56.1	-	-	-	4,379	2,805	56.1
<i>Germany</i>	2,930	-	N.M	-	-	-	2,930	-	N.M
	37,892	32,958	15.0	-	-	-	37,892	32,958	15.0
<b>Managed hotels</b>									
<i>Maldives</i>	568	1,010	(43.8)	3,287	3,854	(14.7)	3,287	3,854	(14.7)
<i>Japan</i>	1,105	1,378	(19.8)	2,345	2,594	(9.6)	2,345	2,594	(9.6)
<i>United Kingdom</i>	-	-	-	11,302	6,002	88.3	11,302	6,002	88.3
	1,673	2,388	(29.9)	16,934	12,450	36.0	16,934	12,450	36.0
<b>Total</b>	39,565	35,346	11.9	16,934	12,450	36.0	54,826	45,408	20.7

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8 (i) Breakdown of Total Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %
<b>Master leases</b>									
<i>Singapore</i>									
- Hotels	66,006	66,327	(0.5)	-	-	-	66,006	66,327	(0.5)
- Claymore Connect	5,088	4,330	17.5	-	-	-	5,088	4,330	17.5
<i>Maldives</i>	6,259	6,175	1.4	-	-	-	6,259	6,175	1.4
<i>Australia</i>	10,913	10,825	0.8	-	-	-	10,913	10,825	0.8
<i>New Zealand</i>	14,457	8,056	79.5	-	-	-	14,457	8,056	79.5
<i>Germany</i>	2,930	-	N.M	-	-	-	2,930	-	N.M
	105,653	95,713	10.4	-	-	-	105,653	95,713	10.4
<b>Managed hotels</b>									
<i>Maldives</i>	2,705	3,590	(24.7)	11,557	13,004	(11.1)	11,557	13,004	(11.1)
<i>Japan</i>	3,931	4,503	(12.7)	7,319	7,769	(5.8)	7,319	7,769	(5.8)
<i>United Kingdom</i>	-	-	-	24,546	16,045	53.0	24,546	16,045	53.0
	6,636	8,093	(18.0)	43,422	36,818	17.9	43,422	36,818	17.9
<b>Total</b>	112,289	103,806	8.2	43,422	36,818	17.9	149,075	132,531	12.5

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %	3Q 2017 S\$'000	3Q 2016 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	21,263	21,048	1.0	-	-	-	21,263	21,048	1.0
- Claymore Connect	1,148	861	33.3	-	-	-	1,148	861	33.3
Maldives (a)	2,078	2,494	(16.7)	18	52	(65.4)	2,096	2,546	(17.7)
Australia	3,677	3,524	4.3	-	-	-	3,677	3,524	4.3
New Zealand (b)	4,379	2,805	56.1	-	-	-	4,379	2,805	56.1
Germany (c)	2,755	-	N.M	-	-	-	2,755	-	N.M
Japan (d)	1,024	1,291	(20.7)	65	(11)	N.M	1,089	1,280	(14.9)
United Kingdom (e)	-	-	-	3,951	2,768	42.7	3,951	2,768	42.7
<b>Total</b>	<b>36,324</b>	<b>32,023</b>	<b>13.4</b>	<b>4,034</b>	<b>2,809</b>	<b>43.6</b>	<b>40,358</b>	<b>34,832</b>	<b>15.9</b>

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	60,351	59,769	1.0	-	-	-	60,351	59,769	1.0
- Claymore Connect	3,209	2,031	58.0	-	-	-	3,209	2,031	58.0
Maldives (a)	7,306	8,279	(11.8)	137	199	(31.2)	7,443	8,478	(12.2)
Australia	10,913	10,825	0.8	-	-	-	10,913	10,825	0.8
New Zealand (b)	14,457	8,056	79.5	-	-	-	14,457	8,056	79.5
Germany (c)	2,755	-	N.M	-	-	-	2,755	-	N.M
Japan (d)	3,687	4,257	(13.4)	28	26	7.7	3,715	4,283	(13.3)
United Kingdom (e)	-	-	-	8,293	6,424	29.1	8,293	6,424	29.1
<b>Total</b>	<b>102,678</b>	<b>93,217</b>	<b>10.1</b>	<b>8,458</b>	<b>6,649</b>	<b>27.2</b>	<b>111,136</b>	<b>99,866</b>	<b>11.3</b>



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**Footnotes**

(a) *The Maldives resorts includes a Master Lease and Managed hotel as follows:*

(i) Master Lease

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

*There is a minimum rent top-up cap of US\$6.0 million and there shall be no further minimum rent top-ups payable by Lessee to Lessor after the cumulative top-ups reach US\$6.0 million. In 3Q 2017 and YTD Sep 2017, the Lessee paid the Lessor a top-up amount of US\$1.1 million and US\$1.3 million (FY 2016: US\$1.0 million) respectively to make up for the shortfall in rent below the minimum rent of US\$6.0 million.*

(ii) Managed hotel

*There is a lease agreement between H-REIT's indirectly wholly-owned subsidiary and CDL HBT Oceanic Maldives Private Limited, HBT's indirect wholly-owned subsidiary. The hotel operator for this resort is AccorHotels.*

*For H-REIT Group, the revenue for 3Q 2017 and YTD Sep 2017 includes S\$0.6 million (US\$0.4 million) and S\$2.7 million (US\$1.9 million) rental income from HBT Group respectively (based on 80% of the gross operating profit of the resort, not exceeding US\$6.0 million per annum or US\$1.2 million per quarter).*

*For HBT Group, the revenue for the reporting period comprises the entire revenue derived from the resort operations of Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi).*

(b) *The New Zealand Hotel was rebranded as Grand Millennium Auckland on 7 September 2016, following the expiry of the existing lease with Rendezvous Hotels (NZ) Limited. Under this lease, H-REIT will receive rent equivalent to the net operating profit of the hotel, subject to a minimum base rent of NZ\$6.0 million per annum.*

(c) *Pullman Hotel Munich was acquired on 14 July 2017 at an effective interest of 94.5%, comprising the hotel and its office and retail components. There is a hotel lease agreement between H-REIT's indirect subsidiary, NKS Hospitality I B.V. (the “Lessor”) and UP Hotel Operations GmbH & Co. KG (the “Lessee”). Under this lease, H-REIT will receive rent of around 90% of the net operating profit of the hotel, subject to a guaranteed fixed rent of EUR 3.6 million per annum.*

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

*For H-REIT Group, the revenue for 3Q 2017 and YTD Sep 2017 includes S\$1.1 million (JPY90.9 million) and S\$3.9 million (JPY317.0 million) net rental income received from HBT Group respectively (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available once the financial results for the fiscal period ended 30 September 2017 are audited and the income ascertained. The fiscal period for the Japan Hotels is set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.*

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(e) *The UK Hotels includes:*

(i) *Hilton Cambridge City Centre*

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

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

(ii) *The Lowry Hotel*

*The Lowry Hotel was acquired on 4 May 2017 and is owned and operated by HBT's indirectly wholly-owned subsidiary.*

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

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

**Third Quarter ended 30 September 2017**

In 3Q 2017, CDLHT recorded a gross revenue of S\$54.8 million, an increase of S\$9.4 million or 20.7% compared to the same period last year. This was underpinned by inorganic contribution from The Lowry Hotel in United Kingdom (S\$5.6 million) and Pullman Hotel Munich in Germany (\$2.9 million) which were acquired on 4 May 2017 and 14 July 2017 respectively. Facilitated by a new lease incorporating more variable rent (which benefitted from the buoyant tourism market), and coupled with continued robust performance, the New Zealand Hotel grew its contribution by S\$1.6 million or 56.1%. The Singapore Hotels and Claymore Connect also reported a modest year-on-year (“yoy”) growth of S\$0.3 million. This income growth was however partially offset by softer trading performance from the Japan and Maldives properties as well as lower contribution from Hilton Cambridge City Centre. In particular, contribution from Hilton Cambridge City Centre in SGD terms was further affected by the weakened GBP.

The trading environment of the Singapore Hotels continued to face price competition from the increased supply of hotel rooms. Notwithstanding a slight drop in RevPAR, there were increased contributions from the Singapore hotels overall.

The Maldives market remained intensely competitive with the increase in new rooms supply whilst tourism demand from China, the top source market, continued to decline. Accordingly, the Group’s Maldives resorts collectively posted a yoy RevPAR decline of 24.6%. The results in 3Q 2017 was also affected by the change in operator for one of its resorts in the Maldives. In consideration for its well-established brand and strong distribution system, AccorHotels commenced operations as the new resort operator for Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels with effect from 1 September 2017. Previously Jumeirah Dhevanafushi, this resort will operate under an individual identity until its relaunch as a Raffles resort following the completion of an asset enhancement program, which is expected to complete in late 2018.

The natural resource market in Australia continued to be subdued while there are increases in new supply of hotels in both Brisbane and Perth. CDLHT continues to receive fixed rent which was bolstered by the strengthening of the Australian dollar.

Tourism arrival to Auckland remains robust, on the back of increased new international air services travel to New Zealand. The New Zealand Hotel’s positive performance was bolstered by higher average room rates as well as volume increases in all segments. Accordingly, the New Zealand Hotel achieved a stellar yoy RevPAR growth of 32.1%.

In Japan, growing hotel supply caused a dilution of average room rate across the market. Though somewhat mitigated by the high occupancy levels recorded, RevPAR for the Group’s Japan Hotels declined by 2.5% yoy due to the lower average room rates secured.

Inbound tourism to the UK, whilst initially boosted by an attractive GBP, was moderated by visitor apprehension following the recent terrorist attacks in the country. Notwithstanding this, Hilton Cambridge City Centre RevPAR performance remained stable yoy, while The Lowry Hotel reported a slight yoy RevPAR improvement of 0.8%<sup>1</sup> although business at The Lowry Hotel was affected by the closure of the Manchester Arena until mid September, which led to some concerts and the attendant room reservations being cancelled.

In Germany, the hotel’s volume strategy mitigated the slight impact of softer demand from the Middle Eastern markets due to Qatar’s dispute with its neighbours. For the reporting quarter, contribution from Pullman Hotel Munich was only for the period 14 July to 30 September 2017 and the full effects of the contribution will only be reflected from next quarter onwards.

<sup>1</sup> The yoy RevPAR comparison assumes that CDLHT owned The Lowry Hotel in 3Q 2016

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In line with the improved overall performance, CDLHT’s net property income<sup>2</sup> for 3Q 2017 increased by S\$5.5 million or 15.9% to S\$40.4 million.

Overall, total income available for distribution (after retention for working capital) of S\$27.4 million<sup>3</sup> for 3Q 2017 was S\$3.2 million or 13.3% higher yoy. The income available for distribution per Stapled Security (after retention for working capital and taking into account the effects of a Rights Issue) for 3Q 2017 was 2.29 cents, 3.0% lower yoy. Excluding the effect of the Rights Issue, the distribution per Stapled Security (after retention for working capital) would have been 2.74 cents, a 12.3% increase from 3Q 2016.

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

	3Q 2017	3Q 2016	Increase/(Decline)
Average Occupancy Rate	88.7%	90.7%	(2.0)pp
Average Daily Rate	S\$187	S\$186	0.8%
RevPAR	S\$166	S\$168	(1.4)%

<sup>2</sup> CDLHT’s net property income is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously Jumeirah Dhevanafushi), the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

<sup>3</sup> The distributable income does not include contribution from the Japan Hotels, which is only available for distribution in 4Q 2017 once the financial results of its Japanese subsidiary for the fiscal period ended 30 September 2017 are audited and the income ascertained.

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**Nine months ended 30 September 2017**

CDLHT achieved gross revenue of S\$149.1 million for YTD Sep 2017, S\$16.5 million or 12.5% higher than the same period last year. This was largely supported by inorganic contribution of S\$12.2 million from both The Lowry Hotel and Pullman Munich Hotel (which were absent last year) and the stellar performance of the New Zealand Hotel, which recorded a revenue growth of S\$6.4 million. Contribution from Claymore Connect was also higher by S\$0.8 million yoy. This improvement was however dampened by weaker contributions from the Singapore and Japan Hotels as well as the Maldives Resorts. In addition, contribution from Hilton Cambridge City Centre in SGD terms was lower due to a weaker GBP. Collectively, these properties recorded a yoy revenue decline of S\$2.9 million or 2.6%.

The Singapore hospitality market continued to be competitive with the new supply coming into the market since early this year and this was compounded by the absence of the Singapore Airshow and Food & Hotel Asia (biennial events which did not occur this year). Despite this, the Singapore Hotels managed to achieve higher occupancies and consequently, overall RevPAR decreased marginally by 1.2% yoy for YTD Sep 2017.

Sustained weakness in travel demand to the Maldives, especially from China, its largest source market, has resulted in acute rate competition as resorts attempted to defend their market share. In addition, there was an increase in new rooms supply in the Maldives. Against this backdrop, the Maldives Resorts posted a yoy RevPAR decline of 15.2% for YTD Sep 2017.

The Australia Hotels received only fixed rent for this year. The predominantly fixed rent structure insulates the Australia Hotels against the vagaries of the hospitality markets in Perth and Brisbane. For YTD Sep 2017, the revenue contribution from the Australian Hotels (in local currency terms) was lower than the same period last year due to the absence of a variable income of S\$0.4 million. This decline was however mitigated by higher recorded contribution (in SGD terms) due to the appreciation of the AUD against SGD.

In New Zealand, YTD Sep 2017 has been a record year for tourism. Buttressed by robust tourist arrivals growth in New Zealand, a strong line-up of sporting events such as the World Masters Games and the British and Irish Lions Rugby Tour and the change in rental structure to include more variable rent, Grand Millennium Auckland achieved a substantial yoy RevPAR increase of 35.3% and its contribution grew by a stellar 79.5% yoy. The improved results were also bolstered by an increase in flight capacity into New Zealand since the beginning of this year.

In Japan, the rapid expansion of local hotel chains, particularly in the budget sector<sup>4</sup>, has led to rising competitiveness and sustained average room rate pressures in the market. Although the Japan Hotels enjoyed strong occupancies, the price sensitivity of the Tokyo accommodation market and the strength of the JPY continued to weigh on the hotels' performance. Consequently, RevPAR for the Japan Hotels was down by 4.7% yoy.

Tourism arrivals to the UK has seen rising numbers in 2017, partially due to the weakened GBP which made travel cheaper for inbound tourists. Although Hilton Cambridge City Centre achieved a RevPAR growth of 5.5% for YTD Sep 2017 its positive performance was mainly diluted by the weaker GBP. Fresh contributions from The Lowry Hotel boosted the overall UK Hotels' contribution from 4 May 2017 (date of acquisition) to 30 September 2017.

Contribution from Pullman Hotel Munich is for the period 14 July to 30 September 2017, and the full effects of the contribution to revenue and net performance income will only be reflected from the next quarter onwards.

Collectively, net property income<sup>5</sup> increased by S\$11.3 million or 11.3% to S\$111.1 million for YTD Sep 2017.

Net finance costs for YTD Sep 2017 was higher than the corresponding period last year, mainly a result of higher foreign exchange losses of S\$4.9 million arising from the repayment of a loan, which does not impact the distributable income of CDLHT.

<sup>4</sup> Savills Spotlight, *Capitalizing on Japan's new tourist trends*, June 2017

<sup>5</sup> Net property income is derived after deducting the operating expenses of Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously Jumeirah Dhevanafushi), the Japan Hotels, the UK Hotels, as well as property tax and insurance expenses of the portfolio.

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Overall, the total income available for distribution (after retention for working capital) of S\$76.4 million<sup>6</sup> for YTD Sep 2017 was S\$8.2 million or 12.0% higher yoy. The income available for distribution per Stapled Security (after retention for working capital and taking into account the effects of the Rights Issue) for YTD Sep 2017 was 6.39 cents, 4.1% lower yoy. Excluding the effect of the Rights Issue, the distribution per Stapled Security (after retention) would have been 7.65 cents, 11.0% increase yoy from YTD Sep 2016.

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

	YTD Sep 2017	YTD Sep 2016	Increase/(Decline)
Average Occupancy Rate	87.8%	86.0%	1.8pp
Average Daily Rate	S\$182	S\$188	(3.2)%
RevPAR	S\$160	S\$162	(1.2)%

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

No forecast has been disclosed.

<sup>6</sup> The distributable income does not include contribution from the Japan Hotels, which is only available for distribution in 4Q 2017 once the financial results of its Japanese subsidiary for the fiscal period ended 30 September 2017 are audited and the income ascertained.

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

Visitor arrivals to Singapore increased 4.0% yoy to 11.7 million for the first eight months of 2017, mainly due to an increase in arrivals from China and India<sup>1</sup>. The recent extension of the F1 Singapore Grand Prix to 2021<sup>2</sup> and successful growth of Singapore’s MICE pipeline up to 2024, most of which are inaugural events in the region, continue to enhance Singapore’s position as a vibrant events destination. These events include major world congresses from the medical and industrial solutions sectors, as well as travel and technology to F&B tradeshows<sup>3</sup>. However in the near term, room rates are likely to remain competitive with the net supply for hotel inventory estimated to increase by 2,517<sup>4</sup> rooms in 2017, representing approximately 3.9% of existing room stock. For the first 25 days of October 2017, RevPAR for the Singapore Hotels decreased by 1.1% as compared to the same period last year.

The tourism sector in New Zealand is expected to remain buoyant with international visitor arrivals increasing 7.4% yoy to a record 2.6 million<sup>5</sup> for the first nine months of 2017.

While tourism demand in Japan continues to be healthy with a 17.9% yoy increase in visitor arrivals to 21.2 million for the first nine months of 2017<sup>6</sup>, increasing competition in Tokyo’s economy hotel market may moderate performance in the near term.

In the Maldives, the increase in new rooms supply, which has intensified price competition amongst resorts, coupled with the decline in visitor arrivals from China, continue to affect trading conditions.

Tourism demand is healthy in the United Kingdom with visitor arrivals increasing 8.3% for the first seven months of 2017<sup>7</sup>, driven in part by the relatively weaker Sterling pound<sup>8</sup>. While total arrivals are expected to grow by 6.0% in 2017<sup>9</sup>, economic and political uncertainty may weigh on corporate demand<sup>10</sup>.

Business optimism in Germany remains strong<sup>11</sup> and total visitor arrivals to Munich increased by 11.2% yoy for the first eight months of 2017<sup>12</sup>. Looking ahead, while there is an increase in new rooms supply in the city, the strong pipeline of trade shows over the next two years<sup>13</sup> will be supportive for the Munich hospitality market.

The restaurant in Orchard Hotel, Hua Ting, is undergoing renovation and is expected to re-open by December 2017. Refurbishment works are being planned for the guest rooms in one wing of the hotel in mid-December 2017 and are expected to be completed by April 2018. While the hotel faces some disruption and revenue loss in the short term, the completed refurbishment exercise will improve overall guest experience and enhance the competitiveness of the asset.

On 1 September 2017, CDLHT transitioned one of the Maldives Resorts to a new operator, AccorHotels, which following enhancements in late 2018, will be repositioned to join the iconic collection of Raffles Hotels and Resorts. This transition process will lead to sub-optimal revenue contribution until the asset enhancement and full re-branding exercise is completed. A refurbishment exercise is also being planned for Angsana Velavaru, CDLHT’s other Maldives resort, in the low season of 2018 to upgrade 28 land villas to strengthen the resort’s product offering and market positioning.

With an enlarged debt headroom and strengthened balance sheet from the recently completed equity fund raising exercise, CDLHT will continue to actively pursue suitable acquisitions and asset enhancement initiatives to diversify and augment its income streams.

<sup>1</sup> Singapore Tourism Board (“STB”)

<sup>2</sup> STB, “Singapore to host the Formula 1 World Championship until 2021”, 15 September 2017

<sup>3</sup> STB, “Singapore maintains robust pipeline of business event notable events secured for the first time”, 28 September 2017

<sup>4</sup> Based on Horwath data (July 2017) and CDLHT research

<sup>5</sup> Tourism – Statistics New Zealand

<sup>6</sup> Japan National Tourism Organization

<sup>7</sup> International Passenger Survey, Office for National Statistics

<sup>8</sup> The Guardian, “UK draws record overseas tourists after pound’s Brexit plunge”, 22 September 2017

<sup>9</sup> 2017 Inbound Tourism Forecast – VisitBritain

<sup>10</sup> IHS Markit / CIPS UK Services PMI, “Business activity growth edges up from August’s recent low”, 4 October 2017

<sup>11</sup> IHS Markit Flash Germany PMI, “German PMI rises to six-and-a-half year high as manufacturing booms”, 22 September 2017

<sup>12</sup> Muenchen.de

<sup>13</sup> Events Eye

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**11 Distributions**

**11 (a) Current financial period**

Any distributions declared for the current financial period?

No.

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

Any distributions declared for the current financial period?

No.

**11 (c) Book closure date**

Not applicable.

**11 (d) Date payable**

Not applicable.

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

Not applicable.

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

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

**14 Confirmation pursuant to Rule 705(5) of the Listing Manual**

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the nine months ended 30 September 2017 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.



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**16 Use of Rights Issue Proceeds**

On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the Rights Issue that raised total gross proceeds of S\$255.4 million. The utilisation of the proceeds from the Rights Issue have been announced on the SGX-ST on 2 August 2017, 3 August 2017 and 24 August 2017<sup>1</sup>.

Following these announcements, the proceeds from the Rights Issue have been fully utilised.

On behalf of the Board of Directors

WONG HONG REN  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

27 October 2017

<sup>1</sup> Please refer to the announcements dated 2 August 2017, 3 August 2017 and 24 August 2017 on SGX-ST for further details.

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**IMPORTANT NOTICE**

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

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

*Nothing in this announcement constitutes an offer of any securities in the United States or elsewhere. The rights Stapled Securities have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of that Act. No public offer of the rights Stapled Securities has been or will be made in the United States.*

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

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

By Order of the Board

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

27 October 2017

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)

27 October 2017



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

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

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

27 October 2017

Dear Sirs

## **CDL Hospitality Trusts**

### **Report on review of interim financial information**

#### ***Introduction***

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of CDL Hospitality Trusts ("CDLHT") for the nine-month period ended 30 September 2017. CDLHT comprises CDL Hospitality Real Estate Investment Trust and its subsidiaries and CDL Hospitality Business Trust and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of CDLHT as at 30 September 2017;
- Portfolio statement of CDLHT as at 30 September 2017;
- Statement of total return of CDLHT for the nine-month period ended 30 September 2017;
- Statement of movements in unitholders' funds of CDLHT for the nine-month period ended 30 September 2017;
- Statement of cash flows of CDLHT for the nine-month period ended 30 September 2017; and
- Certain explanatory notes to the above Interim Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***Scope of review***

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

***Conclusion***

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

***Restriction on use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting CDLHT to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in CDLHT's announcement of its financial statements for the information of the holders of its Stapled Securities. We do not assume responsibility to parties other than CDLHT for our work, for our report, or for the conclusions we have reached in our report.

**KPMG LLP**

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

**Singapore**  
27 October 2017