



CDL HOSPITALITY TRUSTS

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

Condensed interim financial statements  
For the six-months and full year ended 31 December 2021

**Statements of Financial Position**  
**As at 31 December 2021**

	Note	HBT Group		H-REIT Group		Stapled Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current assets</b>							
Investment properties	3	–	–	2,419,305	2,403,183	1,921,748	1,978,356
Investment property under development	4	27,661	–	–	–	27,661	–
Property, plant and equipment	5	334,284	279,605	72,631	80,822	792,701	709,039
Finance lease receivables		–	–	1,803	4,098	1,803	4,098
Deferred tax assets		163	163	789	835	952	998
Financial derivative assets		–	–	4,762	–	4,762	–
Other receivables		212	212	72,845	10,264	361	361
		<u>362,320</u>	<u>279,980</u>	<u>2,572,135</u>	<u>2,499,202</u>	<u>2,749,988</u>	<u>2,692,852</u>
<b>Current assets</b>							
Inventories		2,403	1,947	–	–	2,403	1,947
Finance lease receivables		–	–	395	825	395	825
Trade and other receivables		22,340	15,704	35,148	59,974	28,876	27,733
Cash and cash equivalents		32,327	17,532	107,137	113,570	139,464	131,102
		<u>57,070</u>	<u>35,183</u>	<u>142,680</u>	<u>174,369</u>	<u>171,138</u>	<u>161,607</u>
<b>Total assets</b>		<u>419,390</u>	<u>315,163</u>	<u>2,714,815</u>	<u>2,673,571</u>	<u>2,921,126</u>	<u>2,854,459</u>
<b>Non-current liabilities</b>							
Loans and borrowings	6	139,600	190,318	750,259	719,565	768,284	831,471
Financial derivative liabilities		–	–	948	13,707	948	13,707
Other payables		92	–	10,927	10,815	11,019	10,815
Deferred tax liabilities		13,939	10,851	6,703	11,298	21,672	22,149
		<u>153,631</u>	<u>201,169</u>	<u>768,837</u>	<u>755,385</u>	<u>801,923</u>	<u>878,142</u>
<b>Current liabilities</b>							
Loans and borrowings	6	176,819	14,140	324,655	291,651	422,888	291,876
Trade and other payables		49,891	57,965	31,750	33,957	45,195	43,978
Provision for taxation		65	1,021	8,429	11,707	8,494	12,728
		<u>226,775</u>	<u>73,126</u>	<u>364,834</u>	<u>337,315</u>	<u>476,577</u>	<u>348,582</u>
<b>Total liabilities</b>		<u>380,406</u>	<u>274,295</u>	<u>1,133,671</u>	<u>1,092,700</u>	<u>1,278,500</u>	<u>1,226,724</u>
<b>Net assets</b>		<u>38,984</u>	<u>40,868</u>	<u>1,581,144</u>	<u>1,580,871</u>	<u>1,642,626</u>	<u>1,627,735</u>

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

**Statements of Financial Position (cont'd)**  
**As at 31 December 2021**

	Note	HBT Group		H-REIT Group		Stapled Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Represented by:							
<b>Unitholders' funds</b>		38,984	40,868	1,573,852	1,573,044	1,635,334	1,619,908
<b>Non-controlling interests</b>		–	–	7,292	7,827	7,292	7,827
		<u>38,984</u>	<u>40,868</u>	<u>1,581,144</u>	<u>1,580,871</u>	<u>1,642,626</u>	<u>1,627,735</u>
<b>Units/Stapled Securities in issue ('000)</b>	7	<u>1,230,012</u>	<u>1,221,499</u>	<u>1,230,012</u>	<u>1,221,499</u>	<u>1,230,012</u>	<u>1,221,499</u>
<b>Net asset value/Net tangible asset per Unit/ Stapled Security (\$)</b>	8	<u>0.0316</u>	<u>0.0333</u>	<u>1.28</u>	<u>1.28</u>	<u>1.33</u>	<u>1.32</u>

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

**Statement of Profit or Loss of the HBT Group**  
**Statements of Total Return of the H-REIT Group and the Stapled Group**  
**Six-month period ended 31 December 2021**

	Note	HBT Group		H-REIT Group		Stapled Group	
		Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000
<b>Revenue</b>	9	52,340	26,872	49,879	46,958	91,499	65,499
<b>Property expenses</b>							
Operations and maintenance expenses		(18,132)	(5,753)	–	–	(18,132)	(5,753)
Employee benefit expenses		(10,607)	(7,780)	–	–	(10,607)	(7,780)
Rental expenses		(4,294)	(5,056)	–	–	105	(139)
Property tax		(504)	460	(1,497)	(2,633)	(2,001)	(2,173)
Other property expenses		(9,666)	(6,643)	5,925	(3,407)	(11,731)	(10,050)
		<u>(43,203)</u>	<u>(24,772)</u>	<u>4,428</u>	<u>(6,040)</u>	<u>(42,366)</u>	<u>(25,895)</u>
<b>Net property income</b>		9,137	2,100	54,307	40,918	49,133	39,604
H-REIT Manager's management fee	10	–	–	(5,581)	(5,094)	(5,581)	(5,094)
H-REIT Trustee's fee		–	–	(182)	(204)	(182)	(204)
HBT Trustee-Manager's management fee	10	(575)	(262)	–	–	(575)	(262)
HBT Trustee-Manager's trustee fee		(131)	(105)	–	–	(131)	(105)
Valuation fee		(33)	13	(50)	(83)	(83)	(70)
Depreciation		(8,780)	(6,111)	(819)	(955)	(11,321)	(10,207)
Other expenses		(223)	(105)	5,447	(4,969)	(2,227)	(5,075)
Finance income		1,174	–	10,150	15,836	10,026	18,749
Finance costs		(4,252)	(4,628)	(18,555)	(24,751)	(21,823)	(26,534)
Net finance costs	11	<u>(3,078)</u>	<u>(4,628)</u>	<u>(8,405)</u>	<u>(8,915)</u>	<u>(11,797)</u>	<u>(7,785)</u>
<b>Net (loss)/income before fair value adjustment</b>		(3,683)	(9,098)	44,717	20,698	17,236	10,802
Loss on disposal of investment properties and related cessation of business of foreign operation		–	–	–	(8,951)	–	(8,795)
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment		4,460	(13,581)	911	(1,454)	13,337	(51,568)
Net fair value gain/(loss) on investment properties and investment property under development		438	–	18,237	(181,055)	30,509	(133,955)
<b>Profit/(Loss)/Total return for the period before tax</b>		1,215	(22,679)	63,865	(170,762)	61,082	(183,516)
Tax (expense)/credit	12	<u>(276)</u>	<u>2,432</u>	<u>557</u>	<u>(3,672)</u>	<u>(779)</u>	<u>(1,240)</u>
<b>Profit/(Loss)/Total return for the period</b>	13	<u>939</u>	<u>(20,247)</u>	<u>64,422</u>	<u>(174,434)</u>	<u>60,303</u>	<u>(184,756)</u>
<b>Profit/(Loss)/Total return attributable to:</b>							
Unitholders		939	(20,247)	64,638	(173,347)	60,519	(183,669)
Non-controlling interests		–	–	(216)	(1,087)	(216)	(1,087)
		<u>939</u>	<u>(20,247)</u>	<u>64,422</u>	<u>(174,434)</u>	<u>60,303</u>	<u>(184,756)</u>
<b>Earnings per Stapled Security (cents)</b>	14						
Basic						<u>4.92</u>	<u>(15.01)</u>
Diluted						<u>4.91</u>	<u>(15.01)</u>

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

**Statement of Comprehensive Income of the HBT Group**  
**Six-month period ended 31 December 2021**

	<b>HBT Group</b>	
	<b>Six-month period ended 31/12/2021</b>	<b>Six-month period ended 31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit/(loss) for the period</b>	939	(20,247)
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation surplus/(deficit) on property, plant and equipment	7,642	(4,338)
Tax effect on revaluation of property, plant and equipment	(2,031)	3,083
	5,611	(1,255)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Translation differences relating to financial statements of foreign subsidiaries	(2,337)	4,303
Exchange differences on monetary items forming part of net investment in foreign operations	(2,385)	3,747
Exchange differences on hedge of net investments in foreign operations	1,651	(2,653)
	(3,071)	5,397
<b>Other comprehensive income for the period, net of tax</b>	2,540	4,142
<b>Total comprehensive income for the period</b>	3,479	(16,105)

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**Statement of Profit or Loss of the HBT Group**  
**Statements of Total Return of the H-REIT Group and the Stapled Group**  
**Year ended 31 December 2021**

	Note	HBT Group		H-REIT Group		Stapled Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Revenue</b>	9	80,867	37,869	94,200	90,733	157,724	117,558
<b>Property expenses</b>							
Operations and maintenance expenses		(24,867)	(9,172)	–	–	(24,867)	(9,172)
Employee benefit expenses		(20,419)	(12,900)	–	–	(20,419)	(12,900)
Rental expenses		(6,333)	(5,743)	–	–	241	(211)
Property tax		255	(143)	(4,841)	(5,890)	(4,586)	(6,033)
Other property expenses		(16,241)	(10,691)	(13,508)	(9,226)	(21,983)	(19,917)
		<u>(67,605)</u>	<u>(38,649)</u>	<u>(18,349)</u>	<u>(15,116)</u>	<u>(71,614)</u>	<u>(48,233)</u>
<b>Net property income/(loss)</b>		13,262	(780)	75,851	75,617	86,110	69,325
H-REIT Manager's management fee	10	–	–	(9,458)	(10,128)	(9,458)	(10,128)
H-REIT Trustee's fee		–	–	(362)	(407)	(362)	(407)
HBT Trustee-Manager's management fee	10	(854)	(559)	–	–	(854)	(559)
HBT Trustee-Manager's trustee fee		(243)	(224)	–	–	(243)	(224)
Valuation fee		(47)	(8)	(136)	(179)	(183)	(187)
Depreciation	5	(15,942)	(11,031)	(1,671)	(1,901)	(21,453)	(16,190)
Other expenses		(556)	(358)	(3,444)	(8,066)	(4,000)	(8,424)
Finance income		–	23	17,891	19,202	17,667	20,634
Finance costs		(8,255)	(7,103)	(36,464)	(41,169)	(39,428)	(44,599)
Net finance costs	11	<u>(8,255)</u>	<u>(7,080)</u>	<u>(18,573)</u>	<u>(21,967)</u>	<u>(21,761)</u>	<u>(23,965)</u>
<b>Net (loss)/income before fair value adjustment</b>		(12,635)	(20,040)	42,207	32,969	27,796	9,241
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment		4,460	(13,581)	911	(1,454)	13,337	(51,568)
Net fair value gain/(loss) on investment properties and investment property under development		438	–	18,237	(181,055)	30,509	(133,955)
Loss on disposal of investment properties and related cessation of business of foreign operations		–	–	–	(8,951)	–	(8,795)
<b>Loss/Total return for the year before tax</b>		(7,737)	(33,621)	61,355	(158,491)	71,642	(185,077)
Tax (expense)/credit	12	(689)	2,092	(2,092)	(6,150)	(3,841)	(4,058)
<b>Loss/Total return for the year</b>	13	<u>(8,426)</u>	<u>(31,529)</u>	<u>59,263</u>	<u>(164,641)</u>	<u>67,801</u>	<u>(189,135)</u>
<b>Loss/Total return attributable to:</b>							
Unitholders		(8,426)	(31,529)	59,396	(163,521)	67,934	(188,015)
Non-controlling interests		–	–	(133)	(1,120)	(133)	(1,120)
		<u>(8,426)</u>	<u>(31,529)</u>	<u>59,263</u>	<u>(164,641)</u>	<u>67,801</u>	<u>(189,135)</u>
<b>Earnings per Stapled Security (cents)</b>							
Basic	14					5.53	(15.41)
Diluted						5.51	(15.41)

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

**Statement of Comprehensive Income of the HBT Group**  
**Year ended 31 December 2021**

	<b>HBT Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loss for the year</b>	(8,426)	(31,529)
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation surplus/(deficit) on property, plant and equipment	7,642	(4,338)
Tax effect on revaluation of property, plant and equipment	(2,023)	3,102
	<u>5,619</u>	<u>(1,236)</u>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Translation differences relating to financial statements of foreign subsidiaries	(202)	2,418
Exchange differences on monetary items forming part of net investment in foreign operations	981	2,226
Exchange differences on hedge of net investments in foreign operations	(539)	(1,347)
	<u>240</u>	<u>3,297</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>5,859</u>	<u>2,061</u>
<b>Total comprehensive income for the year</b>	<u>(2,567)</u>	<u>(29,468)</u>

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

**Statements of Movements in Unitholders' Funds**  
**Year ended 31 December 2021**

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling interests \$'000	Total \$'000	Attributable to Stapled Security-holders \$'000	Non-controlling interests \$'000	Total \$'000
<b>At 1 January 2021</b>	111,264	(121)	11,255	6,449	(87,979)	40,868	1,573,044	7,827	1,580,871	1,619,908	7,827	1,627,735
<b>Operations</b>												
- (Decrease)/Increase in net assets resulting from operations	-	-	-	-	(8,426)	(8,426)	59,396	(133)	59,263	67,934	(133)	67,801
<b>Revaluation reserve</b>												
- Revaluation surplus/(deficit) on property, plant and equipment	-	-	7,642	-	-	7,642	(1,058)	-	(1,058)	7,246	-	7,246
- Tax effect on revaluation of property, plant and equipment	-	-	(2,023)	-	-	(2,023)	(13)	-	(13)	(2,035)	-	(2,035)
<b>Foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(202)	-	(202)	(8,932)	(434)	(9,366)	(9,200)	(434)	(9,634)
- Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	981	-	981	(1,354)	-	(1,354)	(373)	-	(373)
- Exchange differences on hedge of net investments in foreign operations	-	-	-	(539)	-	(539)	2,317	-	2,317	719	-	719
<b>Other comprehensive income</b>	-	-	5,619	240	-	5,859	(9,040)	(434)	(9,474)	(3,643)	(434)	(4,077)
<b>Total comprehensive income</b>	-	-	5,619	240	(8,426)	(2,567)	50,356	(567)	49,789	64,291	(567)	63,724
<b>Balance carried forward</b>	111,264	(121)	16,874	6,689	(96,405)	38,301	1,623,400	7,260	1,630,660	1,684,199	7,260	1,691,459

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

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Year ended 31 December 2021**

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000
<b>Balance brought forward</b>	111,264	(121)	16,874	6,689	(96,405)	38,301	1,623,400	7,260	1,630,660	1,684,199	7,260	1,691,459
<b>Transactions with owners, recorded directly in equity</b>												
- Distributions to holders of Stapled Securities	-	-	-	-	-	-	(57,114)	-	(57,114)	(57,114)	-	(57,114)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	-	-	-	-	-	-	7,566	-	7,566	7,566	-	7,566
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee- Manager's management fee	683	-	-	-	-	683	-	-	-	683	-	683
- Capital contribution from non-controlling interest	-	-	-	-	-	-	-	32	32	-	32	32
<b>Total transactions with owners</b>	683	-	-	-	-	683	(49,548)	32	(49,516)	(48,865)	32	(48,833)
<b>At 31 December 2021</b>	<b>111,947</b>	<b>(121)</b>	<b>16,874</b>	<b>6,689</b>	<b>(96,405)</b>	<b>38,984</b>	<b>1,573,852</b>	<b>7,292</b>	<b>1,581,144</b>	<b>1,635,334</b>	<b>7,292</b>	<b>1,642,626</b>

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

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Year ended 31 December 2021**

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Securityholders \$'000	Non- controlling interests \$'000	Total \$'000	Attributable to Stapled Securityholders \$'000	Non- controlling interests \$'000	Total \$'000
<b>At 1 January 2020</b>	113,517	(121)	12,491	3,152	(56,080)	72,959	1,780,289	8,316	1,788,605	1,854,171	8,316	1,862,487
<b>Operations</b>												
- Decrease in net assets resulting from operations	-	-	-	-	(31,529)	(31,529)	(163,521)	(1,120)	(164,641)	(188,015)	(1,120)	(189,135)
<b>Revaluation reserve</b>												
- Revaluation deficit on property, plant and equipment	-	-	(4,338)	-	-	(4,338)	(5,605)	-	(5,605)	(9,468)	-	(9,468)
- Tax effect on revaluation of property, plant and equipment	-	-	3,102	-	-	3,102	1,275	-	1,275	4,377	-	4,377
<b>Foreign currency translation reserve</b>												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	2,418	-	2,418	5,758	631	6,389	8,100	631	8,731
- Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	2,226	-	2,226	4,237	-	4,237	6,463	-	6,463
- Exchange differences on hedge of net investments in foreign operations	-	-	-	(1,347)	-	(1,347)	(953)	-	(953)	(4,661)	-	(4,661)
- Exchange differences transferred to statement of total return upon disposal of investment properties and related cessation of business of foreign operations	-	-	-	-	-	-	15,359	-	15,359	15,359	-	15,359
<b>Other comprehensive income</b>	-	-	(1,236)	3,297	-	2,061	20,071	631	20,702	20,170	631	20,801
<b>Total comprehensive income</b>	-	-	(1,236)	3,297	(31,529)	(29,468)	(143,450)	(489)	(143,939)	(167,845)	(489)	(168,334)
<b>Balance carried forward</b>	113,517	(121)	11,255	6,449	(87,609)	43,491	1,636,839	7,827	1,644,666	1,686,326	7,827	1,694,153

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**Statements of Movements in Unitholders' Funds (cont'd)**  
**Year ended 31 December 2021**

	----- HBT Group -----					----- H-REIT Group -----			----- Stapled Group -----			
	Units in issue and to be issued \$'000	Issue expenses \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000	Attributable to Stapled Security- holders \$'000	Non- controlling interests \$'000	Total \$'000
<b>Balance brought forward</b>	113,517	(121)	11,255	6,449	(87,609)	43,491	1,636,839	7,827	1,644,666	1,686,326	7,827	1,694,153
<b>Transactions with owners, recorded directly in equity</b>												
- Distributions to holders of Stapled Securities	(2,700)	-	-	-	(370)	(3,070)	(74,328)	-	(74,328)	(77,398)	-	(77,398)
- Units/Stapled Securities issued and to be issued as payment of H-REIT Manager's management fee	-	-	-	-	-	-	10,533	-	10,533	10,533	-	10,533
- Units/Stapled Securities issued and to be issued as payment of HBT Trustee- Manager's management fee	447	-	-	-	-	447	-	-	-	447	-	447
<b>Total transactions with owners</b>	(2,253)	-	-	-	(370)	(2,623)	(63,795)	-	(63,795)	(66,418)	-	(66,418)
<b>At 31 December 2020</b>	111,264	(121)	11,255	6,449	(87,979)	40,868	1,573,044	7,827	1,580,871	1,619,908	7,827	1,627,735

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

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

**Distribution Statement**  
**Six months period ended 31 December 2021**

	Note	<b>Stapled Group</b>	
		<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>
<b>Amount available for distribution to holders of Stapled Securities at the beginning of the period</b>		13,975	17,504
Total return of H-REIT	13 (ii)	16,971	(120,444)
Loss of HBT	13 (ii)	(11,503)	(21,702)
Net tax adjustments (Note A)		19,205	166,653
		24,673	24,507
Less: Amount retained for working capital		(2,468)	(2,451)
Add: Capital distribution		15,398	20,000
Amount available for distribution to holders of Stapled Securities		<u>51,579</u>	<u>59,560</u>
Distribution to holders of Stapled Securities:			
Distribution of 1.51 cents per Stapled Security for the period from 1/1/2020 to 30/6/2020		–	(18,422)
Distribution of 1.22 cents per Stapled Security for the period from 1/1/2021 to 30/6/2021		(14,991)	–
		<u>(14,991)</u>	<u>(18,422)</u>
<b>Amount available for distribution to holders of Stapled Securities at the end of the period</b>		<u>36,587</u>	<u>41,138</u>
Distribution per Stapled Security (DPS) (cents)		<u>3.06</u>	<u>3.44</u>
<b>Note A – Net tax adjustments comprise:</b>			
Non-tax deductible/(chargeable) items:			
- Amortisation of transaction costs		760	724
- Fair value (gain)/loss on financial derivatives		(9,972)	13,912
- Income in relation to gain on disposal of an investment property		–	(5,040)
- Financial expense arising from accretion of non-current rental deposits measured at amortised cost		126	121
- Foreign exchange loss/(gain)		7,686	(19,091)
- Impairment loss on investment in subsidiaries		16,558	66,274
- H-REIT Manager's management fee paid/payable in Stapled Securities		4,464	4,076
- H-REIT Trustee's fee		182	204
- HBT Trustee-Manager's management fee paid/payable in Stapled Securities		460	210
- HBT Trustee-Manager's trustee fee		131	105
- Net fair value (gain)/loss on investment properties		(3,447)	105,302
- Other items		2,257	(144)
Net tax adjustments		<u>19,205</u>	<u>166,653</u>

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

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

**Distribution Statement**  
**Year ended 31 December 2021**

	Note	Stapled Group	
		2021 \$'000	2020 \$'000
<b>Amount available for distribution to holders of Stapled Securities at the beginning of the year</b>		41,138	58,128
Total return of H-REIT	13 (ii)	31,485	(111,851)
Loss of HBT	13 (ii)	(13,468)	(23,012)
Net tax adjustments (Note A)		23,278	179,761
		41,295	44,898
Less: Amount retained for working capital		(4,130)	(4,490)
Add: Capital distribution		15,398	20,000
Amount available for distribution to holders of Stapled Securities		<u>93,701</u>	<u>118,536</u>
Distribution to holders of Stapled Securities:			
Distribution of 4.86 cents per Stapled Security for the period from 1/7/2019 to 31/12/2019		–	(58,976)
Distribution of 1.51 cents per Stapled Security for the period from 1/1/2020 to 30/6/2020		–	(18,422)
Distribution of 3.44 cents per Stapled Security for the period from 1/7/2020 to 31/12/2020		(42,123)	–
Distribution of 1.22 cents per Stapled Security for the period from 1/1/2021 to 30/6/2021		(14,991)	–
		<u>(57,114)</u>	<u>(77,398)</u>
<b>Amount available for distribution to holders of Stapled Securities at the end of the year</b>		<u>36,587</u>	<u>41,138</u>
Distribution per Stapled Security (DPS) (cents)		<u>4.27</u>	<u>4.95</u>
<b>Note A – Net tax adjustments comprise:</b>			
Non-tax deductible/(chargeable) items:			
- Amortisation of transaction costs		1,490	1,377
- Fair value (gain)/loss on financial derivatives		(17,520)	19,590
- Income in relation to gain on disposal of an investment property		–	(5,040)
- Financial expense arising from accretion of non-current rental deposits measured at amortised cost		251	241
- Foreign exchange loss/(gain)		12,917	(20,286)
- Impairment loss on investment in subsidiaries		16,558	66,274
- H-REIT Manager's management fee paid/payable in Stapled Securities		7,566	8,103
- H-REIT Trustee's fee		362	407
- HBT Trustee-Manager's management fee paid/payable in Stapled Securities		683	447
- HBT Trustee-Manager's trustee fee		243	224
- Net fair value (gain)/loss on investment properties		(3,447)	105,302
- Other items		4,175	3,122
Net tax adjustments		<u>23,278</u>	<u>179,761</u>

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

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

**Portfolio Statements**  
**As at 31 December 2021**  
**H-REIT Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> \$'000	Carrying value at 31/12/2020 <sup>(1)</sup> \$'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
<b><u>Investment properties</u></b>									
<i>Singapore</i>									
Orchard Hotel	Freehold <sup>(2)</sup>	75 years	60 years	442 Orchard Road	Hotel	443,000	443,000	28.0	28.0
Claymore Connect	Freehold <sup>(2)</sup>	75 years	60 years	442 Orchard Road	Retail	88,000	88,000	5.6	5.6
Grand Copthorne Waterfront Hotel	Freehold <sup>(2)</sup>	75 years	60 years	392 Havelock Road	Hotel	356,000	354,000	22.5	22.4
M Hotel	Freehold <sup>(2)</sup>	75 years	60 years	81 Anson Road	Hotel	239,000	237,000	15.1	15.0
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	45 years	403 Havelock Road	Hotel	115,000	114,000	7.3	7.2
Studio M Hotel	Leasehold	99 years from 26 February 2007	84 years	3 Nanson Road	Hotel	166,000	166,000	10.5	10.5
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	84 years	21 Ocean Way	Hotel	366,467	365,581	23.2	23.1
Balance carried forward						1,773,467	1,767,581	112.2	111.8

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

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**  
**H-REIT Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> \$'000	Carrying value at 31/12/2020 <sup>(1)</sup> \$'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
Balance brought forward						1,773,467	1,767,581	112.2	111.8
<b>Germany</b>									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	159,591	171,479	10.1	10.8
<b>Italy</b>									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	61,782	65,604	3.9	4.2
<b>New Zealand</b>									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	212,152	186,657	13.4	11.8
<b>Australia</b>									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	28,429	30,345	1.8	1.9
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	42,643	45,517	2.7	2.9
<b>Maldives</b>									
Angsana Velavaru	Leasehold	50 years from 26 August 1997	26 years	South Nilandhe Atoll	Resort	81,223	76,754	5.1	4.9
Raffles Maldives Meradhoo	Leasehold	50 years from 15 June 2006	34 years	Gaafu Alifu Atoll	Resort	60,018	59,246	3.8	3.7
<b>Investment properties</b>						2,419,305	2,403,183	153.0	152.0

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

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**  
**H-REIT Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> \$'000	Carrying value at 31/12/2020 <sup>(1)</sup> \$'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
<b><u>Property, plant and equipment</u></b>									
<i>Japan</i>									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo, Japan	Hotel	42,326	47,728	2.7	3.0
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo, Japan	Hotel	30,065	32,845	1.9	2.1
Other plant and equipment	–	–	–	–	–	240	249	–	–
<b>Property, plant and equipment</b>						72,631	80,822	4.6	5.1
<b>Other assets and liabilities (net)</b>						2,491,936	2,484,005	157.6	157.1
<b>Net assets of the H-REIT Group</b>						1,581,144	1,580,871	100.0	100.0

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

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

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**  
**Stapled Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> \$'000	Carrying value at 31/12/2020 <sup>(1)</sup> \$'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
<b><u>Investment properties</u></b>									
<i>Singapore</i>									
Orchard Hotel	Freehold <sup>(2)</sup>	75 years	60 years	442 Orchard Road	Hotel	443,000	443,000	27.0	27.2
Claymore Connect	Freehold <sup>(2)</sup>	75 years	60 years	442 Orchard Road	Retail	88,000	88,000	5.4	5.4
Grand Copthorne Waterfront Hotel	Freehold <sup>(2)</sup>	75 years	60 years	392 Havelock Road	Hotel	356,000	354,000	21.7	21.7
M Hotel	Freehold <sup>(2)</sup>	75 years	60 years	81 Anson Road	Hotel	239,000	237,000	14.5	14.6
Copthorne King's Hotel	Leasehold	99 years from 1 February 1968	45 years	403 Havelock Road	Hotel	115,000	114,000	7.0	7.0
Studio M Hotel	Leasehold	99 years from 26 February 2007	84 years	3 Nanson Road	Hotel	166,000	166,000	10.1	10.2
Balance carried forward						1,407,000	1,402,000	85.7	86.1

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**  
**Stapled Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> \$'000	Carrying value at 31/12/2020 <sup>(1)</sup> \$'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
Balance brought forward						1,407,000	1,402,000	85.7	86.1
<i>Germany</i>									
Pullman Hotel Munich	Freehold	–	–	Theodor-Dombart-Strasse 4, Munich	Hotel	159,591	171,479	9.7	10.5
<i>Italy</i>									
Hotel Cerretani Firenze – MGallery	Freehold	–	–	Via De Cerretani 68, Florence	Hotel	61,782	65,604	3.8	4.0
<i>New Zealand</i>									
Grand Millennium Auckland	Freehold	–	–	71 – 87 Mayoral Drive, Auckland	Hotel	212,152	186,657	12.9	11.5
<i>Australia</i>									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	– <sup>(3)</sup>	30,345	– <sup>(3)</sup>	1.8
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	– <sup>(3)</sup>	45,517	– <sup>(3)</sup>	2.7
<i>Maldives</i>									
Angsana Velavaru	Leasehold	50 years from 26 August 1997	26 years	South Nilandhe Atoll	Resort	81,223	76,754	4.9	4.7
<b>Investment properties</b>						1,921,748	1,978,356	117.0	121.3
<i>United Kingdom</i>									
The Castings	Freehold	–	–	Heyrod Street, Manchester	–	27,661 <sup>(4)</sup>	–	1.7	–
<b>Investment properties under development</b>						27,661	–	1.7	–

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

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**  
**Stapled Group**

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value at 31/12/2021 <sup>(1)</sup> S'000	Carrying value at 31/12/2020 <sup>(1)</sup> S'000	Percentage of total net assets at 31/12/2021 %	Percentage of total net assets at 31/12/2020 %
<b><u>Property, plant and equipment</u></b>									
<i>Singapore</i>									
W Singapore – Sentosa Cove	Leasehold	99 years from 31 October 2006	84 years	21 Ocean Way	Hotel	369,588	369,581	22.5	22.7
<i>Australia</i>									
Ibis Perth	Freehold	–	–	334 Murray Street, Perth	Hotel	30,389 <sup>(3)</sup>	–	1.8	–
Mercure Perth	Freehold	–	–	10 Irwin Street, Perth	Hotel	44,114 <sup>(3)</sup>	–	2.7	–
<i>Maldives</i>									
Raffles Maldives Meradhoo	Leasehold	50 years from 15 June 2006	34 years	Gaafu Alifu Atoll	Resort	62,072	59,246	3.8	3.7
<i>Japan</i>									
Hotel MyStays Asakusabashi	Freehold	–	–	1-5-5 Asakusabashi, Taito-ku, Tokyo, Japan	Hotel	42,326	47,728	2.6	2.9
Hotel MyStays Kamata	Freehold	–	–	5-46-5 Kamata, Ota-ku, Tokyo, Japan	Hotel	30,065	32,845	1.8	2.0
<i>United Kingdom</i>									
Hilton Cambridge City Centre	Leasehold	125 years from 25 December 1990	94 years	Downing Street, Cambridge	Hotel	118,045	110,079	7.2	6.8
The Lowry Hotel	Leasehold	150 years from 18 March 1997	125 years	Manchester	Hotel	95,772	88,916	5.8	5.5
Other plant and equipment	–	–	–	–	–	330	644	0.0	0.0
<b>Property plant and equipment</b>						<b>792,701</b>	<b>709,039</b>	<b>48.2</b>	<b>43.6</b>
<b>Other assets and liabilities (net)</b>						<b>2,742,110</b>	<b>2,687,395</b>	<b>166.9</b>	<b>165.1</b>
<b>Net assets of the Stapled Group</b>						<b>(1,099,484)</b>	<b>(1,059,660)</b>	<b>(66.9)</b>	<b>(65.1)</b>
						<b>1,642,626</b>	<b>1,627,735</b>	<b>100.0</b>	<b>100.0</b>

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

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

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

<sup>(4)</sup> The acquisition of The Castings was completed on 31 August 2021.

**Statements of Cash Flows**  
**Year ended 31 December 2021**

	Note	HBT Group		H-REIT Group		Stapled Group	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>							
Loss/Total return for the year before tax		(7,737)	(33,621)	61,355	(158,491)	71,642	(185,077)
Adjustments for:							
H-REIT Manager's and HBT Trustee-Manager's fees paid/payable in Stapled Securities		683	447	7,566	8,103	8,249	8,550
Depreciation of property, plant and equipment	5	15,942	11,031	1,671	1,901	21,453	16,190
(Reversal of impairment loss)/Impairment loss on trade and other receivables		(89)	78	9,168	10,930	1,313	11,008
(Reversal of revaluation deficit)/Revaluation deficit on property, plant and equipment		(4,460)	13,581	(911)	1,454	(13,337)	51,568
Net fair value (gain)/loss on investment properties and investment property under development		(438)	–	(18,237)	181,055	(30,509)	133,955
Loss on disposal of investment properties and related cessation of business of foreign operations		–	–	–	8,951	–	8,795
Net finance costs		8,255	7,080	18,573	21,967	21,761	23,965
Operating income/(loss) before working capital changes		12,156	(1,404)	79,185	75,870	80,572	68,954
Changes in working capital:							
Inventories		(344)	(43)	–	–	(344)	(43)
Trade and other receivables		(6,044)	456	(10,732)	(21,390)	(6,941)	(1,319)
Trade and other payables		9,423	11,388	(3,811)	(2,480)	(471)	(10,706)
<b>Cash generated from operating activities</b>		15,191	10,397	64,642	52,000	72,816	56,886
Tax paid		(671)	(258)	(9,608)	(6,896)	(10,279)	(7,154)
<b>Net cash generated from operating activities</b>		14,520	10,139	55,034	45,104	62,537	49,732
<b>Cash flows from investing activities</b>							
Loan to related entity		–	–	(43,982)	(10,116)	–	–
Acquisition of business/assets, net of cash acquired		284	3,128	(5,883)	–	(5,599)	3,128
Acquisition of investment property and investment properties under development		(17,542)	–	–	(343,611)	(17,542)	–
Acquisition of property, plant and equipment		–	–	–	–	–	(343,611)
Additions to property, plant and equipment		(5,205)	(1,726)	(90)	(337)	(7,653)	(5,911)
Capital expenditure on investment properties and investment property under development		(10,087)	–	(6,144)	(12,161)	(13,884)	(8,313)
Proceeds from disposal of investment properties		–	–	–	435,215	–	435,215
Receipt of finance lease receivables		–	–	655	800	655	800
Interest received		–	1	147	673	147	643
<b>Net cash (used in)/generated from investing activities</b>		(32,550)	1,403	(55,297)	70,463	(43,876)	81,951

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

**Statements of Cash Flows (cont'd)**  
**Year ended 31 December 2021**

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>						
Loan from related entity	43,982	10,116	–	–	–	–
Capital contribution from non-controlling interest	–	–	32	–	32	–
Proceeds from bank loans	34,704	–	276,175	84,013	310,879	84,013
Proceeds from bond	–	–	–	39,990	–	39,990
Repayment of bank loans	(34,639)	–	(202,828)	(127,660)	(237,467)	(127,660)
Repayment of bond	–	–	–	(39,990)	–	(39,990)
Payment of transaction costs related to bank loans	–	–	(1,419)	(1,613)	(1,419)	(1,613)
Payment of lease liabilities	(4,063)	(2,849)	(1,471)	(708)	(1,709)	(766)
Finance costs paid	(7,003)	(6,049)	(16,591)	(15,756)	(20,391)	(19,054)
Distributions to holders of Stapled Securities	–	(3,070)	(57,114)	(74,328)	(57,114)	(77,398)
Distributions to holders of non-controlling interests	–	–	–	(23)	–	(23)
Return of capital to non-controlling interests	–	–	–	(24)	–	(24)
Movement in restricted cash	–	–	31	(3,415)	31	(3,415)
<b>Net cash generated from/(used in) financing activities</b>	<b>32,981</b>	<b>(1,852)</b>	<b>(3,185)</b>	<b>(139,514)</b>	<b>(7,158)</b>	<b>(145,940)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,951</b>	<b>9,690</b>	<b>(3,448)</b>	<b>(23,947)</b>	<b>11,503</b>	<b>(14,257)</b>
Cash and cash equivalents at beginning of the year	17,532	7,802	109,059	127,091	126,591	134,893
Effect of exchange rate changes on cash and cash equivalents	(156)	40	(2,812)	5,915	(2,968)	5,955
<b>Cash and cash equivalents at end of the year</b>	<b>32,327</b>	<b>17,532</b>	<b>102,799</b>	<b>109,059</b>	<b>135,126</b>	<b>126,591</b>

***Significant non-cash transactions***

There were the following non-cash transactions:

- (i) 8,142,678 (2020: 8,464,229) Stapled Securities amounting to \$10.1 million (2020: \$10.6 million) were issued to the H-REIT Manager as satisfaction of the management fee and acquisition fee payable in Stapled Securities.
- (ii) 370,451 (2020: 450,802) Stapled Securities amounting to \$0.5 million (2020: \$0.5 million) were issued to the HBT Trustee-Manager as satisfaction of the management fee payable in Stapled Securities.

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

## **Notes to the Condensed Interim Financial Statements**

### **1 General**

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

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

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

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

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

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

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

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

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

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

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Stapled Group's consolidated financial statements as at and for the year ended 31 December 2020, except for the adoption of new and amendments to FRS/ SFRS(I) that are effective for annual periods beginning on 1 January 2021. The adoption of the new and revised standards did not have any material impact on these condensed interim financial statements.

## 2.2 Use of estimates and judgements

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

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

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

- Note 3 – Valuation of investment properties
- Note 4 – Valuation of investment property under development
- Note 5 – Valuation of property, plant and equipment

### **Measurement of fair values**

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

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

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

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

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

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

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

### 2.3 Seasonal operations

The businesses of the HBT Group, H-REIT Group and the Stapled Group are not affected significantly by seasonal or cyclical factors during the financial period.

## 3 Investment properties

	HBT Group		H-REIT Group		Stapled Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	—	—	2,403,183	2,209,253	1,978,356	2,139,392
Acquisition of property, including acquisition of assets costs	—	—	—	343,700	—	—
Acquisition of assets	—	—	5,883	—	—	—
Straight-line rental adjustments	—	—	7,726	1,392	4,095	1,392
Recognition of right-of-use assets	—	—	—	55,550	—	—
Remeasurement of right-of-use assets	—	—	(2,186)	—	—	—
Capital expenditure	—	—	4,639	12,307	2,281	8,303
Disposal of property	—	—	—	(70,346)	—	(70,190)
Fair value changes (unrealised)	—	—	18,237	(181,055)	30,071	(133,955)
Reclassification to property, plant and equipment (Note 5)	—	—	—	—	(75,863)	—
Translation differences	—	—	(18,177)	32,382	(17,192)	33,414
At 31 December	—	—	2,419,305	2,403,183	1,921,748	1,978,356

The straight-line rental adjustments represent the effect of recognising rental income on a straight-line basis over the lease term of the investment properties.

### **Security**

At 31 December 2021, an investment property of the H-REIT Group and the Stapled Group with a carrying amount of \$159.6 million (2020: \$171.5 million) is pledged as security to secure a bank loan (Note 6).

### **Measurement of fair value**

	<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value of investment properties	2,347,201	2,328,448	1,911,630	1,967,992
Add: Carrying amount of lease liabilities	72,104	74,735	10,118	10,364
Carrying amount of investment properties	<u>2,419,305</u>	<u>2,403,183</u>	<u>1,921,748</u>	<u>1,978,356</u>

The carrying amounts of the investment properties as at 31 December 2021 were based on independent valuations undertaken by CBRE Pte. Ltd. for the Singapore and Maldives properties, Jones Lang LaSalle Incorporated for the New Zealand property, CBRE GmbH for the German property, CBRE Valuation S.p.A. for the Italian property, as at that date. The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

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

The valuers have highlighted in their valuation reports as at 31 December 2021 that the real estate market (except for Germany and Italy) has been impacted by the uncertainty that the COVID-19 pandemic has caused and given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. The valuers have also recommended to keep the valuation of the properties under frequent review. Accordingly, the carrying amounts of the investment properties were current as at 31 December 2021 only.

### ***Fair value hierarchy***

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

***Valuation techniques and significant unobservable inputs***

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	2021	2020
Singapore	Discounted cash flows and capitalisation methods	<u>Hotel</u>		
		Discount rate	5.75% - 6.50%	6.00% - 7.00%
		Terminal yield	3.75% - 4.50%	3.40% - 5.35%
		Capitalisation rate	3.50% - 4.25%	3.15% - 5.10%
		<u>Retail</u>		
		Discount rate	7.00%	7.00%
		Terminal yield	5.25%	5.25%
		Capitalisation rate	5.00%	5.00%
New Zealand	Discounted cash flows and capitalisation methods	Discount rate	8.25%	8.75%
		Terminal yield	6.13%	7.00%
		Capitalisation rate	6.13%	6.75%
Germany	Discounted cash flows method	<u>Hotel</u>		
		Discount rate	6.50% - 8.50%	5.00%
		Terminal yield	4.50% - 6.00%	5.25%
		<u>Retail</u>		
		Discount rate	4.85%	5.00%
		Terminal yield	4.35%	5.25%
Australia	Discounted cash flows and capitalisation methods	Discount rate	7.25%	7.25%
		Terminal yield	5.75%	5.75%
		Capitalisation rate	5.13%-5.75%	5.25%
Maldives	Discounted cash flows and capitalisation methods	Discount rate	11.75% - 12.00%	12.00%
		Terminal yield	8.75% - 9.00%	9.00%
		Capitalisation rate	8.50% - 8.75%	N.A.
Italy	Discounted cash flows method	Discount rate	5.26% - 6.26%	6.85%
		Terminal yield	4.00% - 5.00%	4.90%

N.A. – Not applicable

***Inter-relationship between key unobservable inputs and fair value measurement***

The significant unobservable inputs used in the fair value measurement of investment properties are discount rate, terminal yield and capitalisation rate. An increase in discount rate, terminal yield and capitalisation rate in isolation would result in a lower fair value.

***Reclassification – transfer to property, plant and equipment***

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

## 4 Investment property under development

	HBT Group		H-REIT Group		Stapled Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	–	–	–	–	–	–
Acquisition of property, including acquisition costs	17,542	–	–	–	17,542	–
Capital expenditure	10,087	–	–	–	10,087	–
Fair value changes (unrealised)	438	–	–	–	438	–
Translation differences	(406)	–	–	–	(406)	–
At 31 December	27,661	–	–	–	27,661	–

### Measurement of fair value

The carrying amount of the investment property under development as at 31 December 2021 was based on an independent valuation undertaken by Savills (UK) Limited, as at that date. The independent valuer has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The valuation was based on the gross development investment value method. The valuation method used in determining the fair value involves certain estimates including those relating to capitalisation rate and percentage of completion. The specific risks inherent in the property are taken into consideration in arriving at the property valuation. In relying on the valuation report, the HBT Trustee-Manager has exercised its judgement and is satisfied that the valuation method and estimates used are reflective of market conditions prevailing at the end of the financial year.

### Fair value hierarchy

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

### Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties under development, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	2021	2020
United Kingdom	Gross development investment value	Capitalisation rate	4.15%	N.A.
		Percentage of completion	18.47%	N.A.

### Inter-relationship between key unobservable inputs and fair value measurement

The significant unobservable inputs used in the fair value measurement of investment property under development are capitalisation rate and percentage of completion. An increase in capitalisation rate/A decrease in percentage of completion in isolation would result in a lower fair value.

## 5 Property, plant and equipment

	HBT Group		H-REIT Group		Stapled Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>At valuation/cost</b>						
At 1 January	296,802	270,557	86,370	90,700	741,097	397,909
Additions	57,288	46,671	114	350	10,782	405,519
Acquisition of business	–	222	–	–	–	–
Acquisition of assets	–	–	–	–	5,883	–
Disposal	(150)	–	–	(65)	(150)	(65)
Remeasurement of right-of-use assets	–	–	–	–	(2,186)	–
Reclassification from investment properties (Note 3)	–	–	–	–	75,863	–
Translation differences	1,347	4,308	(6,813)	3,331	(5,885)	7,259
Revaluation surplus/(deficit) recognised in unitholders' funds/OCI	7,642	(4,338)	(1,090)	(5,605)	7,215	(9,468)
Reversal of revaluation deficit/(Revaluation deficit) recognised in statement of total return/profit or loss	4,460	(13,581)	911	(1,454)	13,337	(51,568)
Elimination of accumulated depreciation on revaluation	(11,441)	(7,037)	(787)	(887)	(11,126)	(8,489)
At 31 December	<u>355,948</u>	<u>296,802</u>	<u>78,705</u>	<u>86,370</u>	<u>834,830</u>	<u>741,097</u>
<b>Accumulated depreciation</b>						
At 1 January	17,197	12,822	5,548	4,460	32,058	24,066
Depreciation	15,942	11,031	1,671	1,901	21,453	16,190
Disposal	(150)	–	–	(22)	(150)	(22)
Translation differences	116	381	(358)	96	(106)	313
Elimination of accumulated depreciation on revaluation	(11,441)	(7,037)	(787)	(887)	(11,126)	(8,489)
At 31 December	<u>21,664</u>	<u>17,197</u>	<u>6,074</u>	<u>5,548</u>	<u>42,129</u>	<u>32,058</u>
<b>Carrying amounts</b>	<u>334,284</u>	<u>279,605</u>	<u>72,631</u>	<u>80,822</u>	<u>792,701</u>	<u>709,039</u>
<b>At valuation</b>						
Land and buildings	<u>311,489</u>	<u>257,896</u>	<u>69,825</u>	<u>76,964</u>	<u>724,767</u>	<u>656,533</u>

### Measurement of fair value

The carrying amounts of the properties as at 31 December 2021 were based on independent valuations undertaken by JLL Morii Valuation & Advisory K.K. for the Japan properties, CBRE Hotels Limited for the United Kingdom properties, CBRE Pte. Ltd. for the Maldives property and Singapore property and CIVAS (NWS) Pty Ltd (trading as Colliers International) for Australia properties. The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

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

The valuers have highlighted in their valuation reports as at 31 December 2021 that the real estate market (except for properties in Japan and United Kingdom) has been impacted by the uncertainty that the COVID-19 pandemic has caused and given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. The valuers have also recommended to keep the valuation of the properties under frequent review. Accordingly, the carrying amounts of the properties were current as at 31 December 2021 only.

***Fair value hierarchy***

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

***Valuation techniques and significant unobservable inputs***

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment, as well as the significant unobservable inputs used.

<b>Type</b>	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>2021</b>	<b>2020</b>
Singapore	Discounted cash flows and capitalisation methods	Discount rate	5.75%	6.00%
		Terminal yield	3.75%	3.50%
		Capitalisation rate	3.50%	3.25%
Japan	Discounted cash flows and capitalisation methods	Discount rate	4.20% - 4.50%	4.20% - 4.50%
		Terminal yield	4.50% - 4.80%	4.50% - 4.80%
		Capitalisation rate	4.40% - 4.70%	4.40% - 4.70%
United Kingdom	Discounted cash flows method	Discount rate	8.25%	8.25%
		Terminal yield	6.25%	6.25%
Maldives	Discounted cash flows and capitalisation methods	Discount rate	12.00%	12.00%
		Terminal yield	9.00%	9.00%
		Capitalisation rate	8.75%	N.A.
Australia	Discounted cash flows and capitalisation methods	Discount rate	7.25%	N.A.
		Terminal yield	5.75%	N.A.
		Capitalisation rate	5.25%	N.A.

N.A. – Not applicable

***Inter-relationship between key unobservable inputs and fair value measurement***

The significant unobservable inputs used in the fair value measurement of properties are discount rate, terminal yield and capitalisation rate. An increase in discount rate, terminal yield and capitalisation rate in isolation would result in a lower fair value.

## 6 Loans and borrowings

	HBT Group		H-REIT Group		Stapled Group	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At amortised cost:						
<b>Non-current</b>						
Secured TMK bond	–	–	35,874	38,843	35,874	38,843
Secured bank loan	–	–	67,350	71,305	67,350	71,305
Unsecured bank loans	–	96,976	573,653	531,597	573,653	628,573
Lease liabilities	139,600	93,342	73,382	77,820	91,407	92,750
	<u>139,600</u>	<u>190,318</u>	<u>750,259</u>	<u>719,565</u>	<u>768,284</u>	<u>831,471</u>
<b>Current</b>						
Unsecured bank loans	98,128	–	323,714	289,804	421,842	289,804
Lease liabilities	5,995	4,024	941	1,847	1,046	2,072
Loan from related entity	72,696	10,116	–	–	–	–
	<u>176,819</u>	<u>14,140</u>	<u>324,655</u>	<u>291,651</u>	<u>422,888</u>	<u>291,876</u>
	<u>316,419</u>	<u>204,458</u>	<u>1,074,914</u>	<u>1,011,216</u>	<u>1,191,172</u>	<u>1,123,347</u>

### Secured TMK Bond

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

### Secured bank loan

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

### Loan covenant

As of 31 December 2021, the Stapled Group has complied with the debt covenants (except for two debt covenant ratios for which waivers were secured).

## 7 Units/Stapled Securities in issue and to be issued

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
<b>Units/Stapled Securities in issue:</b>						
At 1 January	1,221,499	1,212,584	1,221,499	1,212,584	1,221,499	1,212,584
Creation of Units/Stapled Securities:						
- H-REIT Manager's management fee and acquisition fee paid in Stapled Securities	8,143	8,464	8,143	8,464	8,143	8,464
- HBT Trustee-Manager's management fee paid in Stapled Securities	370	451	370	451	370	451
At 31 December	<u>1,230,012</u>	<u>1,221,499</u>	<u>1,230,012</u>	<u>1,221,499</u>	<u>1,230,012</u>	<u>1,221,499</u>
<b>Units/Stapled Securities to be issued:</b>						
H-REIT Manager's management fees payable in Stapled Securities	3,279	4,921	3,279	4,921	3,279	4,921
HBT Trustee-Manager's management fees payable in Stapled Securities	291	75	291	75	291	75
At 31 December	<u>3,570</u>	<u>4,996</u>	<u>3,570</u>	<u>4,996</u>	<u>3,570</u>	<u>4,996</u>
<b>Units/Stapled Securities, in issue and to be issued</b>	<u>1,233,582</u>	<u>1,226,495</u>	<u>1,233,582</u>	<u>1,226,495</u>	<u>1,233,582</u>	<u>1,226,495</u>

## 8 Net asset value/Net tangible asset per Unit/Stapled Security

	<b>Note</b>	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net asset value/Net tangible asset per Unit/Stapled Security is based on:							
Net assets attributable to holders of Stapled Securities		38,984	40,868	1,573,852	1,573,044	1,635,334	1,619,908
Total Units/Stapled Securities issued and to be issued	7	<u>1,233,582</u>	<u>1,226,495</u>	<u>1,233,582</u>	<u>1,226,495</u>	<u>1,233,582</u>	<u>1,226,495</u>

## 9 Revenue

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>Six-month period ended</b>					
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rental revenue						
- Fixed rent	–	–	27,729	32,723	20,425	29,310
- Variable rent	–	–	22,150	14,235	18,760	9,317
Hotel revenue	52,340	26,872	–	–	52,314	26,872
	<b>52,340</b>	<b>26,872</b>	<b>49,879</b>	<b>46,958</b>	<b>91,499</b>	<b>65,499</b>

  

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rental revenue						
- Fixed rent	–	–	59,124	65,265	47,373	59,753
- Variable rent	–	–	35,076	25,468	29,510	19,936
Hotel revenue	80,867	37,869	–	–	80,841	37,869
	<b>80,867</b>	<b>37,869</b>	<b>94,200</b>	<b>90,733</b>	<b>157,724</b>	<b>117,558</b>

### *Rental revenue*

Rental revenue for the H-REIT Group includes rental income from the HBT Group and related corporations of the H-REIT Manager of \$17,343,000 (2020: \$11,044,000) and \$55,154,000 (2020: \$49,699,000), respectively. Such revenue is attributable to the Maldives segment, New Zealand segment, Singapore segment, Japan segment and Australia segment.

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

### *Hotel revenue*

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

## 10 Management fees

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>Six-month period ended</b>					
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>H-REIT Manager's management fee</b>						
- Base fee	–	–	3,220	3,491	3,220	3,491
- Performance fee	–	–	2,361	1,603	2,361	1,603
	–	–	5,581	5,094	5,581	5,094
<b>HBT Trustee-Manager's management fee</b>						
- Base fee	330	262	–	–	330	262
- Performance fee	245	–	–	–	245	–
	575	262	–	–	575	262
<b>H-REIT Manager's management fee</b>						
	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
- Base fee	–	–	6,394	6,956	6,394	6,956
- Performance fee	–	–	3,064	3,172	3,064	3,172
	–	–	9,458	10,128	9,458	10,128
<b>HBT Trustee-Manager's management fee</b>						
- Base fee	609	559	–	–	609	559
- Performance fee	245	–	–	–	245	–
	854	559	–	–	854	559

## 11 Finance income and finance costs

	HBT Group		H-REIT Group		Stapled Group	
	Six-month period ended 31/12/2021	Six-month period ended 31/12/2020	Six-month period ended 31/12/2021	Six-month period ended 31/12/2020	Six-month period ended 31/12/2021	Six-month period ended 31/12/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Finance income</b>						
Interest income under the effective interest method on:						
- cash and cash equivalents	–	–	19	139	19	139
- finance lease receivables	–	–	35	79	35	79
- loan to related entity	–	–	124	28	–	–
	–	–	178	246	54	218
Fair value gains on financial derivatives designated at fair value through profit or loss						
	–	–	9,972	–	9,972	–
Net foreign exchange gain	1,174	–	–	15,590	–	18,531
	1,174	–	10,150	15,836	10,026	18,749
<b>Finance costs</b>						
Financial liabilities measured at amortised cost:						
- interest expense on:						
- loans and borrowings	(1,490)	(1,407)	(8,508)	(8,391)	(9,998)	(9,798)
- lease liabilities	(2,561)	(1,973)	(1,442)	(1,561)	(1,811)	(1,859)
- loan from related entity	(124)	(28)	–	–	–	–
- amortisation of transaction costs on loans and borrowings	(77)	(78)	(793)	(766)	(870)	(844)
- financial expense arising from accretion of non-current rental deposits	–	–	(126)	(121)	(126)	(121)
	(4,252)	(3,486)	(10,869)	(10,839)	(12,805)	(12,622)
Fair value losses on financial derivatives designated at fair value through profit or loss						
	–	–	–	(13,912)	–	(13,912)
Net foreign exchange losses	–	(1,142)	(7,686)	–	(9,018)	–
	(4,252)	(4,628)	(18,555)	(24,751)	(21,823)	(26,534)
<b>Net finance costs</b>	<b>(3,078)</b>	<b>(4,628)</b>	<b>(8,405)</b>	<b>(8,915)</b>	<b>(11,797)</b>	<b>(7,785)</b>

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Finance income</b>						
Interest income under the effective interest method on:						
- cash and cash equivalents	–	–	39	443	39	443
- finance lease receivables	–	–	108	165	108	165
- loan to related entity	–	–	224	31	–	–
	–	–	371	639	147	608
Fair value gains on financial derivatives designated at FVTPL	–	23	17,520	–	17,520	–
Net foreign exchange gain	–	–	–	18,563	–	20,026
	–	23	17,891	19,202	17,667	20,634
<b>Finance costs</b>						
Financial liabilities measured at amortised cost:						
- interest expense on:						
- loans and borrowings	(2,833)	(2,710)	(16,709)	(17,703)	(19,542)	(20,413)
- lease liabilities	(4,956)	(3,309)	(2,918)	(2,202)	(3,865)	(2,791)
- loan from related entity	(224)	(31)	–	–	–	–
- amortisation of transaction costs on loans and borrowings	(153)	(154)	(1,558)	(1,433)	(1,711)	(1,587)
- financial expense arising from accretion of non-current rental deposits	–	–	(251)	(241)	(251)	(241)
	(8,166)	(6,204)	(21,436)	(21,579)	(25,369)	(25,032)
Fair value losses on financial derivatives designated at FVTPL	–	–	–	(19,590)	–	(19,567)
Net foreign exchange losses	(89)	(899)	(15,028)	–	(14,059)	–
	(8,255)	(7,103)	(36,464)	(41,169)	(39,428)	(44,599)
<b>Net finance costs</b>	<b>(8,255)</b>	<b>(7,080)</b>	<b>(18,573)</b>	<b>(21,967)</b>	<b>(21,761)</b>	<b>(23,965)</b>

**12 Tax expense/(credit)**

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>Six-month period ended 31/12/2021</b>	<b>Six-month period ended 31/12/2020</b>	<b>Six-month period ended 31/12/2021</b>	<b>Six-month period ended 31/12/2020</b>	<b>Six-month period ended 31/12/2021</b>	<b>Six-month period ended 31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>						
Current period	(42)	400	487	6,191	445	6,591
Under/(Over) provision in prior periods	1	(223)	943	2,232	942	2,009
	<u>(41)</u>	<u>177</u>	<u>1,430</u>	<u>8,423</u>	<u>1,387</u>	<u>8,600</u>
<b>Withholding tax</b>	460	(207)	651	653	1,113	446
<b>Deferred tax expense</b>						
Origination and reversal of temporary differences	(143)	(2,402)	(2,638)	(5,404)	(1,721)	(7,806)
<b>Tax expense/(credit)</b>	<u>276</u>	<u>(2,432)</u>	<u>(557)</u>	<u>3,672</u>	<u>779</u>	<u>1,240</u>

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>						
Current year	156	400	4,040	7,916	4,196	8,316
(Over)/Under provision in prior years	(1,109)	(223)	1,292	2,223	183	2,000
	<u>(953)</u>	<u>177</u>	<u>5,332</u>	<u>10,139</u>	<u>4,379</u>	<u>10,316</u>
<b>Withholding tax</b>	644	256	1,281	1,347	1,925	1,603
<b>Deferred tax expense</b>						
Origination and reversal of temporary differences	998	(2,525)	(4,521)	(5,336)	(2,463)	(7,861)
<b>Tax expense/(credit)</b>	<u>689</u>	<u>(2,092)</u>	<u>2,092</u>	<u>6,150</u>	<u>3,841</u>	<u>4,058</u>

### 13 Loss/Total return

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

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>Six-month period ended</b>					
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Impairment loss/(Reversal of impairment loss) on trade and other receivables	(9)	10	(14,254)	7,287	1,178	7,297
(Reversal of revaluation deficit)/Revaluation deficit on property, plant and equipment	(4,460)	13,581	(911)	1,454	(13,337)	51,568
(Operating income)/expenses arising from rental of investment properties	–	–	(4,595)	5,870	2,823	7,453
	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
(Reversal of impairment loss)/Impairment loss on trade and other receivables	(89)	78	9,168	10,930	1,313	11,008
(Reversal of revaluation deficit)/Revaluation deficit on property, plant and equipment	(4,460)	13,581	(911)	1,454	(13,337)	51,568
Operating expenses arising from rental of investment properties	–	–	18,020	14,777	9,063	14,182

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

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>Six-month period ended</b>					
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
- H-REIT	–	–	16,971	(120,444)	16,971	(120,444)
- Other H-REIT Group entities*	–	–	47,451	(53,990)	47,451	(53,990)
- HBT	(11,503)	(21,702)	–	–	(11,503)	(21,702)
- Other HBT Group entities*	12,442	1,455	–	–	12,442	1,455
- Stapled Group's consolidation adjustments	–	–	–	–	(5,058)	9,925
	<b>939</b>	<b>(20,247)</b>	<b>64,422</b>	<b>(174,434)</b>	<b>60,303</b>	<b>(184,756)</b>

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
- H-REIT	–	–	31,485	(111,851)	31,485	(111,851)
- Other H-REIT Group entities*	–	–	27,778	(52,790)	27,778	(52,790)
- HBT	(13,468)	(23,012)	–	–	(13,468)	(23,012)
- Other HBT Group entities*	5,042	(8,517)	–	–	5,042	(8,517)
- Stapled Group's consolidation adjustments	–	–	–	–	16,964	7,035
	<b>(8,426)</b>	<b>(31,529)</b>	<b>59,263</b>	<b>(164,641)</b>	<b>67,801</b>	<b>(189,135)</b>

\* including consolidation adjustments

## 14 Earnings per Stapled Security

Earnings per Stapled Security is based on:

	<b>Stapled Group</b>		<b>Stapled Group</b>	
	<b>Six-month</b>	<b>Six-month</b>	<b>2021</b>	<b>2020</b>
	<b>period ended</b>	<b>period ended</b>		
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>\$'000</b>	<b>\$'000</b>
Total return for the period/year attributable to holders of Stapled Securities	60,519	(183,669)	67,934	(188,015)

	<b>Number of Stapled Securities</b>		<b>Number of Stapled Securities</b>	
	<b>Six-month</b>	<b>Six-month</b>	<b>2021</b>	<b>2020</b>
	<b>period ended</b>	<b>period ended</b>		
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>'000</b>	<b>'000</b>
Weighted average number of Stapled Securities used in arriving at basic earnings per Stapled Security:				
- outstanding during the period/year	1,230,025	1,223,407	1,228,225	1,220,092
- to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities	26	15	7	4
	<u>1,230,051</u>	<u>1,223,422</u>	<u>1,228,232</u>	<u>1,220,096</u>

Weighted average number of Stapled Securities used in arriving at diluted earnings per Stapled Security:				
- weighted average number of Stapled Securities (basic)	1,230,051	1,223,422	1,228,232	1,220,096
- to be issued as payment of H-REIT Manager's and/or HBT Trustee-Manager's management fees payable in Stapled Securities	3,531	-	5,350	-
	<u>1,233,582</u>	<u>1,223,422</u>	<u>1,233,582</u>	<u>1,220,096</u>

## 15 Operating segments

### Information about reportable segments

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

	----- HBT Group -----					
	Singapore	Australia	Maldives	Japan	UK	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six-month period ended 31 December 2021</b>						
Hotel revenue – external	19,061	4,774	6,604	1,799	20,102	52,340
Reportable segment net property income/(loss)	1,678	(197)	1,037	163	6,456	9,137
Depreciation of property, plant and equipment	(1,225)	(2,435)	(1,429)	–	(3,691)	(8,780)
Fair value gain on investment property under development	–	–	–	–	438	438
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	4,460	4,460
Unallocated items:						
- HBT Trustee-Manager's management fee						(575)
- HBT Trustee-Manager's trustee fee						(131)
- Valuation fees						(33)
- Other expenses						(223)
- Finance income						1,174
- Finance costs						(4,252)
- Tax expense						(276)
<b>Profit for the period</b>						<b>939</b>
<b>Other material non-cash items</b>						
Reversal of impairment loss/(Impairment loss) on trade receivables	10	(3)	–	–	2	9
<b>Reportable segment assets</b>						
Capital expenditure on property, plant and equipment and investment property under development	–	–	–	–	13,252	13,252
Non-current assets <sup>^</sup>	41,786	44,383	34,296	–	241,480	361,945

<sup>^</sup> Excluding deferred tax assets and other receivables.

	----- HBT Group -----				
	Singapore \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Total \$'000
<b>Six-month period ended 31 December 2020</b>					
Hotel revenue – external	15,987	2,501	1,567	6,817	26,872
Reportable segment net property income/(loss)	2,134	(572)	18	520	2,100
Depreciation of property, plant and equipment	(982)	(1,436)	–	(3,693)	(6,111)
Revaluation deficit on property, plant and equipment	–	–	–	(13,581)	(13,581)
Unallocated items:					
- HBT Trustee-Manager’s management fee					(262)
- HBT Trustee-Manager’s trustee fee					(105)
- Valuation fees					13
- Other expenses					(105)
- Finance costs					(4,628)
- Tax expense					2,432
<b>Loss for the period</b>					<u>(20,247)</u>
<b>Other material non-cash items</b>					
Reversal of impairment loss/(Impairment loss) on trade receivables	10	–	–	(20)	(10)
<b>Reportable segment assets</b>					
Capital expenditure on property, plant and equipment	156	–	–	1,570	1,726
Non-current assets ^	44,187	36,423	–	198,995	279,605

^ Excluding deferred tax assets and other receivables.

	----- HBT Group -----					
	Singapore \$'000	Australia \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Total \$'000
<b>2021</b>						
Hotel revenue – external	31,352	7,192	13,314	3,437	25,572	80,867
Reportable segment net property income/(loss)	3,203	(205)	2,391	140	7,733	13,262
Depreciation of property, plant and equipment	(2,444)	(3,265)	(2,833)	–	(7,400)	(15,942)
Fair value gain on investment property under development	–	–	–	–	438	438
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	4,460	4,460
Unallocated items:						
- HBT Trustee-Manager's management fee						(854)
- HBT Trustee-Manager's trustee fee						(243)
- Valuation fees						(47)
- Other expenses						(556)
- Finance costs						(8,255)
- Tax expense						(689)
<b>Loss for the year</b>						<u>(8,426)</u>
<b>Other material non-cash items</b>						
(Impairment loss)/Reversal of impairment loss on trade receivables	–	(3)	–	–	92	89
<b>Reportable segment assets</b>						
Capital expenditure on property, plant and equipment and investment property under development	–	–	–	–	15,292	15,292
Non-current assets ^	41,786	44,383	34,296	–	241,480	361,945

^ Excluding deferred tax assets and other receivables.

	<b>HBT Group</b>				
	<b>Singapore</b>	<b>Maldives</b>	<b>Japan</b>	<b>UK</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2020</b>					
Hotel revenue – external	15,987	4,100	3,830	13,952	37,869
Reportable segment net property income/(loss)	2,134	(2,489)	(113)	(312)	(780)
Depreciation of property, plant and equipment	(980)	(2,911)	–	(7,140)	(11,031)
Revaluation deficit on property, plant and equipment	–	–	–	(13,581)	(13,581)
Unallocated items:					
- HBT Trustee-Manager's management fee					(559)
- HBT Trustee-Manager's trustee fee					(224)
- Valuation fees					(8)
- Other expenses					(358)
- Finance income					23
- Finance costs					(7,103)
- Tax expense					2,092
<b>Loss for the year</b>					<b>(31,529)</b>
<b>Other material non-cash items</b>					
Reversal of impairment loss/(Impairment loss) on trade receivables	10	–	–	(88)	(78)
<b>Reportable segment assets</b>					
Capital expenditure on property, plant and equipment	156	–	–	1,570	1,726
Non-current assets <sup>^</sup>	44,187	36,423	–	198,995	279,605

<sup>^</sup> Excluding deferred tax assets and other receivables.

**CDL Hospitality Trusts**  
*Condensed interim financial statements*  
For the six months and full year ended 31 December 2021

	----- H-REIT Group -----							Total reportable segments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000			
<b>Six-month period ended 31 December 2021</b>										
Rental revenue – external	22,079	11,842	2,922	3,919	6,101	247	884	47,994	1,885	49,879
Reportable segment net property income	21,122	11,842	2,526	3,425	13,620	80	791	53,406	901	54,307
Depreciation of property, plant and equipment	–	–	–	–	(49)	(770)	–	(819)	–	(819)
Net fair value gain/(loss) on investment properties	3,445	30,770	(12,316)	(5,383)	3,359	–	(1,638)	18,237	–	18,237
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	–	911	–	911	–	911
Unallocated items:										
- H-REIT Manager’s base fee										(3,221)
- H-REIT Manager’s performance fee										(2,360)
- H-REIT Trustee’s fee										(182)
- Valuation fees										(50)
- Other expenses										5,447
- Finance income										10,150
- Finance costs										(18,555)
- Tax credit										557
<b>Total return for the period</b>										<u>64,422</u>
<b>Other material non-cash items</b>										
Impairment loss on trade and other receivables	–	–	–	(1,187)	15,441	–	–	14,254	–	14,254
<b>Reportable segment assets</b>										
Capital expenditure on investment properties and property, plant and equipment	(100)	500	131	–	965	–	133	1,629	–	1,629
Non-current assets ^	1,685,465	212,152	71,072	159,591	141,483	72,391	61,782	2,403,936	88,000	2,491,936

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

**CDL Hospitality Trusts**  
*Condensed interim financial statements*  
For the six months and full year ended 31 December 2021

	----- H-REIT Group -----									
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>Six-month period ended 31 December 2020</b>										
Rental revenue – external	23,007	10,947	3,925	4,393	1,737	218	696	44,923	2,035	46,958
Reportable segment net property income	21,009	10,947	3,925	1,507	1,358	49	1,616	40,411	507	40,918
Depreciation of property, plant and equipment	–	–	–	–	(106)	(849)	–	(955)	–	(955)
Net fair value loss on investment properties	(99,502)	(23,513)	(3,802)	(15,986)	(25,498)	–	(6,954)	(175,255)	(5,800)	(181,055)
Revaluation deficit on property, plant and equipment	–	–	–	–	–	(1,454)	–	(1,454)	–	(1,454)
Gain/(loss) on disposal of investment properties and related cessation of business of foreign operations	5,040	–	(13,991)	–	–	–	–	(8,951)	–	(8,951)
Unallocated items:										
- H-REIT Manager's management fee										(5,094)
- H-REIT Trustee's fee										(204)
- Valuation fees										(83)
- Other expenses										(4,969)
- Finance income										15,836
- Finance costs										(24,751)
- Tax expense										(3,672)
<b>Loss for the period</b>										<u>(174,434)</u>
<b>Other material non-cash items</b>										
(Impairment loss)/Reversal of impairment loss on trade receivables	–	–	(6,022)	(2,273)	–	–	1,017	(7,278)	(9)	(7,287)
<b>Reportable segment assets</b>										
Capital expenditure on investment properties and property, plant and equipment	5,992	647	–	121	5,437	337	110	12,644	–	12,644
Non-current assets <sup>^</sup>	<u>1,679,580</u>	<u>186,658</u>	<u>75,862</u>	<u>171,479</u>	<u>136,250</u>	<u>80,572</u>	<u>65,604</u>	<u>2,396,005</u>	<u>88,000</u>	<u>2,484,005</u>

<sup>^</sup> Excluding deferred tax assets, finance lease receivables and other receivables.

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----- H-REIT Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>2021</b>										
Rental revenue – external	41,530	21,640	6,295	8,189	10,649	575	1,748	90,626	3,574	94,200
Reportable segment net property income	37,505	21,640	5,814	5,786	1,955	246	1,507	74,453	1,398	75,851
Depreciation of property, plant and equipment	–	–	–	–	(128)	(1,543)	–	(1,671)	–	(1,671)
Net fair value gain/(loss) on investment properties	3,445	30,770	(12,316)	(5,383)	3,359	–	(1,638)	18,237	–	18,237
Reversal of revaluation deficit on property, plant and equipment	–	–	–	–	–	911	–	911	–	911
Unallocated items:										
- H-REIT Manager’s management fee										(9,458)
- H-REIT Trustee’s fee										(362)
- Valuation fees										(136)
- Other expenses										(3,444)
- Finance income										17,891
- Finance costs										(36,464)
- Tax expense										(2,092)
<b>Total return for the year</b>										<u>59,263</u>
<b>Other material non-cash items</b>										
Impairment loss on trade and other receivables	–	–	–	(1,187)	(7,766)	–	–	(8,953)	(215)	(9,168)
<b>Reportable segment assets</b>										
Capital expenditure on investment properties and property, plant and equipment	2,450	544	168	–	1,413	–	154	4,729	–	4,729
Non-current assets <sup>^</sup>	1,685,465	212,152	71,072	159,591	141,483	72,391	61,782	2,403,936	88,000	2,491,936

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

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	----- H-REIT Group -----							Total reportable segments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	Italy \$'000			
<b>2020</b>										
Rental revenue – external	45,118	16,507	8,358	8,740	4,826	833	1,713	86,095	4,638	90,733
Reportable segment net property income	39,656	16,507	8,358	2,676	4,009	494	1,472	73,172	2,445	75,617
Depreciation of property, plant and equipment	–	–	–	–	(237)	(1,664)	–	(1,901)	–	(1,901)
Net fair value loss on investment properties	(99,502)	(23,513)	(3,802)	(15,986)	(25,498)	–	(6,954)	(175,255)	(5,800)	(181,055)
Revaluation deficit on property, plant and equipment	–	–	–	–	–	(1,454)	–	(1,454)	–	(1,454)
Gain/(loss) on disposal of investment properties and related cessation of business of foreign operations	5,040	–	(13,991)	–	–	–	–	(8,951)	–	(8,951)
Unallocated items:										
- H-REIT Manager's management fee										(10,128)
- H-REIT Trustee's fee										(407)
- Valuation fees										(179)
- Other expenses										(8,066)
- Finance income										19,202
- Finance costs										(41,169)
- Tax expense										(6,150)
<b>Loss for the year</b>										<u>(164,641)</u>
<b>Other material non-cash items</b>										
Impairment loss on trade and other receivables	–	–	(6,022)	(4,689)	–	–	–	(10,711)	(219)	(10,930)
<b>Reportable segment assets</b>										
Capital expenditure on investment properties and property, plant and equipment	5,992	647	–	121	5,437	337	110	12,644	–	12,644
Non-current assets ^	1,679,580	186,658	75,862	171,479	136,250	80,572	65,604	2,396,005	88,000	2,484,005

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

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	----- Staped Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>Six-month period ended 31 December 2021</b>											
Rental revenue	16,585	11,842	–	3,919	4,070	–	–	884	37,300	1,885	39,185
Hotel revenue	19,061	–	4,748	–	6,604	1,799	20,102	–	52,314	–	52,314
Revenue – external	<u>35,646</u>	<u>11,842</u>	<u>4,748</u>	<u>3,919</u>	<u>10,674</u>	<u>1,799</u>	<u>20,102</u>	<u>884</u>	<u>89,614</u>	<u>1,885</u>	<u>91,499</u>
Reportable segment net property income/(loss)	21,300	11,842	(460)	3,425	4,635	243	6,456	791	48,232	901	49,133
Depreciation of property, plant and equipment	(3,623)	–	(1,512)	–	(1,725)	(770)	(3,691)	–	(11,321)	–	(11,321)
Net fair value gain/(loss) on investment properties	4,016	30,770	–	(5,383)	2,306	–	438	(1,638)	30,509	–	30,509
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	5,007	–	(3,213)	–	6,172	911	4,460	–	13,337	–	13,337
Unallocated items:											
- H-REIT Manager's base fee											(3,221)
- H-REIT Manager's performance fee											(2,360)
- H-REIT Trustee's fee											(182)
- HBT Trustee-Manager's management fee											(575)
- HBT Trustee-Manager's trustee fee											(131)
- Valuation fees											(83)
- Other expenses											(2,227)
- Finance income											10,026
- Finance costs											(21,823)
- Tax expense											(779)
<b>Total return for the period</b>											<u>60,303</u>
<b>Other material non-cash items</b>											
Reversal of impairment loss/(Impairment loss) on trade and other receivables	10	–	(3)	(1,187)	–	–	2	–	(1,178)	–	(1,178)
<b>Reportable segment assets</b>											
Capital expenditure on investment properties, investment property under development and property, plant and equipment	(100)	500	131	–	965	–	13,252	133	14,881	–	14,881
Non-current assets <sup>^</sup>	<u>1,688,696</u>	<u>212,152</u>	<u>74,503</u>	<u>159,591</u>	<u>143,515</u>	<u>72,391</u>	<u>241,480</u>	<u>61,782</u>	<u>2,654,110</u>	<u>88,000</u>	<u>2,742,110</u>

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables

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	----- Stapled Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>Six-month period ended 31 December 2020</b>											
Rental revenue	16,937	10,947	3,925	4,393	(306)	–	–	696	36,592	2,035	38,627
Hotel revenue	15,987	–	–	–	2,501	1,567	6,817	–	26,872	–	26,872
Revenue – external	<u>32,924</u>	<u>10,947</u>	<u>3,925</u>	<u>4,393</u>	<u>2,195</u>	<u>1,567</u>	<u>6,817</u>	<u>696</u>	<u>63,464</u>	<u>2,035</u>	<u>65,499</u>
Reportable segment net property income/(loss)	21,771	10,947	3,925	1,507	(1,257)	67	520	1,616	39,096	508	39,604
Depreciation of property, plant and equipment	(3,363)	–	–	–	(2,301)	(849)	(3,694)	–	(10,207)	–	(10,207)
Revaluation deficit on property, plant and equipment	(26,541)	–	–	–	(9,992)	(1,454)	(13,581)	–	(51,568)	–	(51,568)
Net fair value loss of investment properties	(65,705)	(23,513)	(3,802)	(15,986)	(12,195)	–	–	(6,954)	(128,155)	(5,800)	(133,955)
Gain/(loss) on disposal of investment properties and related cessation of business of foreign operations	5,196	–	(13,991)	–	–	–	–	–	(8,795)	–	(8,795)
Unallocated items:											
- H-REIT Manager's management fee											(5,094)
- H-REIT Trustee's fee											(204)
- HBT Trustee-Manager's management fee											(262)
- HBT Trustee-Manager's trustee fee											(105)
- Valuation fees											(70)
- Other expenses											(5,075)
- Finance income											18,749
- Finance costs											(26,534)
- Tax expense											(1,240)
<b>Loss for the period</b>											<u>(184,756)</u>
<b>Other material non-cash items</b>											
Reversal of impairment loss/(Impairment loss) on trade receivables	10	–	(6,022)	(2,273)	–	–	(20)	1,017	(7,288)	(9)	(7,297)
<b>Reportable segment assets</b>											
Capital expenditure on investment properties and property, plant and equipment	5,992	647	–	121	5,437	337	1,570	110	14,214	–	14,214
Non-current assets <sup>^</sup>	<u>1,683,975</u>	<u>186,658</u>	<u>75,862</u>	<u>171,479</u>	<u>136,250</u>	<u>80,572</u>	<u>198,995</u>	<u>65,604</u>	<u>2,599,395</u>	<u>88,000</u>	<u>2,687,395</u>

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables

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	----- Stapled Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>2021</b>											
Rental revenue	33,514	21,640	1,597	8,189	6,621	–	–	1,748	73,309	3,574	76,883
Hotel revenue	31,352	–	7,166	–	13,314	3,437	25,572	–	80,841	–	80,841
Revenue – external	<u>64,866</u>	<u>21,640</u>	<u>8,763</u>	<u>8,189</u>	<u>19,935</u>	<u>3,437</u>	<u>25,572</u>	<u>1,748</u>	<u>154,150</u>	<u>3,574</u>	<u>157,724</u>
Reportable segment net property income	37,708	21,640	1,869	5,786	8,083	386	7,733	1,507	84,712	1,398	86,110
Depreciation of property, plant and equipment	(7,193)	–	(1,829)	–	(3,488)	(1,543)	(7,400)	–	(21,453)	–	(21,453)
Reversal of revaluation deficit/(Revaluation deficit) on property, plant and equipment	5,007	–	(3,213)	–	6,172	911	4,460	–	13,337	–	13,337
Net fair value gain/(loss) of investment properties	4,016	30,770	–	(5,383)	2,306	–	438	(1,638)	30,509	–	30,509
Unallocated items:											
- H-REIT Manager's management fee											(9,458)
- H-REIT Trustee's fee											(362)
- HBT Trustee-Manager's management fee											(854)
- HBT Trustee-Manager's trustee fee											(243)
- Valuation fees											(183)
- Other expenses											(4,000)
- Finance income											17,667
- Finance costs											(39,428)
- Tax expense											(3,841)
<b>Total return for the year</b>											<u>67,801</u>
<b>Other material non-cash items</b>											
(Impairment loss)/Reversal of impairment loss on trade and other receivables	–	–	(3)	(1,187)	–	–	92	–	(1,098)	(215)	(1,313)
<b>Reportable segment assets</b>											
Capital expenditure on investment properties, investment property under development and property, plant and equipment	2,450	544	168	–	1,413	–	15,292	154	20,021	–	20,021
Non-current assets <sup>^</sup>	<u>1,688,696</u>	<u>212,152</u>	<u>74,503</u>	<u>159,591</u>	<u>143,515</u>	<u>72,391</u>	<u>241,480</u>	<u>61,782</u>	<u>2,654,110</u>	<u>88,000</u>	<u>2,742,110</u>

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

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	----- Stapled Group -----										
	Singapore \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Maldives \$'000	Japan \$'000	UK \$'000	Italy \$'000	Total reportable segments \$'000	Others \$'000	Total \$'000
<b>2020</b>											
Rental revenue	39,048	16,507	8,358	8,740	685	–	–	1,713	75,051	4,638	79,689
Hotel revenue	15,987	–	–	–	4,100	3,830	13,952	–	37,869	–	37,869
Revenue – external	<u>55,035</u>	<u>16,507</u>	<u>8,358</u>	<u>8,740</u>	<u>4,785</u>	<u>3,830</u>	<u>13,952</u>	<u>1,713</u>	<u>112,920</u>	<u>4,638</u>	<u>117,558</u>
Reportable segment net property income/(loss)	40,419	16,507	8,358	2,676	(2,621)	381	(312)	1,472	66,880	2,445	69,325
Depreciation of property, plant and equipment	(3,363)	–	–	–	(4,023)	(1,664)	(7,140)	–	(16,190)	–	(16,190)
Revaluation deficit on property, plant and equipment	(26,541)	–	–	–	(9,992)	(1,454)	(13,581)	–	(51,568)	–	(51,568)
Net fair value loss of investment properties	(65,705)	(23,513)	(3,802)	(15,986)	(12,195)	–	–	(6,954)	(128,155)	(5,800)	(133,955)
Gain/(loss) on disposal of investment properties and related cessation of business of foreign operations	5,196	–	(13,991)	–	–	–	–	–	(8,795)	–	(8,795)
Unallocated items:											
- H-REIT Manager's management fee											(10,128)
- H-REIT Trustee's fee											(407)
- HBT Trustee-Manager's management fee											(559)
- HBT Trustee-Manager's trustee fee											(224)
- Valuation fees											(187)
- Other expenses											(8,424)
- Finance income											20,634
- Finance costs											(44,599)
- Tax expense											(4,058)
<b>Loss for the year</b>											<u>(189,135)</u>
<b>Other material non-cash items</b>											
Reversal of impairment loss/(Impairment loss) on trade and other receivables	10	–	(6,022)	(4,689)	–	–	(88)	–	(10,789)	(219)	(11,008)
<b>Reportable segment assets</b>											
Capital expenditure on investment properties and property, plant and equipment	5,992	647	–	121	5,437	337	1,570	110	14,214	–	14,214
Non-current assets <sup>^</sup>	<u>1,683,975</u>	<u>186,658</u>	<u>75,862</u>	<u>171,479</u>	<u>136,250</u>	<u>80,572</u>	<u>198,995</u>	<u>65,604</u>	<u>2,599,395</u>	<u>88,000</u>	<u>2,687,395</u>

<sup>^</sup> Excluding deferred tax assets, financial derivative assets, finance lease receivables and other receivables.

## 16 Fair value of assets and liabilities

### Accounting classifications and fair values

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

	Carrying amount				Fair value			
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>HBT Group</b>								
<b>At 31 December 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>(1)</sup>	19,714	–	–	19,714				
Cash and cash equivalents	32,327	–	–	32,327				
	<u>52,041</u>	<u>–</u>	<u>–</u>	<u>52,041</u>				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>(2)</sup>	–	–	(49,983)	(49,983)				
Unsecured bank loans	–	–	(98,128)	(98,128)	–	(97,754)	–	(97,754)
Loan from related entity	–	–	(72,696)	(72,696)				
Lease liabilities	–	–	(145,595)	(145,595)				
	<u>–</u>	<u>–</u>	<u>(366,402)</u>	<u>(366,402)</u>				

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

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

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

	Carrying amount				Fair value			
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>H-REIT Group</b>								
<b>At 31 December 2021</b>								
<b>Financial assets not measured at fair value</b>								
Finance lease receivables	2,198	–	–	2,198				
Trade and other receivables <sup>(1)</sup>	103,155	–	–	103,155				
Cash and cash equivalents	107,137	–	–	107,137				
	<u>212,490</u>	<u>–</u>	<u>–</u>	<u>212,490</u>				
<b>Financial assets measured at fair value</b>								
Financial derivative assets	–	4,762	–	4,762	–	4,762	–	4,762
<b>Financial liabilities measured at fair value</b>								
Financial derivative liabilities	–	(948)	–	(948)	–	(948)	–	(948)
<b>Financial liabilities not measured at fair value</b>								
Secured TMK bond	–	–	(35,874)	(35,874)	–	(36,531)	–	(36,531)
Secured bank loan	–	–	(67,350)	(67,350)	–	(69,949)	–	(69,949)
Unsecured bank loans	–	–	(897,367)	(897,367)	–	(875,400)	–	(875,400)
Lease liabilities	–	–	(74,323)	(74,323)				
Trade and other payables	–	–	(32,026)	(32,026)				
Rental deposits	–	–	(10,651)	(10,651)	–	–	(10,900)	(10,900)
	<u>–</u>	<u>–</u>	<u>(1,117,591)</u>	<u>(1,117,591)</u>				

<sup>(1)</sup> Excluding prepayments

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

<sup>(1)</sup> Excluding prepayments

	Carrying amount				Fair value			
	Amortised cost \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Stapled Group</b>								
<b>At 31 December 2021</b>								
<b>Financial assets not measured at fair value</b>								
Finance lease receivables	2,198	–	–	2,198				
Trade and other receivables <sup>(1)</sup>	21,560	–	–	21,560				
Cash and cash equivalents	139,464	–	–	139,464				
	163,222	–	–	163,222				
<b>Financial assets measured at fair value</b>								
Financial derivative assets	–	4,762	–	4,762	–	4,762	–	4,762
<b>Financial liabilities measured at fair value</b>								
Financial derivative liabilities	–	(948)	–	(948)	–	(948)	–	(948)
<b>Financial liabilities not measured at fair value</b>								
Secured TMK bond	–	–	(35,874)	(35,874)	–	(36,531)	–	(36,531)
Secured bank loan	–	–	(67,350)	(67,350)	–	(69,949)	–	(69,949)
Unsecured bank loans	–	–	(995,495)	(995,495)	–	(973,154)	–	(973,154)
Lease liabilities	–	–	(92,453)	(92,453)				
Trade and other payables <sup>(2)</sup>	–	–	(44,629)	(44,629)				
Rental deposits	–	–	(10,651)	(10,651)	–	–	(10,900)	(10,900)
	–	–	(1,246,452)	(1,246,452)				

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

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

<sup>(1)</sup> Excluding prepayments

<sup>(2)</sup> Excluding deferred income

## 17 Commitments

	<b>HBT Group</b>		<b>H-REIT Group</b>		<b>Stapled Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
(a) Capital expenditure contracted but not provided for	–	–	9,641	8,618	9,641	8,618

- (b) Under the terms of the lease agreements for certain properties, the H-REIT Group and the Stapled Group are required to incur expenditure equivalent to 2.5% to 4.0% of the gross revenue to maintain and improve the hotel's or resort's furniture and fixtures, equipment and its environment. As at 31 December 2021, the H-REIT Group and the Stapled Group are committed to incur capital expenditure of \$4,428,000 (2020: \$3,740,000) under the terms of the lease agreements.
- (c) HBT's subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd, holds a leasehold land, with a 125-year lease granted by the Cambridge City Council commencing on 25 December 1990 (the "Head Lease"). The lease term may be extended for a further term of 50 years pursuant to the lessee's option to renew under the Head Lease. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value that is itself a function of the aggregate rent paid over the previous 3 years.

Lease liabilities and a corresponding ROU asset were recognised in the condensed interim financial statements based on present value of the minimum lease payments. The variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss or statement of total return (as the case may be).

- (d) The Stapled Group has entered into several agreements which were approved by the Stapled Securityholders in an extraordinary general meeting held on 23 January 2020, including:
- a development and sale agreement to acquire a brand new lifestyle hotel from a related corporation for a purchase price equal to the lower of the fixed price of \$475.0 million or 110% of the vendor's actual development cost. The transaction is expected to be completed in 2025.
  - a sale and purchase agreement to acquire 100% of shares in a hotel operating company from a related corporation for a consideration equal to the acquiree's net asset value at acquisition date plus partial reimbursement of pre-opening costs incurred, subject to a maximum of \$3.1 million. The transaction is expected to be completed in 2025.
- (e) HBT's subsidiary, CDL HBT Investments (I) Property Limited entered into a Development Funding Agreement to redevelop a piece of land in Manchester, United Kingdom into a residential build-to-rent building to be known as "The Castings" for a price of £63.8 million (\$118.4 million). The development is expected to be completed in FY2024.

## 18 Related party transactions

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

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

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

	HBT Group		H-REIT Group		Stapled Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Related corporations of the H-REIT Manager and HBT Trustee-Manager</b>						
Acquisition fee paid/payable	–	–	–	2,430	–	2,430
Divestment fee paid/payable	–	–	–	320	–	320
Rental income received/ receivable	–	–	55,914	50,729	55,914	50,729
Rental expense paid/payable	–	–	768	965	768	965
Shared service expenses paid/payable	–	–	312	352	312	352
Corporate secretarial services fee paid/payable	69	46	164	132	233	178

## 19 Financial ratios

	H-REIT Group		Stapled Group	
	2021 %	2020 %	2021 %	2020 %
Expenses to weighted average net assets <sup>1</sup>				
- including performance component of H-REIT Manager's management fees <sup>2</sup>	0.86	1.08	0.96	1.11
- excluding performance component of H-REIT Manager's management fees <sup>2</sup>	0.67	0.90	0.76	0.93
Portfolio turnover rate <sup>3</sup>	–	18.65	–	18.05

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

<sup>2</sup> Excluding acquisition fee and costs associated with the acquisition of a property.

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

## 20 Subsequent events

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

- (i) the HBT Trustee-Manager and the H-REIT Manager declared a distribution of 3.06 cents per Stapled Security to Stapled Securityholders in respect of the period from 1 July 2021 to 31 December 2021.
- (ii) 1,134,398 Stapled Securities, amounting to \$1,297,000, were issued as satisfaction of the H-REIT Manager's base fee for the period from 1 October 2021 to 31 December 2021 and acquisition fee.
- (iii) 119,954 Stapled Securities, amounting to \$137,000, were issued as satisfaction of the HBT Trustee-Manager's base fee for the period from 1 October 2021 to 31 December 2021.
- (iv) On 14 January 2022, NKS Hospitality I B.V ("NKS"), an indirectly-owned subsidiary of H-REIT, entered into an asset purchase agreement ("APA") with Provent Immobilien Beteiligungs GmbH ("Provent") for the purchase from Provent of the remaining 0.49% co-ownership share of the Pullman Hotel Munich ("Provent Property Share"). The net purchase consideration ("Net Purchase Consideration") payable by NKS to Provent is €0.4 million. The Net Purchase Consideration is payable 14 days after the date of registration of a priority notice protecting conveyancing of ownership of the Provent Property Share in favour of NKS at the local land registry. The completion of the transaction and Net Purchase Consideration is expected to be settled in the first quarter of 2022. After the completion of the transaction, NKS will have full ownership of the Pullman Hotel Munich and H-REIT will own 94.9% of the Pullman Hotel Munich.

## **Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed interim financial statements of CDL Hospitality Business Trust (“HBT”) and its subsidiaries (the “HBT Group”) which comprise the Statement of Financial Position as at 31 December 2021, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the HBT Group for the six-month period and year then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiaries (the “H-REIT Group”) which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2021, the Statement of Total Return, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of the H-REIT Group for the six-month period and year then ended and certain explanatory notes have not been audited or reviewed.

The condensed interim financial statements of CDL Hospitality Trusts (“CDLHT”) which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2021, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders’ Funds and Statement of Cash Flows of CDL Hospitality Trusts for the six-month period and year then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

Please refer to “Second Half FY2021 Summary of Group Performance” Section 2, page 14 to 24 of CDL Hospitality Trusts for the six-month period ended 31 December 2021.

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

Please refer to “Second Half FY2021 Summary of Group Performance” Section 3, page 24 of CDL Hospitality Trusts for the six-month period ended 31 December 2021.

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

Please refer to “Second Half FY2021 Summary of Group Performance” Section 4, page 24 to 26 of CDL Hospitality Trusts for the six-month period ended 31 December 2021.

**5. Distributions**

**5(a) Current financial period**

Any distributions declared for the current financial period? Yes  
 Period of distribution: Distribution for 1 July 2021 to 31 December 2021

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable Income	1.29
Tax Exempt Income	0.52
Capital	1.25
<b>Total</b>	<b>3.06</b>

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

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes  
 Period of distribution: Distribution for 1 July 2020 to 31 December 2020

<b>Distribution Type</b>	<b>Amount (cents per Stapled Security)</b>
Taxable Income	1.19
Tax Exempt Income	0.61
Capital	1.64
<b>Total</b>	<b>3.44</b>

**5(c) Tax rate**

Taxable Income Distribution

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

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

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

Tax-Exempt Income Distribution

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

Capital Distribution

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

**5(d) Book closure date**

5.00 p.m. on 10 February 2022

**5(e) Date payable**

1 March 2022

**6. General mandate for Interested Person Transactions**

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

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

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the six months and year ended 31 December 2021 to be false or misleading in any material respect.

That said, in this regard, we would like to highlight that the carrying amounts of CDLHT’s investment properties (“**IP**”) and property, plant and equipment (“**PPE**”) are based on the independent valuations as at 31 December 2021.

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

*Sensitivity analysis*

For illustration purposes, a decline of between 5% to 30% (at increments of 5%) in the carrying amounts of CDLHT's properties as at 31 December 2021 would have the following estimated impact on the net asset value/ net tangible asset and gearing of CDLHT by the amounts as shown below. This sensitivity analysis assumes that all other variables remain constant.

Carrying Amount of IP & PPE	As at 31 Dec 2021	Decreased by					
		5%	10%	15%	20%	25%	30%
Aggregate leverage ratio (%)	39.1	41.0	43.1	45.5	48.1	51.1	54.5
NAV/NTA (S\$'000)	1,635,334	1,503,010	1,370,686	1,238,362	1,106,038	973,714	841,390
NAV/NTA per Stapled Security (S\$)	1.3257	1.3586	1.2581	1.1576	1.0571	0.9566	0.8561

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

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

On behalf of the Board of Directors

CHAN SOON HEE ERIC  
Chairman

VINCENT YEO WEE ENG  
Chief Executive Officer

28 January 2022

**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)

28 January 2022

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)

28 January 2022