



CDL HOSPITALITY TRUSTS

CDL HOSPITALITY TRUSTS UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS, H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST AND ITS SUBSIDIARIES

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

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INTRODUCTION

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), a real estate investment trust, and CDL Hospitality Business Trust ("**HBT**"), a business trust. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited ("**SGX**") on 19 July 2006.

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

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

As of 30 September 2016, owns 15 hotels, two resorts and a retail mall comprising a total of 4,911 rooms. The properties under CDLHT's portfolio include:

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

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

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

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

**CDL HOSPITALITY TRUSTS (“CDLHT”)
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H-REIT AND ITS SUBSIDIARIES AND HBT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Gross revenue	45,408	41,084	10.5	132,531	122,297	8.4
Net property income	34,832	33,080	5.3	99,866	99,198	0.7
Total return for the period	22,553	21,373	5.5	61,367	65,404	(6.2)
Income available for distribution to Stapled Securityholders (before retention)	26,861	25,880	3.8	74,960	77,114	(2.8)
Less:						
Income retained for working capital	(2,686)	(2,588)	3.8	(7,496)	(7,711)	(2.8)
Income available for distribution to Stapled Securityholders (after retention)	24,175	23,292	3.8	67,464	69,403	(2.8)
Capital distribution	-	-	-	738	-	N.M
Total distribution to Stapled Securityholders (after retention and capital distribution)	24,175	23,292	3.8	68,202	69,403	(1.7)
Total distribution per Stapled Security (before retention)¹(cents)						
For the period	2.70	2.62	3.1	7.63	7.82	(2.4)
Total distribution per Stapled Security (after retention)¹(cents)						
For the period	2.44	2.36	3.4	6.89	7.05	(2.3)

¹. This includes capital distribution.

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Gross revenue									
	35,346	36,262	(2.5)	-	-	-	32,958	33,762	(2.4)
	-	-	-	9,705	5,364	80.9	9,705	5,364	80.9
	-	-	-	1,683	998	68.6	1,683	998	68.6
	-	-	-	1,062	960	10.6	1,062	960	10.6
(a)	35,346	36,262	(2.5)	12,450	7,322	70.0	45,408	41,084	10.5
Property expenses									
	-	-	-	(3,616)	(2,455)	47.3	(3,616)	(2,455)	47.3
	-	-	-	(659)	(407)	61.9	(659)	(407)	61.9
(c)	(2,210)	(2,131)	3.7	(226)	-	N.M	(2,436)	(2,131)	14.3
(d)	(322)	(389)	(17.2)	15	-	N.M	(307)	(389)	(21.1)
	-	-	-	(1,632)	(1,059)	54.1	(1,632)	(1,059)	54.1
	-	-	-	(508)	(407)	24.8	(508)	(407)	24.8
	-	-	-	(508)	(440)	15.5	(508)	(440)	15.5
(e)	-	-	-	(2,507)	(2,500)	0.3	(119)	-	N.M
(f)	(791)	(716)	10.5	-	-	-	(791)	(716)	10.5
Net property income									
	32,023	33,026	(3.0)	2,809	54	N.M	34,832	33,080	5.3
	(1,516)	(1,519)	(0.2)	-	-	-	(1,516)	(1,519)	(0.2)
	(1,601)	(1,651)	(3.0)	-	-	-	(1,601)	(1,651)	(3.0)
	(68)	(69)	(1.4)	-	-	-	(68)	(69)	(1.4)
	-	-	-	(149)	8	N.M	(149)	8	N.M
	-	-	-	(34)	-	N.M	(34)	-	N.M
	(46)	(1)	N.M	(7)	-	N.M	(53)	(1)	N.M
(g)	(472)	(378)	24.9	(937)	-	N.M	(2,222)	(1,192)	86.4
(h)	(598)	(566)	5.7	(235)	(1,783)	(86.8)	(833)	(2,349)	(64.5)
	783	859	(8.8)	12	4	N.M	94	863	(89.1)
	(5,876)	(5,546)	6.0	(689)	-	N.M	(5,864)	(5,546)	5.7
(i)	(5,093)	(4,687)	8.7	(677)	4	N.M	(5,770)	(4,683)	23.2
Net income/(loss) before tax									
	22,629	24,155	(6.3)	770	(1,717)	N.M	22,586	21,624	4.4
(k)	(46)	(257)	(82.1)	13	6	N.M	(33)	(251)	(86.9)
(j)	22,583	23,898	(5.5)	783	(1,711)	N.M	22,553	21,373	5.5

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

Foot-note	H-REIT Group			HBT Group ^(b)			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Gross revenue									
	103,806	108,086	(4.0)	-	-	-	95,713	98,884	(3.2)
	-	-	-	28,638	17,237	66.1	28,638	17,237	66.1
	-	-	-	5,110	3,208	59.3	5,110	3,208	59.3
	-	-	-	3,070	2,968	3.4	3,070	2,968	3.4
(a)	103,806	108,086	(4.0)	36,818	23,413	57.3	132,531	122,297	8.4
Property expenses									
	-	-	-	(10,926)	(7,036)	55.3	(10,926)	(7,036)	55.3
	-	-	-	(1,950)	(1,453)	34.2	(1,950)	(1,453)	34.2
(c)	(6,990)	(6,440)	8.5	(751)	-	N.M	(7,741)	(6,440)	20.2
(d)	(942)	(1,218)	(22.7)	(107)	-	N.M	(1,049)	(1,218)	(13.9)
	-	-	-	(4,844)	(2,970)	63.1	(4,844)	(2,970)	63.1
	-	-	-	(1,674)	(1,016)	64.8	(1,674)	(1,016)	64.8
	-	-	-	(1,537)	(1,377)	11.6	(1,537)	(1,377)	11.6
(e)	-	-	-	(8,380)	(9,202)	(8.9)	(287)	-	N.M
(f)	(2,657)	(1,589)	67.2	-	-	-	(2,657)	(1,589)	67.2
Net property income									
	93,217	98,839	(5.7)	6,649	359	N.M	99,866	99,198	0.7
	(4,463)	(4,522)	(1.3)	-	-	-	(4,463)	(4,522)	(1.3)
	(4,661)	(4,942)	(5.7)	-	-	-	(4,661)	(4,942)	(5.7)
	(203)	(205)	(1.0)	-	-	-	(203)	(205)	(1.0)
	-	-	-	(325)	(13)	N.M	(325)	(13)	N.M
	-	-	-	(101)	-	N.M	(101)	-	N.M
	(147)	(135)	8.9	(22)	-	N.M	(169)	(135)	25.2
(g)	(1,305)	(1,134)	15.1	(2,884)	-	N.M	(6,654)	(3,478)	91.3
(h)	(1,480)	(1,362)	8.7	(159)	(1,880)	(91.5)	(1,639)	(3,242)	(49.4)
	1,699	763	N.M	128	4	N.M	116	767	(84.9)
	(18,069)	(15,870)	13.9	(2,042)	-	N.M	(18,400)	(15,870)	15.9
(i)	(16,370)	(15,107)	8.4	(1,914)	4	N.M	(18,284)	(15,103)	21.1
Net income/(loss) before tax									
	64,588	71,432	(9.6)	1,244	(1,530)	N.M	63,367	67,558	(6.2)
(k)	(1,405)	(2,107)	(33.3)	(595)	(47)	N.M	(2,000)	(2,154)	(7.1)
(j)	63,183	69,325	(8.9)	649	(1,577)	N.M	61,367	65,404	(6.2)
Total return/Total comprehensive income for the period									

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AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

Footnotes

- (a) Gross revenue comprises rental income and hotel revenue from CDLHT's properties. Please refer to Section 8 (i), page 24 to 27 of the Announcement.
- (b) Gross revenue and property expenses for HBT Group have increased in 3Q 2016 and nine months ended 30 September 2016 as compared to the corresponding period last year primarily due to the inclusion of the operating results of the UK Hotel (acquired on 1 October 2015).
- (c) The increase in property tax in 3Q 2016 and nine months ended 30 September 2016 was mainly due to inclusion of the UK Hotel, which was absent for the corresponding period last year.
- (d) Insurance expense in 3Q 2016 and nine months ended 30 September 2016 decreased mainly due to lower insurance premiums for the Singapore Hotels and Maldives resorts.
- (e) The rental expense of HBT Group relates to rent accrued to H-REIT's indirect wholly-owned subsidiaries (Jumeirah Dhevanafushi and Japan Hotels) and land lease payable to Cambridge City Council by the UK Hotel. For further details, refer to Section 8 (ii) Footnote (b)(ii), (d) and (e) on page 27 of the Announcement.
- (f) Other property expenses comprise mainly direct operating expenses of the Claymore Connect. Expenses for nine months ended 30 September 2016 were higher as the mall is fully operational. For the corresponding period last year, the mall was still undergoing refurbishment works. Also included in other property expenses is a bad debt provision of \$30K made in 3Q 2016 (YTD 3Q 2016: S\$85K) in relation to Claymore Connect's rental income in arrears.
- (g) The depreciation and amortisation expenses for the group mainly relates to property, plant and equipment of the Japan and UK Hotels and Jumeirah Dhevanafushi. The higher depreciation expenses in 3Q 2016 and nine months ended 30 September 2016 is mainly due to the appreciation of JPY and USD, as well as the inclusion of the UK hotel (acquired on 1 October 2015).
- (h) Other trust expenses in CDLHT comprise mainly professional fees and administrative costs. Other trust expenses in 3Q 2016 were lower than the corresponding period last year mainly due to the absence of a one-off transaction costs of £790,000 (S\$1,654,000) incurred in 3Q 2015 for the UK Hotel acquisition (acquired on 1 October 2015). Correspondingly, the other trust expenses were also lower for the nine months ended 30 September 2016.
- (i) Net finance costs comprise the following:

	H-REIT Group					
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Interest income received/ receivable from banks	29	90	(67.8)	116	218	(46.8)
Interest income received/ receivable from HBT Group ⁽ⁱ⁾	541	-	N.M	1,583	-	N.M
Exchange gain ⁽ⁱⁱ⁾	213	769	(72.3)	-	545	N.M
Finance income	783	859	(8.8)	1,699	763	N.M
Exchange loss ⁽ⁱⁱ⁾	-	-	-	(295)	-	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,487)	(5,249)	4.5	(16,653)	(14,969)	11.2
Fair value loss on derivatives ^(v)	(33)	-	N.M	(141)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(305)	(184)	65.8	(827)	(690)	19.9
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(113)	(54.9)	(153)	(211)	(27.5)
Finance costs	(5,876)	(5,546)	6.0	(18,069)	(15,870)	13.9
Net finance costs	(5,093)	(4,687)	8.7	(16,370)	(15,107)	8.4

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HBT Group						
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Fair value gain on derivatives ^(v)	12	-	N.M	128	-	N.M
Exchange gain ⁽ⁱⁱ⁾	-	4	N.M	-	4	N.M
Finance income	12	4	N.M	128	4	N.M
Exchange loss ⁽ⁱⁱ⁾	(148)	-	N.M	(459)	-	N.M
Interest paid/payable to H-REIT Group ⁽ⁱ⁾	(541)	-	N.M	(1,583)	-	N.M
Finance costs	(689)	-	N.M	(2,042)	-	N.M
Net finance costs	(677)	4	N.M	(1,914)	4	N.M

CDL Hospitality Trusts						
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	29	90	(67.8)	116	218	(46.8)
Exchange gain ⁽ⁱⁱ⁾	65	773	(91.6)	-	549	N.M
Finance income	94	863	(89.1)	116	767	(84.9)
Exchange loss ⁽ⁱⁱ⁾	-	-	-	(754)	-	N.M
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(5,487)	(5,249)	4.5	(16,653)	(14,969)	11.2
Fair value loss on derivatives ^(v)	(21)	-	N.M	(13)	-	N.M
Amortisation of transaction costs capitalised ^(iv)	(305)	(184)	65.8	(827)	(690)	19.9
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(51)	(113)	(54.9)	(153)	(211)	(27.5)
Finance costs	(5,864)	(5,546)	5.7	(18,400)	(15,870)	15.9
Net finance costs	(5,770)	(4,683)	23.2	(18,284)	(15,103)	21.1

- (i) The intra-group interest income/expenses between H-REIT Group and HBT Group arose from a loan extended by H-REIT to HBT to finance the acquisition of UK Hotel.
- (ii) The exchange gain/loss relates mainly to the revaluation of foreign currency denominated receivables and cash equivalent balances at reporting date. The exchange gain in 3Q 2016 was mainly due to the appreciation of the Australian (“AUD”), New Zealand (“NZD”), United States (“USD”) dollar and Japanese yen (“JPY”) against the Singapore dollar (“SGD”) during the reporting period. The exchange loss for nine months ended 30 September 2016 was largely contributed by the yoy depreciation of the USD against SGD, as well as the foreign currency impact from inclusion of the British pound (“GBP”) intra-group loan with H-REIT that was not present in the prior year. Please refer to footnote (d) on page 10 for more details.
- (iii) The interest paid/payable to banks in 3Q 2016 and nine months ended 30 September 2016 was higher due to increased borrowings drawn to finance the acquisition of the UK Hotel and asset enhancement works for Singapore properties as well as the higher quantum of fixed rate borrowings, which increased the funding costs.
- (iv) The amortisation costs in 3Q 2016 and nine months ended 30 September 2016 relate to the amortisation of transaction costs arising from the group’s borrowings.
- (v) Fair value gain/loss on derivatives relates to the re-measurement of foreign exchange forward contracts to partially hedge H-REIT’s and HBT’s income from overseas.

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

	CDL Hospitality Trusts			
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000
H-REIT	25,148	4,249	66,486	34,108
Other H-REIT group entities (including consolidation adjustments)	(2,565)	19,649	(3,303)	35,217
HBT	1,848	(13)	3,179	(91)
Other HBT group entities (including consolidation adjustments)	(1,065)	(1,698)	(2,530)	(1,486)
CDL Hospitality Trusts' consolidation adjustments	(813)	(814)	(2,465)	(2,344)
	22,553	21,373	61,367	65,404

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

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000
Corporate income tax	(202)	(71)	(253)	9	(454)	(62)
Deferred tax	153	237	-	-	153	237
Withholding tax	(3)	(2)	266	(2)	262	(4)
Over/(Under)provision in respect of prior year tax	6	(421)	-	(1)	6	(422)
	(46)	(257)	13	6	(33)	(251)

	H-REIT Group		HBT Group		CDL Hospitality Trusts	
	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000
Corporate income tax	(836)	(554)	(424)	(31)	(1,260)	(585)
Deferred tax	(474)	(966)	-	-	(474)	(966)
Withholding tax	(65)	(2)	(151)	(2)	(216)	(4)
Underprovision in respect of prior year tax	(30)	(585)	(20)	(14)	(50)	(599)
	(1,405)	(2,107)	(595)	(47)	(2,000)	(2,154)

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

	CDL Hospitality Trusts			
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000
Total return of H-REIT	25,148	4,249	66,486	34,108
Comprehensive income of HBT	1,848	-	3,179	-
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	255	176	717	652
- Fair value (gain)/loss on financial derivatives	33	-	141	-
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	51	113	153	211
- Exchange (gain)/loss	(3,130)	18,507	(3,697)	33,941
- H-REIT Manager's fees paid/payable in Stapled Securities	2,493	2,536	7,299	7,571
- H-REIT Trustee's fees	68	68	203	204
- HBT Trustee-Manager's management fees paid/payable in Stapled Securities	119	-	260	-
- HBT Trustee-Manager's trustee fees	34	-	101	-
- Other items	(58)	231	118	427
Income available for distribution to Stapled Securityholders (before retention)	26,861	25,880	74,960	77,114
Less :				
Income retained for working capital	(2,686)	(2,588)	(7,496)	(7,711)
Income available for distribution to Stapled Securityholders (after retention)	24,175	23,292	67,464	69,403
Capital distribution ⁽ⁱⁱ⁾	-	-	738	-
Total distribution to Stapled Securityholders (after retention and capital distribution) ⁽ⁱⁱⁱ⁾	24,175	23,292	68,202	69,403
Comprising :				
- Taxable income	18,648	20,240	52,213	57,797
- Tax exempt income	5,527	3,052	15,251	11,606
- Capital distribution	-	-	738	-
	24,175	23,292	68,202	69,403

- (i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT.
- (ii) The capital distribution of S\$0.7 million arose from its Japan Hotels, as explained under Footnote (d) on page 27 of the Announcement.
- (iii) The total distributable income for nine months ended 30 September 2016 of S\$68.2 million comprises all of CDLHT's taxable income, net tax exempt income (after retaining an amount of S\$7.5 million for working capital) and capital distribution for the period from 1 January 2016 to 30 September 2016.

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

Footnote	H-REIT Group		HBT Group ^(a)		CDL Hospitality Trusts		
	30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	30 Sep 2016 S\$'000	31 Dec 2015 S\$'000	
ASSETS							
Non-current assets							
Property, plant and equipment	(b)	79,015	69,198	105,662	128,636	253,014	270,855
Investment properties	(c)	2,267,290	2,257,091	-	-	2,189,316	2,176,664
Prepaid land lease		-	-	-	-	7,199	7,406
Deferred tax assets		-	216	-	-	-	216
Other receivables	(d)	117,163	135,742	-	-	-	-
		2,463,468	2,462,247	105,662	128,636	2,449,529	2,455,141
Current assets							
Inventories		-	-	999	1,280	999	1,280
Trade and other receivables		19,328	18,741	6,357	6,322	18,939	19,094
Cash and cash equivalents		41,741	62,267	13,956	9,701	55,697	71,968
Financial derivative assets	(e)	-	-	128	-	128	-
		61,069	81,008	21,440	17,303	75,763	92,342
Total assets		2,524,537	2,543,255	127,102	145,939	2,525,292	2,547,483
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(f)	922,374	703,208	-	-	922,374	703,208
Rental deposits	(g)	8,828	8,749	-	-	8,828	8,749
Other payables	(d)	-	-	117,163	135,742	-	-
Deferred tax liabilities		10,833	10,514	-	-	10,833	10,514
		942,035	722,471	117,163	135,742	942,035	722,471
Current liabilities							
Loans and borrowings	(f)	-	219,136	-	-	-	219,136
Trade and other payables	(h)	27,013	26,819	11,559	11,389	31,826	32,239
Financial derivative liabilities	(e)	141	-	-	-	141	-
Provision for taxation		581	156	484	117	1,065	273
		27,735	246,111	12,043	11,506	33,032	251,648
Total liabilities		969,770	968,582	129,206	147,248	975,067	974,119
Net assets		1,554,767	1,574,673	(2,104)	(1,309)	1,550,225	1,573,364
Represented by:							
Unitholders' funds							
Unitholders' funds of H-REIT Group		1,554,767	1,574,673	-	-	-	-
Unitholders' funds of HBT Group		-	-	(2,104)	(1,309)	-	-
Unitholders' funds of Stapled Group		-	-	-	-	1,550,225	1,573,364
		1,554,767	1,574,673	(2,104)	(1,309)	1,550,225	1,573,364

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Footnotes

(a) *The Statement of Financial Position of HBT Group comprises the resort operations of Jumeirah Dhevanafushi, the Japan Hotels (acquired on 19 December 2014) and the UK Hotel (acquired on 1 October 2015).*

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

The property, plant and equipment at CDLHT comprise the Japan Hotels, Jumeirah Dhevanafushi and the UK Hotel. For Jumeirah Dhevanafushi, the property is leased by H-REIT's indirect wholly-owned subsidiary to HBT's indirect wholly-owned subsidiary. For the Japan Hotels, there is a master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and HBT's indirect wholly-owned subsidiary. Under FRS 40, these properties are considered property held for use as owner-occupied properties. Accordingly, these properties are classified as property, plant and equipment instead of investment property in CDLHT's financial statements.

The decrease in property, plant and equipment at CDLHT is mainly due to a net translation loss of S\$12.6 million and a depreciation expense of S\$6.5 million incurred during the period.

(c) *The increase in investment properties at H-REIT group is mainly due to additional capital expenditure of about S\$11.0 million incurred during the period, partially offset by a net translation loss of S\$0.6 million.*

(d) *As at 30 September 2016, H-REIT drew down £66.5 million (S\$117.8 million) from its term loan facility (refer to Section 1(b)(ii) Footnote (iii)(h) on page 12 to the Announcement) and extended a loan to HBT to finance the acquisition of the UK Hotel. The intra-group loan between H-REIT and HBT is classified as non-current other receivables/payables at H-REIT Group and HBT Group respectively. The loan interest which is payable every 3 months, is correspondingly classified as current other receivables/payables at H-REIT Group and HBT Group respectively.*

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

(f) *Loans and borrowings of the H-REIT Group of S\$922.4 million (3Q 2015: S\$927.7 million), which are measured at amortised cost, comprise S\$120.0 million notes issued pursuant to the Medium Term Note Programme, JPY 3.1 billion (S\$41.2 million) TMK bond and S\$761.2 million bank borrowings, as explained under Section 1(b)(ii) on pages 11 to 12 of the Announcement.*

The movement in loans and borrowings under current liabilities to non-current liabilities was due to the re-financing of these loans with longer tenor borrowings.

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

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

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

		H-REIT Group and CDL Hospitality Trusts	
		30 Sep 2016 S\$'000	31 Dec 2015 S\$'000
Amount repayable after one year			
Secured TMK bond		41,850	36,332
Unsecured medium term notes		120,000	120,000
Unsecured borrowings		764,640	550,525
		926,490	706,857
Amount repayable within one year			
Unsecured medium term note		-	83,600
Unsecured borrowings		-	135,563
		-	219,163
Total borrowings^(a)		926,490	926,020

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

H-REIT has a S\$83.6 million unsecured medium term notes and a £64.6 million 1-year bridge loan (drawn to finance the acquisition of the UK Hotel) which matured in August 2016. These borrowings were re-financed with corresponding 5-year floating rate term loans respectively.

Details of borrowings

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

Facilities		H-REIT Group and CDL Hospitality Trusts 30 Sep 2016		
Currency	Type	Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000
JPY	TMK bond (¥3.1 billion)	41,850	41,850	-
JPY	5-year term loan (¥3.27 billion)	44,145	44,145	-
SGD	Medium term notes	1,000,000	120,000	880,000
SGD	Bridge loan (uncommitted)	300,000	-	300,000
SGD	3 to 3.25-year revolving credit (committed)	250,000	161,218	88,782
SGD	5-year term loan	153,600	153,600	-
USD	5-year term loan (US\$140.0 million)	190,540	190,540	-
AUD	5-year term loan (A\$93.2 million)	97,385	97,385	-
GBP	5-year term loan (£66.5 million)	117,752	117,752	-
		2,195,272	926,490	1,268,782

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Secured TMK bond

The TMK bond included in H-REIT Group relates to 5-year Japanese yen denominated bond of JPY3.1 billion (S\$41.9 million) issued by H-REIT's indirectly owned subsidiary, CDLHT Hanei Tokutei Mokutei Kaisha. CDLHT's interest in Japan Hotels is held via a Tokutei Mokutei Kaisha (“TMK”) structure, and such TMK structures are required to issue bond to partially fund the acquisition of Japan assets.

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

Unsecured medium term notes

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

Unsecured bridge loan

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

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

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1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000
Operating activities							
Net income/(loss) before tax		22,629	24,155	770	(1,717)	22,586	21,624
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	2,493	2,536	119	-	2,612	2,536
Depreciation of property, plant and equipment		472	378	937	-	2,156	1,127
Amortisation of prepaid land lease		-	-	-	-	66	65
Impairment loss on trade receivables		30	-	15	-	45	-
Net finance costs/(income)		5,093	4,687	677	(4)	5,770	4,683
Operating income/(loss) before working capital changes		30,717	31,756	2,518	(1,721)	33,235	30,035
Changes in working capital:							
Inventories		-	-	168	(224)	168	(224)
Trade and other receivables		4,607	3,462	(217)	(1,032)	1,615	1,537
Trade and other payables		(3,865)	1,465	803	2,923	(288)	5,279
Cash generated from/(used in) operating activities		31,459	36,683	3,272	(54)	34,730	36,627
Income tax paid/(refunded)		(517)	(192)	261	(33)	(256)	(225)
Net cash generated from/(used in) operating activities		30,942	36,491	3,533	(87)	34,474	36,402
Investing activities							
Capital expenditure on investment properties		(1,716)	(3,785)	-	-	(1,657)	(3,394)
Addition of property, plant and equipment and prepaid land lease		(24)	(137)	-	-	(83)	(527)
Interest received		480	109	-	-	29	110
Cash generated from/(used in) investing activities		(1,260)	(3,813)	-	-	(1,711)	(3,811)
Financing activities							
Other (receivables)/payables		(3,282)	(135,358)	3,282	135,358	-	-
Funds reserved for the completion of the acquisition		-	-	-	(135,358)	-	(135,358)
Proceeds from bank loans	(b)	210,954	176,017	-	-	210,954	176,017
Proceeds from bond		-	35,030	-	-	-	35,030
Repayment of bank loans	(b)	(207,422)	(70,634)	-	-	(207,422)	(70,634)
Payment of transaction costs related to bank loans		(1,090)	(867)	-	-	(1,090)	(867)
Finance costs paid		(5,351)	(4,444)	(452)	-	(5,351)	(4,444)
Distribution to holders of Stapled Securities		(41,620)	(46,207)	(2,476)	-	(44,096)	(46,207)
Movement in restricted cash		140	-	-	-	140	-
Cash generated from/(used in) financing activities		(47,671)	(46,463)	354	-	(46,865)	(46,463)
Net increase/(decrease) in cash and cash equivalents		(17,989)	(13,785)	3,887	(87)	(14,102)	(13,872)
Cash and cash equivalents at beginning of the period		57,872	55,013	10,111	2,607	67,983	57,620
Effect of exchange rate changes on cash and cash equivalents		493	-	(42)	-	451	-
Cash and cash equivalents at end of the period	(c)	40,376	41,228	13,956	2,520	54,332	43,748

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1 (c) Consolidated Statements of Cash Flows

	Foot-note	H-REIT Group		HBT Group		CDL Hospitality Trusts	
		1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000
Operating activities							
Net income/(loss) before tax		64,588	71,432	1,244	(1,530)	63,367	67,558
Adjustments for:							
H-REIT Manager's/HBT Trustee-Manager's fee paid/payable in Stapled Securities	(a)	7,299	7,571	260	-	7,559	7,571
Depreciation of property, plant and equipment		1,305	1,134	2,884	-	6,452	3,292
Amortisation of prepaid land lease		-	-	-	-	202	186
Impairment loss on trade receivables		85	-	132	-	217	-
Net finance costs/(income)		16,370	15,107	1,914	(4)	18,284	15,103
Operating income/(loss) before working capital changes		89,647	95,244	6,434	(1,534)	96,081	93,710
Changes in working capital:							
Inventories		-	-	235	22	235	22
Trade and other receivables		3,430	(33)	(641)	(933)	(2,970)	2,208
Trade and other payables		(2,091)	719	(390)	992	3,277	(1,461)
Cash generated from/(used in) operating activities		90,986	95,930	5,638	(1,453)	96,623	94,479
Income tax paid		(531)	(669)	(179)	(93)	(710)	(765)
Net cash generated from/(used in) operating activities		90,455	95,261	5,459	(1,546)	95,913	93,714
Investing activities							
Capital expenditure on investment properties		(12,113)	(14,299)	-	-	(11,711)	(12,276)
Addition of property, plant and equipment and prepaid land lease		(780)	(163)	-	-	(1,182)	(2,185)
Interest received		876	218	-	-	126	218
Cash generated from/(used in) investing activities		(12,017)	(14,244)	-	-	(12,767)	(14,243)
Financing activities							
Other (receivables)/payables		(3,282)	(135,358)	3,282	135,358	-	-
Funds reserved for the completion of the acquisition		-	-	-	(135,358)	-	(135,358)
Proceeds from bank loans	(b)	223,499	178,073	-	-	223,499	178,073
Proceeds from bond		-	35,030	-	-	-	35,030
Repayment of bank loans	(b)	(207,422)	(72,581)	-	-	(207,422)	(72,581)
Payment of transaction costs related to bank loans		(1,179)	(943)	-	-	(1,179)	(943)
Finance costs paid		(16,319)	(13,804)	(751)	-	(16,319)	(13,804)
Distribution to holders of Stapled Securities		(94,738)	(102,587)	(2,476)	-	(97,214)	(102,587)
Movement in restricted cash		201	-	-	-	201	-
Cash generated from/(used in) financing activities		(99,240)	(112,170)	55	-	(98,434)	(112,170)
Net increase/(decrease) in cash and cash equivalents		(20,802)	(31,153)	5,514	(1,546)	(15,288)	(32,699)
Cash and cash equivalents at beginning of the period		60,896	72,381	9,701	4,066	70,597	76,447
Effect of exchange rate changes on cash and cash equivalents		282	-	(1,259)	-	(977)	-
Cash and cash equivalents at end of the period	(c)	40,376	41,228	13,956	2,520	54,332	43,748

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Footnotes

(a) Significant non-cash transactions

3Q 2016

1,914,345 (3Q 2015: 1,912,523) Stapled Securities amounting to S\$2.6 million (3Q 2015: S\$2.5 million) will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of the quarter.

Nine months ended 30 September 2016

5,484,456 (nine months ended 30 September 2015: 4,904,806) Stapled Securities amounting to S\$7.6 million (nine months ended 30 September 2015: S\$7.6 million) were issued or will be issued to the H-REIT Manager and HBT Trustee-Manager as satisfaction of asset management fees payable in units in respect of nine months ended 30 September 2016.

(b) Proceeds from bank loans were utilised to re-finance bank borrowings, fund the asset enhancement and capital expenditure works for its properties and for working capital purposes.

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

	H-REIT Group S\$'000	CDL Hospitality Trusts S\$'000
Cash and cash equivalents in the Statement of Financial Position	41,741	55,697
Restricted cash ^(a)	(1,365)	(1,365)
Cash and cash equivalents in the Statement of Cash Flows	40,376	54,332

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

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

	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 July 2016	1,162,648	(23,921)	(36,417)	461,186	1,563,496	641	(121)	604	(1,849)	(725)	1,561,153
Operations											
Increase/(decrease) in net assets resulting from operations	-	-	-	22,583	22,583	-	-	-	783	783	22,553
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	4,455	-	4,455	-	-	195	-	195	4,643
- Exchange differences on hedge of net investment in a foreign operation	-	-	(5,388)	-	(5,388)	-	-	-	-	-	(5,388)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	8,748	-	8,748	-	-	-	-	-	8,748
Increase/(decrease) in foreign currency translation reserve	-	-	7,815	-	7,815	-	-	195	-	195	8,003
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 2,493	-	-	-	2,493	-	-	-	-	-	2,493
- Stapled Securities to be issued as payment of HBT Trustee-Manager’s management fees	(b) -	-	-	-	-	119	-	-	-	119	119
- Distribution to Stapled Securityholders	(c) (793)	-	-	(40,827)	(41,620)	-	-	-	(2,476)	(2,476)	(44,096)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	1,700	-	-	(40,827)	(39,127)	119	-	-	(2,476)	(2,357)	(41,484)
Balance as at 30 September 2016	1,164,348	(23,921)	(28,602)	442,942	1,554,767	760	(121)	799	(3,542)	(2,104)	1,550,225

Footnote

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

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

	H-REIT Group					HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 January 2016	1,158,930	(23,921)	(32,952)	472,616	1,574,673	500	(121)	27	(1,715)	(1,309)	1,573,364
Operations											
Increase/(decrease) in net assets resulting from operations	-	-	-	63,183	63,183	-	-	-	649	649	61,367
Movements in foreign currency translation reserve											
- Translation differences relating to financial statements of foreign subsidiaries	-	-	201	-	201	-	-	772	-	772	1,000
- Exchange differences on hedge of net investment in a foreign operation	-	-	(376)	-	(376)	-	-	-	-	-	(376)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	4,525	-	4,525	-	-	-	-	-	4,525
Increase/(decrease) in foreign currency translation reserve	-	-	4,350	-	4,350	-	-	772	-	772	5,149
Stapled securityholders’ transactions											
- Stapled Securities to be issued as payment of H-REIT Manager's management fees (a)	7,299	-	-	-	7,299	-	-	-	-	-	7,299
- Stapled Securities to be issued as payment of HBT Trustee-Manager's management fees (b)	-	-	-	-	-	260	-	-	-	260	260
- Distribution to Stapled Securityholders (c)	(1,881)	-	-	(92,857)	(94,738)	-	-	-	(2,476)	(2,476)	(97,214)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	5,418	-	-	(92,857)	(87,439)	260	-	-	(2,476)	(2,216)	(89,655)
Balance as at 30 September 2016	1,164,348	(23,921)	(28,602)	442,942	1,554,767	760	(121)	799	(3,542)	(2,104)	1,550,225

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

	Footnote	H-REIT Group					HBT Group					CDL Hospitality Trusts	
		Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 July 2016		1,153,755	(23,921)	(37,997)	(467)	507,324	1,598,694	500	(121)	12	274	665	1,594,536
Operations													
Increase/(decrease) in net assets resulting from operations		-	-	-	-	23,898	23,898	-	-	-	(1,711)	(1,711)	21,373
Movement in hedging reserve													
Effective portion of changes in fair value of cash flow hedge	(f)	-	-	-	259	-	259	-	-	-	-	-	259
Movements in foreign currency translation reserve													
- Translation differences relating to financial statements of foreign subsidiaries		-	-	12,293	-	-	12,293	-	-	(32)	-	(32)	11,950
- Exchange differences on hedge of net investment in a foreign operation		-	-	(10,815)	-	-	(10,815)	-	-	-	-	-	(10,815)
- Exchange differences on monetary items forming part of net investment in a foreign operation		-	-	(8,109)	-	-	(8,109)	-	-	-	-	-	(8,109)
Increase/(decrease) in foreign currency translation reserve		-	-	(6,631)	-	-	(6,631)	-	-	(32)	-	(32)	(6,974)
Stapled securityholders' transactions													
- Stapled Securities to be issued as payment of H-REIT Manager's management fees	(a)	2,536	-	-	-	-	2,536	-	-	-	-	-	2,536
- Distribution to Stapled Securityholders	(d)	-	-	-	-	(46,207)	(46,207)	-	-	-	-	-	(46,207)
Increase/(decrease) in net assets resulting from stapled securityholders' transactions		2,536	-	-	-	(46,207)	(43,671)	-	-	-	-	-	(43,671)
Balance as at 30 September 2016		1,156,291	(23,921)	(44,628)	(208)	485,015	1,572,549	500	(121)	(20)	(1,437)	(1,078)	1,565,523

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

	H-REIT Group						HBT Group					CDL Hospitality Trusts
	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Units in Issue S\$'000	Issue Expenses S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits/ (Losses) S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 January 2015	1,148,720	(23,921)	(23,650)	(581)	518,277	1,618,845	500	(121)	9	140	528	1,616,127
Operations												
Increase/(decrease) in net assets resulting from operations	-	-	-	-	69,325	69,325	-	-	-	(1,577)	(1,577)	65,404
Movement in hedging reserve												
Effective portion of changes in fair value of cash flow hedge (f)	-	-	-	373	-	373	-	-	-	-	-	373
Movements in foreign currency translation reserve												
- Translation differences relating to financial statements of foreign subsidiaries	-	-	13,455	-	-	13,455	-	-	(29)	-	(29)	13,068
- Exchange differences on hedge of net investment in a foreign operation	-	-	(9,508)	-	-	(9,508)	-	-	-	-	-	(9,508)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(24,925)	-	-	(24,925)	-	-	-	-	-	(24,925)
Increase/(decrease) in foreign currency translation reserve	-	-	(20,978)	-	-	(20,978)	-	-	(29)	-	(29)	(21,365)
Stapled securityholders’ transactions												
- Stapled Securities to be issued as payment of H-REIT Manager's management fees (a)	7,571	-	-	-	-	7,571	-	-	-	-	-	7,571
- Distribution to Stapled Securityholders (e)	-	-	-	-	(102,587)	(102,587)	-	-	-	-	-	(102,587)
Increase/(decrease) in net assets resulting from stapled securityholders’ transactions	7,571	-	-	-	(102,587)	(95,016)	-	-	-	-	-	(95,016)
Balance as at 30 September 2015	1,156,291	(23,921)	(44,628)	(208)	485,015	1,572,549	500	(121)	(20)	(1,437)	(1,078)	1,565,523

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Footnotes

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee (comprising base fee and performance fee) incurred for the respective quarters. Prior to 1 January 2016, the Stapled Securities for the portion of the management fee (comprising base fee and performance fee) were issued within 30 days from the end of the quarter. With effect from 1 January 2016, due to a new requirement of the Monetary Authority of Singapore, the Stapled Securities for the performance fee will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group. The arrangement for the base fee remains unchanged, where the Stapled Securities are issued within 30 days from the quarter end.*
- (b) *These represent the Stapled Securities to be issued as partial satisfaction of the portion of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from the date of issuance of the financial statements of the Group.*
- (c) *Distribution to Stapled Securityholders in respect of the period from 1 July 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016, which includes a capital distribution of S\$793,000 in 3Q 2016 and S\$1,881,000 in nine months ended 30 September 2016.*
- (d) *Distribution to Stapled Securityholders in respect of the period from 1 January 2015 to 30 June 2015.*
- (e) *Distribution to Stapled Securityholders in respect of the period from 1 July 2014 to 31 December 2014 and 1 January 2015 to 30 June 2015.*
- (f) *The hedging reserve relates to the changes in fair value of the interest rate swap entered into to hedge the interest rate risk of the previous 3-year A\$93.2 million term loan facility. The interest rate swap expired in December 2015 as this loan was re-financed with 5-year fixed rate term loan facility.*

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

		CDL Hospitality Trusts	
Foot-note		1 Jul 2016 to 30 Sep 2016	1 Jul 2015 to 30 Sep 2015
	Issued stapled securities at beginning of the period	990,060,500	983,693,589
	Issue of new stapled securities:		
	- as payment of H-REIT Manager's management fees	841,325	1,530,776
	Issued stapled securities at end of the period	990,901,825	985,224,365
	Stapled securities to be issued:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees (a)	3,736,621	1,912,523
	Total issued and issuable stapled securities at end of the period	994,638,446	987,136,888

		CDL Hospitality Trusts	
Foot-note		1 Jan 2016 to 30 Sep 2016	1 Jan 2015 to 30 Sep 2015
	Issued stapled securities at beginning of the period	987,136,888	980,284,978
	Issue of new stapled securities:		
	- as payment of H-REIT Manager's management fees	3,764,937	4,571,358
	- as payment of H-REIT Manager's acquisition fee	-	368,029
	Issued stapled securities at end of the period	990,901,825	985,224,365
	Stapled securities to be issued:		
	- as payment of H-REIT Manager's and HBT Trustee-Manager's management fees (a)	3,736,621	1,912,523
	Total issued and issuable stapled securities at end of the period	994,638,446	987,136,888

Footnote

- (a) *These represent the Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters. Included in the balance to be issued for performance fee is an estimated 2.9 million Stapled Securities, which will be issued on an annual basis, within 30 days from the date of the issuance of the audited financial statements of the Group.*

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

The figures have not been audited but have been extracted from the financial information for the nine months ended 30 September 2016 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

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

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

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

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

EPS

Basic EPS

Weighted average number of Stapled Securities

- in issue

- issuable

Basic EPS^(a) (cents)

Diluted EPS

Weighted average number of Stapled Securities

- in issue

- issuable

Diluted EPS^(b) (cents)

CDL Hospitality Trusts			
1 Jul 2016 to 30 Sep 2016	1 Jul 2015 to 30 Sep 2015	1 Jan 2016 to 30 Sep 2016	1 Jan 2015 to 30 Sep 2015
990,901,825	985,224,365	990,048,300	983,738,600
9,448	20,788	3,172	7,006
990,911,273	985,245,153	990,051,472	983,745,606
2.28	2.17	6.20	6.65
990,901,825	985,224,365	990,048,300	983,738,600
3,736,621	1,912,523	4,590,146	3,398,288
994,638,446	987,136,888	994,638,446	987,136,888
2.27	2.17	6.17	6.65

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DPS

Number of Stapled Securities entitled to distribution:

- in issue
- issuable

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

- Taxable income
- Tax exempt income
- Capital distribution

CDL Hospitality Trusts			
1 Jul 2016 to 30 Sep 2016	1 Jul 2015 to 30 Sep 2015	1 Jan 2016 to 30 Sep 2016	1 Jan 2015 to 30 Sep 2015
990,901,825	985,224,365	987,136,888	980,284,978
869,234	1,912,523	4,634,171	6,851,910
991,771,059	987,136,888	991,771,059	987,136,888
1.88	2.05	5.27	5.86
0.56	0.31	1.54	1.19
-	-	0.08	-
2.44	2.36	6.89	7.05

Footnotes

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

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

Net asset value (S\$'000)

Number of Stapled Securities issued and to be issued at end of the period

Net asset value per Stapled Security (S\$)

CDL Hospitality Trusts	
30 Sep 2016	31 Dec 2015
1,550,225	1,573,364
994,638,446	989,153,990
1.5586	1.5906

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8 Review of the performance for the third quarter and nine months ended 30 September 2016

8 (i) Breakdown of Total Gross Revenue by Geography

H-REIT Group			HBT Group			CDL Hospitality Trusts			
Footnote	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
<u>Master leases</u>									
<i>Singapore</i>									
- Hotels	23,094	24,339	(5.1)	-	-	-	23,094	24,339	(5.1)
- Claymore Connect	(a) 1,510	1,618	(6.7)	-	-	-	1,510	1,618	(6.7)
<i>Maldives</i>	(b) 2,025	2,090	(3.1)	-	-	-	2,025	2,090	(3.1)
<i>Australia</i>	3,524	3,424	2.9	-	-	-	3,524	3,424	2.9
<i>New Zealand</i>	(c) 2,805	2,291	22.4	-	-	-	2,805	2,291	22.4
	32,958	33,762	(2.4)	-	-	-	32,958	33,762	(2.4)
<u>Management contracts</u>									
<i>Maldives</i>	(b) 1,010	1,133	(10.9)	3,854	4,910	(21.5)	3,854	4,910	(21.5)
<i>Japan</i>	(d) 1,378	1,367	0.8	2,594	2,412	7.5	2,594	2,412	7.5
<i>United Kingdom</i>	(e) -	-	-	6,002	-	N.M	6,002	-	N.M
	2,388	2,500	(4.5)	12,450	7,322	70.0	12,450	7,322	70.0
Total	35,346	36,262	(2.5)	12,450	7,322	70.0	45,408	41,084	10.5

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8 (i) Breakdown of Total Gross Revenue by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
<u>Master leases</u>									
<i>Singapore</i>									
- Hotels	66,327	71,241	(6.9)	-	-	-	66,327	71,241	(6.9)
- Claymore Connect	4,330	2,534	70.9	-	-	-	4,330	2,534	70.9
<i>Maldives</i>	6,175	6,120	0.9	-	-	-	6,175	6,120	0.9
<i>Australia</i>	10,825	11,726	(7.7)	-	-	-	10,825	11,726	(7.7)
<i>New Zealand</i>	8,056	7,263	10.9	-	-	-	8,056	7,263	10.9
	95,713	98,884	(3.2)	-	-	-	95,713	98,884	(3.2)
<u>Management contracts</u>									
<i>Maldives</i>	3,590	4,920	(27.0)	13,004	16,243	(19.9)	13,004	16,243	(19.9)
<i>Japan</i>	4,503	4,282	5.2	7,769	7,170	8.4	7,769	7,170	8.4
<i>United Kingdom</i>	-	-	-	16,045	-	N.M	16,045	-	N.M
	8,093	9,202	(12.1)	36,818	23,413	57.3	36,818	23,413	57.3
Total	103,806	108,086	(4.0)	36,818	23,413	57.3	132,531	122,297	8.4

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8 (ii) Breakdown of Net Property Income by Geography

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jul 2016 to 30 Sep 2016 S\$'000	1 Jul 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	21,048	22,304	(5.6)	-	-	-	21,048	22,304	(5.6)
- Claymore Connect (a)	861	1,074	(19.8)	-	-	-	861	1,074	(19.8)
Maldives (b)	2,494	2,642	(5.6)	52	87	(40.2)	2,546	2,729	(6.7)
Australia	3,524	3,424	2.9	-	-	-	3,524	3,424	2.9
New Zealand (c)	2,805	2,291	22.4	-	-	-	2,805	2,291	22.4
Japan (d)	1,291	1,291	-	(11)	(33)	(66.7)	1,280	1,258	1.7
United Kingdom (e)	-	-	-	2,768	-	N.M	2,768	-	N.M
Total	32,023	33,026	(3.0)	2,809	54	N.M	34,832	33,080	5.3

Footnote	H-REIT Group			HBT Group			CDL Hospitality Trusts		
	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %	1 Jan 2016 to 30 Sep 2016 S\$'000	1 Jan 2015 to 30 Sep 2015 S\$'000	Increase/ (Decrease) %
<i>Singapore</i>									
- Hotels	59,769	65,049	(8.1)	-	-	-	59,769	65,049	(8.1)
- Claymore Connect (a)	2,031	1,468	38.4	-	-	-	2,031	1,468	38.4
Maldives (b)	8,279	9,249	(10.5)	199	349	(43.0)	8,478	9,598	(11.7)
Australia	10,825	11,726	(7.7)	-	-	-	10,825	11,726	(7.7)
New Zealand (c)	8,056	7,263	10.9	-	-	-	8,056	7,263	10.9
Japan (d)	4,257	4,084	4.2	26	10	N.M	4,283	4,094	4.6
United Kingdom (e)	-	-	-	6,424	-	N.M	6,424	-	N.M
Total	93,217	98,839	(5.7)	6,649	359	N.M	99,866	99,198	0.7

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Footnotes

- (a) *Claymore Connect underwent refurbishment works since end of December 2013 and received its Temporary Occupation Permit (“TOP”) in March 2015. Rental income from new tenants was recognised in Q3 2015 following the completion of their own retrofitting works. The mall was officially opened on 8 October 2015. The 3Q 2015 revenue and net property income included S\$0.6 million rental adjustments relating to the period prior to the mall’s opening, which was only finalized and recorded in 3Q 2015.*
- (b) *The Maldives resorts includes a Master Lease and Management Contract as follows:*
- (i) Master Lease
- There is a master lease agreement between H-REIT’s indirect wholly-owned subsidiary and Maldives Bay Pvt Ltd, a subsidiary of Banyan Tree Holdings Limited. The gross revenue for the reporting period comprises a minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum).*
- (ii) Management Contract
- There is a lease agreement between H-REIT’s indirectly wholly-owned subsidiary and CDL HBT Oceanic Maldives Pvt Ltd, HBT’s indirect wholly-owned subsidiary. The hotel operator for this resort is Jumeirah Management Services (Maldives) Private Limited.*
- For H-REIT Group, the gross revenue for 3Q 2016 and nine months ended 30 September 2016 includes S\$1.0 million (US\$0.7 million) and S\$3.6 million (US\$2.6 million) rental income from HBT Group (based on 80% of the gross operating profit of Jumeirah Dhevanafushi, not exceeding US\$6.0 million per annum or US\$1.2 million per quarter).*
- For HBT Group, the gross revenue for the reporting period comprises the entire revenue derived from the resort operations of Jumeirah Dhevanafushi.*
- (c) *The New Zealand Hotel was rebranded as Grand Millennium Auckland on 7 September 2016, following the expiry of the existing lease with Rendezvous Hotels (NZ) Limited. Under this lease, H-REIT will receive rent equivalent to the net operating profit of the hotel, subject to a minimum base rent of NZ\$6.0 million per annum.*
- (d) *The Japan Hotels with HBT refers to master lease arrangement between a trust bank in Japan (in its capacity as the trust bank holding the legal title to the Japan Hotels) and CDLHT.*
- For H-REIT Group, the gross revenue for 3Q 2016 and nine months ended 30 September 2016 includes S\$1.4 million (JPY103.4 million) and S\$4.5 million (JPY357.4 million) net rental income received from HBT Group (based on the gross operating profit of the Japan Hotels). The income from Japan Hotels will only be available for distribution in the 4th quarter once the financial results for the fiscal period ended 30 September 2016 are audited and the income was ascertained. The fiscal period for the Japan Hotels will be set at 6-month intervals, from 1 October to 31 March and 1 April to 30 September. This will allow the income from the Japan Hotels to be distributed twice a year, subject to completion of the audit for the relevant period.*
- (e) *The UK Hotel is owned and operated by HBT’s indirectly wholly-owned subsidiary. The gross revenue for the reporting period comprises the entire revenue derived from the hotel operations of the UK Hotel. There are no comparative figures as the UK Hotel was only acquired on 1 October 2015.*
- The net property income is derived after deducting the operating expenses, property tax and insurance expenses of the UK Hotel.*

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8 (iii) Review of the Performance

Third Quarter ended 30 September 2016

For 3Q 2016, CDL Hospitality Trusts recorded gross revenue of S\$45.4 million, S\$4.3 million or 10.5% higher than the corresponding period last year. Although there was an additional revenue boost of S\$6.0 million in 3Q 2016 from Hilton Cambridge City Centre (acquired on 1 October 2015), this upside was partially offset by weaker trading performance from the group's Singapore and Maldives properties, which declined collectively by S\$2.5 million year-on-year (“yoy”).

Aggregate RevPAR for the Singapore Hotels fell 7.2% yoy to S\$168 in 3Q 2016 as global economic uncertainties continued to weigh heavily on corporate travel, particularly for the meetings and conference business. A slight slowdown in bookings was also observed in September arising from the travel advisory issued against Singapore due to the Zika virus. Performance for the Singapore Formula 1 Grand Prix period was also softer this year. This corresponded with the Singapore Formula 1 Grand Prix's report that ticket sales were 15%¹ lower than the average attendance since 2008.

In the Maldives, the hospitality sector has been affected by the decline in Chinese visitors and the continued strength in the USD which has made the destination more expensive for the key European long-haul markets. Against this backdrop of a very competitive environment, the group's Maldives Resorts posted a collective yoy RevPAR decline of 28.8%.

Claymore Connect's revenue in 3Q 2016 also showed a slight dip of S\$0.1 million as compared to the same period last year. This was because the mall's revenue in 3Q 2015 included S\$0.6 million rental adjustments relating to the period prior to the mall's opening, which was only finalised and recorded in 3Q 2015. As of 30 September 2016, the committed occupancy at the mall (including Galleria) remained stable at 91%.

Bolstered by rising tourist arrivals into Auckland, the group's rebranded property in New Zealand, the Grand Millennium Auckland, reported a 22.4% increase in rental revenue as compared to the same period last year. This was mainly attributed to a 9.5% growth in aggregate RevPAR for the quarter. An improvement of S\$0.1 million or 2.9% was also recorded on the Australia Hotels fixed rental income due to the recovery of the AUD against the SGD.

Currency headwinds from a stronger Japanese yen and adverse weather conditions during the reporting quarter have affected the hospitality market in Japan. Battered by severe typhoons in August and September, the cancellations of flights and disruption to train services dampened travel from the domestic market. In addition to the moderation in international visitor arrivals growth, the average rates achieved from international bookings also retreated in yen terms due to the very strong yen exhibited in the quarter. Correspondingly, the Japan Hotels registered a combined yoy RevPAR decline of 6.6%.

Hilton Cambridge City Centre achieved a RevPAR growth of 10.2%² yoy in 3Q 2016 due to robust corporate demand attributable to the refurbished product and the rebranding of the hotel. For 3Q 2016, there has been no discernible impact on the performance of the hotel due to the Brexit decision.

In aggregate, CDLHT's net property income³ increased by S\$1.8 million or 5.3% to S\$34.8 million for 3Q 2016.

Interest expense for the reporting quarter was higher yoy mainly due to the absence of an exchange gain of S\$0.7 million and an overall higher funding cost of S\$0.2 million. The group also recorded an incremental depreciation expense of S\$1.0 million arising from its UK hotel, which was absent for the corresponding period last year. This depreciation does not have any impact on the group's distributable income.

Overall, the total distribution to Stapled Securityholders (after retention and capital distribution) of S\$24.2 million⁴ for 3Q 2016 was S\$0.9 million or 3.8% higher yoy. Correspondingly, the total distribution per Stapled Security (after deducting income retained for working capital) of 2.44 cents in 3Q 2016 was 3.4% higher than the 2.36 cents recorded in the previous corresponding quarter.

¹ Channel News Asia, “Singapore GP attendance falls as economic slowdown hurts”, 19 September 2016

² The yoy RevPAR assumes HBT owned the Hilton Cambridge City Centre in 3Q 2015.

³ Net property income is derived after deducting the operating expenses of Jumeirah Dhevanafushi, the Japan Hotels, Hilton Cambridge City Centre as well as the property tax and insurance expenses of the portfolio.

⁴ The distributable income does not include contribution from the Japan Hotels, which is only available for distribution in 4Q 2016 once the financial results of its Japanese subsidiary for the fiscal period ended 30 September 2016 are audited and the income ascertained.

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

	1 Jul 2016 to 30 Sep 2016	1 Jul 2015 to 30 Sep 2015	Increase/(Decline)
Average Occupancy Rate	90.7%	90.2%	0.5pp
Average Daily Rate	S\$186	S\$201	(7.5)%
RevPAR	S\$168	S\$181	(7.2)%

Nine months ended 30 September 2016

CDL Hospitality Trusts registered gross revenue of S\$132.5 million for YTD September 2016, S\$10.2 million or 8.4% ahead of the corresponding period last year. The improvement was largely attributed to the inorganic contribution of S\$16.0 million from its UK hotel (which was absent in the corresponding period last year) and an incremental revenue boost of S\$1.8 million from its refurbished mall, the Claymore Connect. The revenue contribution from its Japan and New Zealand hotels were also higher by S\$1.4 million collectively for YTD September 2016 compared to the same period last year.

This improvement more than offset the weaker trading performance from the other hotels. Contributions from the Singapore Hotels and Maldives Resorts declined collectively by S\$8.1 million yoy due to the softer trading conditions amid the global economic slowdown. In addition, the Australia Hotels recorded a lower rent contribution of S\$0.9 million, mainly due to the local currency weakness against SGD and the recognition of a smaller variable income of S\$0.4 million for YTD September 2016 as compared to S\$1.1 million recorded for the corresponding period last year.

Average RevPAR for the Singapore Hotels fell by 8.0% yoy to S\$162, primarily due to lower average room rates. Its hotel performance was hampered by a tightening of travel budget from the corporate segment. The replacement of reduced corporate business with the leisure business, which was secured at lower rates, impacted RevPAR adversely. This was exacerbated by new supply into the market which gave rise to aggressive pricing strategies amongst competitors to defend market share. Furthermore, the refurbishments works at Grand Copthorne Waterfront Hotel and M Hotel coupled with the absence of the SEA games this year also affected the performance of the Singapore Hotels.

The hospitality market in the Maldives remained challenging, with the two resorts posting a collective yoy RevPAR decline of 28.0%. The slowdown in Chinese luxury travel and the continued strength of the US dollar (which room rates are priced in), exacerbated by the sustained weakness in the currencies of source markets such as China, Russia and Europe continued to weigh heavily on the attendant room demand.

Bolstered by robust tourist arrivals, the rental revenue contribution from the New Zealand Hotel rose 10.9% YTD September 2016 compared with the same period last year. This performance was bolstered by a yoy RevPar growth of 5.4% but was diluted by a weaker NZD against SGD.

The group's Japan Hotels posted a positive performance despite the slowing of tourism growth caused by the stronger yen, which affected inbound tourist arrivals and the average room rate achieved. Both hotels continued to experience occupancy and rate pressures amidst rising competitiveness within the market, in particular the MyStays Kamata was impacted by the aggressive pricing tactics of a recently opened 563-room hotel within the vicinity. Consequently, only a marginal yoy RevPAR growth of 2.3% for YTD September 2016 was recorded for the Japan hotels collectively.

Hilton Cambridge RevPAR for YTD September 2016 increased by 12.3% yoy. The positive influence of the rebranding exercise, coupled with a refurbished product, led to the hotel's growth.

Net property income for the nine months ended 30 September 2016 increased by 0.7% to \$99.9 million.

Net finance costs for YTD September 2016 increased by S\$3.2 million, mainly due to additional interest expense incurred on borrowings to finance the UK hotel and foreign exchange differences arising from the currency movements of the USD against the Singapore dollar. Included in the group's net income is a depreciation expense (with no impact on distribution) of S\$2.9 million arising from the UK Hotel, which was absent the previous year.

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Overall, the total distribution to Stapled Securityholders (after retention and capital distribution) of S\$68.2 million was S\$1.2 million¹ or 1.7% lower yoy. Correspondingly, the total distribution per Stapled Security (after retention and capital distribution) was 6.89 cents in YTD September 2016, as compared to 7.05 cents recorded in the previous corresponding period.

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

	1 Jan 2016 to 30 Sep 2016	1 Jan 2015 to 30 Sep 2015	Increase/(Decline)
Average Occupancy Rate	86.0%	88.2%	(2.2)pp
Average Daily Rate	S\$188	S\$199	(5.5)%
RevPAR	S\$162	S\$176	(8.0)%

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

No forecast has been disclosed.

¹ The distributable income does not include contribution from the Japan Hotels, which is only available for distribution in 4Q 2016 once the financial results of its Japanese subsidiary for the fiscal period ended 30 September 2016 are audited and the income ascertained.

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

According to Singapore Tourism Board, international visitor arrivals have increased 10.3% yoy to 11.3 million for the first eight months of 2016. Total visitor days grew 3.6% yoy to 39.3 million as the average length of stay declined from 3.7 days to 3.5 days. The growth in visitor arrivals was mainly due to increases in the top two source markets – China and Indonesia.

In Singapore, the trading environment for hotels is expected to remain competitive as a result of the subdued economic environment. According to Singapore’s Ministry of Trade and Industry, the global economic outlook in the near term is expected to remain weak due to sluggish investment demand in key advanced economies as well as a moderation in China’s growth as it restructures its economy. UK’s vote to leave the European Union (“EU”) has also dampened and added uncertainty to the global growth outlook¹. While a slowdown in the pace of bookings was observed in the Singapore Hotels after news of the Zika outbreak emerged, its impact on the hotels’ performance has not been significant to date. However, if the situation persists, it may affect visitor arrivals and attendant hotel demand.

On the supply front in Singapore, industry room inventory is estimated to increase by 2,520² rooms by the end of 2016, representing a 4.1% yoy growth in room stock. 2017 will also see a healthy pipeline of new hotels and room inventory is estimated to increase by 6.1%. Room rates are likely to remain competitive as new hotels seek to build their base. For the first 26 days of October 2016, RevPAR for the Singapore Hotels decreased by 13.4% as compared to the same period last year.

At Grand Copthorne Waterfront Hotel, the remaining renovation that was previously announced will complete by end 2016. These renovation relate mainly to the refurbishment of some existing meeting rooms. Although the hotel remains operational, it may continue to face some disruption and revenue loss in the short term. At M Hotel, the ongoing room refurbishment is expected to complete by end 2016.

In Australia, mining investment continues to be subdued. The increase in new hotel room supply in Perth and Brisbane, coupled with continued anemic natural resource sector, will weigh on the trading performance of the hospitality sector. However, any weakness in the performance of the Australia Hotels is mitigated by the defensive lease structure which provides CDLHT with largely fixed rent.

In New Zealand, the tourism sector continues to enjoy robust growth. For the first nine months of 2016, visitor arrivals have grown 11.8% yoy to a record 2.4 million³. In addition, the increase in new international air services and a strong events calendar are likely to support the growth momentum in the hospitality sector. On 7 September 2016, CDLHT commenced a new lease with Millennium & Copthorne Hotels New Zealand Limited and its New Zealand Hotel is now rebranded as Grand Millennium Auckland. Under the new lease structure, CDLHT is positioned to benefit from the growth trajectory in the Auckland hospitality market as the terms provide for more variable income as opposed to the largely fixed rent received under the previous lease.

Japan recorded a yoy increase of 24.1%⁴ in visitor arrivals for the first nine months of 2016. The continued strength of the Japanese yen has moderated the growth in inbound arrivals and hotel room rates have retreated as a result. These factors will continue to weigh on the trading performance of the hospitality sector.

The near term outlook for Maldives remains challenging. Maldives’ Ministry of Tourism has lowered its 2016 arrivals target from 1.5 million to 1.4 million citing factors such as Brexit and the slowing Chinese economy which have impacted Maldives’ tourism sector⁵. In addition, the relative strength of the US dollar, particularly against the euro and Russian rouble, has the effect of eroding the spending power of guests from these markets.

¹ Business Times, “No recession, but expect periods of negative growth: MTI”, 11 October 2016

² Based on Horwath data (August 2016) and CDLHT research

³ Tourism – Statistics New Zealand

⁴ Japan National Tourism Organization

⁵ TTG Asia, “Maldives lowers 2016 arrivals target”, 7 October 2016

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In United Kingdom, the tourism sector is likely to benefit from increased inbound leisure arrivals due to the weaker pound. The recent aviation deal to more than double flights between UK and China⁶, is also expected to boost visitor arrivals from China - the world's largest outbound travel market⁷. In the latest IMF report, the 2017 growth forecast for UK has been revised downwards by 0.2 percentage points to 1.1 percent to reflect the uncertainty in the medium term when UK commences formal EU exit negotiations by March 2017⁸.

⁶Financial Times, “Flights between UK and China to double under aviation deal”, 12 October 2016

⁷World Tourism Organization, “International tourist arrivals up 4% reach a record 1.2 billion in 2015”, 18 January 2016

⁸IMF, “World Economic Outlook”, October 2016

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

No.

11 (b) Corresponding period of the preceding financial period

Any distributions declared for the current financial period?

No.

11 (c) Book closure date

Not applicable.

11 (d) Date payable

Not applicable.

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

Not applicable.

13 General mandate relating to Interested Person Transactions

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

14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the quarter ended 30 September 2016 to be false or misleading in any material respect.

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

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

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On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

28 October 2016

IMPORTANT NOTICE

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

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

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

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

By Order of the Board

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

28 October 2016

By Order of the Board

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

28 October 2016



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

28 October 2016

Dear Sirs

CDL Hospitality Trusts **Report on review of Interim Financial Information**

Introduction

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

- Statement of financial position of CDLHT as at 30 September 2016;
- Portfolio statement of CDLHT as at 30 September 2016;
- Statement of total return of CDLHT for the nine-month period ended 30 September 2016;
- Statement of movements in unitholders' funds of CDLHT for the nine-month period ended 30 September 2016;
- Statement of cash flows of CDLHT for the nine-month period ended 30 September 2016; and
- Certain explanatory notes to the above Interim Financial Information.

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



Scope of review

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

Conclusion

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

Restriction on use

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

KPMG WP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
28 October 2016