



CDL HOSPITALITY TRUSTS

CDL HOSPITALITY TRUSTS UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES for the Second Quarter ended 30 June 2007

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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

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

*In relation to the initial public offering of stapled securities ("**Stapled Securities**"), each comprising one unit in CDL Hospitality Real Estate Investment Trust ("**H-REIT**") and one unit in CDL Hospitality Business Trust ("**HBT**"), in CDL Hospitality Trusts, being a stapled group comprising H-REIT and HBT, the joint financial advisers, global coordinators and bookrunners were DBS Bank Ltd and BNP Paribas Peregrine (Singapore) Ltd, and the joint underwriters were DBS Bank Ltd and BNP Paribas (acting through its Singapore Branch).*

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES for the Second Quarter ended 30 June 2007

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 "**H-REIT Trustee-Manager**") (the "**Stapling Deed**") and cannot be traded separately. CDL Hospitality Trusts is regulated by the Stapling Deed, the H-REIT Trust Deed and the HBT Trust Deed as well as any legislation and regulations governing CDL Hospitality Trusts, H-REIT and HBT.

H-REIT is constituted by a trust deed dated 8 June 2006 as amended by the First Supplemental Deed dated 11 January 2007 (collectively, the "**H-REIT Trust Deed**"). It is principally regulated by the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**CIS Code**"), including the Property Funds Guidelines in Appendix 2 to the CIS Code, other relevant legislation and regulations as well as the Stapling Deed and the H-REIT Trust Deed.

HBT is constituted by a trust deed dated 12 June 2006 (the "**HBT Trust Deed**"). It is principally regulated by the Business Trusts Act, Chapter 31A of Singapore, the SFA, other relevant legislation and regulations as well as the Stapling Deed and the HBT Trust Deed.

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.

On 17 May 2007, the H-REIT Manager announced that the H-REIT Trustee had entered into a conditional sale and purchase agreement to acquire the 398-room Novotel Clarke Quay in Singapore via the acquisition of 100% of the interest in Singapore Hotel Investment Holdings Company, a Cayman Islands investment holding company which beneficially owns the Novotel Clarke Quay. This is H-REIT's second acquisition since its listing in July 2006. The acquisition was completed on 7 June 2007.

With this acquisition, the H-REIT's portfolio as at 30 June 2007, with a total of 2,779 hotel rooms, comprises Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore, Copthorne King's Hotel Singapore and Novotel Clarke Quay (collectively, "the **Singapore Properties**"), all of which are located in Singapore and marketed as "superior" hotels, the Rendezvous Hotel Auckland, a deluxe hotel located in New Zealand's gateway city of Auckland, as well as the Orchard Hotel Shopping Arcade, the shopping arcade adjoining Orchard Hotel Singapore.

HBT is a business trust which is presently dormant. Accordingly, the financial information of HBT has not been presented. HBT will, however, become active if H-REIT is unable to appoint a master lessee for any of the Singapore hotels in its portfolio at the expiry of the relevant master lease agreement or for a newly acquired hotel. In such circumstances, HBT will be appointed by H-REIT as a master lessee for that hotel, and HBT will in turn appoint a professional hotel manager to manage the day-to-day operations and marketing of the hotel. HBT exists primarily as "a master lessee of last resort". HBT may also become active if it undertakes certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

H-REIT's distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of the Properties and related property services income after deduction of expenses and allowances, and of its tax exempt income (if any). As disclosed in the prospectus dated 10 July 2006 (the "**Prospectus**"), H-REIT will distribute 100.0% of its taxable income, and tax-exempt income (if any) for the period from the Listing Date to 31 December 2007. Thereafter, H-REIT will distribute at least 90.0% of its taxable income and tax-exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager's discretion. Distributions, when paid, will be in Singapore Dollars. H-REIT will make distributions to holders of the Stapled Securities 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 (the "**Scheduled Distribution**").

Further to H-REIT's announcement on 6 July 2007 in relation to the launch of the offer and placement of New Stapled Securities (the "**Equity Fund Raising**"), M&C REIT Management Limited, as H-REIT Manager, and M&C Business Trust Management Limited, as HBT Trustee-Manager, announced that an aggregate of 120,162,795 New Stapled Securities was issued on 19 July 2007. With this issue of 120,162,795 New Stapled Securities, the total number of Stapled Securities in issue is 822,023,005.

In conjunction with the Equity Fund Raising, the H-REIT Manager and the HBT Trustee-Manager have declared, in lieu of the Scheduled Distribution, a distribution (the "**Cumulative Distribution**") of H-REIT's distributable income for the period from 1 January 2007 to 18 July 2007, being the day immediately preceding the date on which New Stapled Securities were issued pursuant to the Equity Fund Raising (the New Stapled Securities were issued on 19 July 2007). For avoidance of doubt, the New Stapled Securities will not be entitled to participate in the Cumulative Distribution. The next distribution thereafter will comprise H-REIT's distributable income for the period from the day the New Stapled Securities are issued pursuant to the Equity Fund Raising to 31 December 2007. Semi-annual distributions will resume thereafter. HBT presently has no distributable income as it is dormant.

With regards to HBT, in the event it becomes active and profitable, the determination to distribute and the quantum of distributions to be made by HBT will be determined by the HBT Trustee-Manager Board at its sole discretion.

Where appropriate, comparisons are made against proforma figures or the pro-rated projection figures for the financial year ending 31 December 2007 as disclosed in the Prospectus for the quarter from 1 April 2007 to 30 June 2007 or 1 January 2007 to 30 June 2007 (the "**Proforma**" or the "**Projection**") as the context requires.

Proforma figures have been compiled based upon the unaudited financial statements of City Hotels Pte. Ltd., Harbour View Hotel Pte. Ltd. and Republic Hotels & Resorts Limited, and the unaudited divisional financial statements of City Developments Limited relating to Grand Copthorne Waterfront Hotel, after making certain assumptions and adjustments.

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

FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT
GROUP for the Second Quarter ended 30 June 2007

SUMMARY OF CONSOLIDATED INCOME STATEMENT OF CDL HOSPITALITY TRUSTS

	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Projection 1 Apr 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Projection 1 Jan 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %
Gross revenue	20,745	14,026	47.9%	38,724	27,898	38.8%
Net property income	19,547	12,838	52.3%	36,288	25,535	42.1%
Net income	17,999	8,680	107.4%	29,309	17,264	69.8%
Income available for distribution to holders of Stapled Securities	14,832	9,754	52.1%	27,138	19,401	39.9%
Income available for distribution per Stapled Security (cents)						
For the period	2.11 ^(c)	1.38	52.9%	3.86	2.75	40.4%
Annualised	8.46	5.55	52.4%	7.78	5.55	40.2%
Annualised distribution yield (%) based on the						
Initial public offer price of S\$0.83	10.19%	6.69%	52.3%	9.37%	6.69%	40.0%
Closing market price of S\$2.29 as at 30 July 2007	3.69%	2.42%	52.5%	3.40%	2.42%	40.5 %

Footnotes

- (a) *The projection is based on management's projection for the year ending 31 December 2007 shown in the Prospectus pro-rated for the period from 1 April 2007 to 30 June 2007.*
- (b) *The projection is based on management's projection for the year ending 31 December 2007 shown in the Prospectus pro-rated for the period from 1 January 2007 to 30 June 2007.*
- (c) *The number of Stapled Securities used to calculate the amount available for distribution per Stapled Security is 702,426,986.*

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

<u>Statements of Total Return</u>	Foot- notes	← H-REIT Group →					CDL Hospitality Trusts		
		Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Proforma 1 Apr 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Proforma 1 Jan 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Gross revenue	(b)	20,745	13,031	59.2%	38,724	26,161	48.0%	20,745	38,724
Property tax		(648)	(463)	40.0%	(1,273)	(929)	37.0%	(648)	(1,273)
Insurance		(257)	(275)	(6.5)%	(574)	(542)	5.9%	(257)	(574)
Other property expenses	(c)	(293)	(276)	6.2%	(589)	(525)	12.2%	(293)	(589)
Net property income		19,547	12,017	62.7%	36,288	24,165	50.2%	19,547	36,288
H-REIT Manager's fees		(1,729)	(1,142)	51.4%	(3,254)	(2,283)	42.5%	(1,729)	(3,254)
H-REIT Trustee's fees		(43)	(35)	22.9%	(83)	(70)	18.6%	(43)	(83)
Other trust expenses	(d)	(337)	(263)	28.1%	(578)	(526)	9.9%	(338)	(581)
Finance income	(e)	5,226	-	NM	5,963	-	NM	5,227	5,966
Finance costs	(f)	(4,665)	(2,698)	72.9%	(9,027)	(5,391)	67.4%	(4,665)	(9,027)
Net income before tax	(g)	17,999	7,879	128.4%	29,309	15,895	84.4%	17,999	29,309
Income tax expense		-	-	-	-	-	-	-	-
Net income after tax		17,999	7,879	128.4%	29,309	15,895	84.4%	17,999	29,309
Net surplus on revaluation of investment properties		998	-	NM	998	-	NM	998	998
Total return for the period	(h)	18,997	7,879	141.1%	30,307	15,895	90.7%	18,997	30,307

Footnotes

NM – Not Meaningful

(a) *H-REIT was established on 8 June 2006 and the acquisition of properties was only completed on 19 July 2006. Consequently, no actual income is derived by H-REIT from the Singapore Properties for the corresponding quarter from 1 April 2006 to 30 June 2006. The proforma figures have been compiled based upon the unaudited financial statements of City Hotels Pte. Ltd., Harbour View Hotel Pte. Ltd. and Republic Hotels & Resorts Limited, and the unaudited divisional financial statements of City Developments Limited relating to Grand Copthorne Waterfront Hotel, after making certain assumptions and adjustments.*

No comparative statement of total return for CDL Hospitality Trusts has been presented as CDL Hospitality Trusts was established on 12 June 2006.

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(b) *Gross revenue comprises rental income from H-REIT's investment properties as follows:*

	H-REIT Group			CDL Hospitality Trusts				
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Proforma 1 Apr 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Proforma 1 Jan 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Orchard Hotel	5,852	4,585	27.6%	11,404	9,380	21.6%	5,852	11,404
Grand Copthorne Waterfront Hotel	4,680	3,519	33.0%	8,892	6,941	28.1%	4,680	8,892
M Hotel	3,303	2,467	33.9%	6,321	4,950	27.7%	3,303	6,321
Copthorne King's Hotel	2,298	1,534	49.8%	4,391	3,022	45.3%	2,298	4,391
Orchard Hotel Shopping Arcade	925	926	(0.1%)	1,815	1,868	(2.8%)	925	1,815
Rendezvous Hotel Auckland	2,334	-	NM	4,548	-	NM	2,334	4,548
Novotel Clarke Quay	1,353	-	NM	1,353	-	NM	1,353	1,353
	20,745	13,031	59.2%	38,724	26,161	48.0%	20,745	38,724

(c) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade.*

(d) *Other trust expenses comprise mainly professional fees and administrative costs.*

(e) *Finance income comprise the following:*

	H-REIT Group			CDL Hospitality Trusts				
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Proforma 1 Apr 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Proforma 1 Jan 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Exchange gain	5,147	-	NM	5,733	-	NM	5,147	5,733
Interest income received / receivable from banks	79	-	NM	230	-	NM	80	233
	5,226	-	NM	5,963	-	NM	5,227	5,966

(f) *Finance costs comprise the following:*

	H-REIT Group			CDL Hospitality Trusts				
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Proforma 1 Apr 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Proforma 1 Jan 2006 to 30 Jun 2006 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Interest paid/payable to banks	(4,571)	(2,657)	72.0%	(8,839)	(5,309)	65.5%	(4,571)	(8,839)
Amortisation of transaction costs capitalized	(57)	-	NM	(114)	-	NM	(57)	(114)
Financial expense arising from remeasuring non- current rental deposits at amortised cost	(37)	(41)	(9.7%)	(74)	(82)	(9.8%)	(37)	(74)
	(4,665)	(2,698)	72.9%	(9,027)	(5,391)	67.4%	(4,665)	(9,027)

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(g) *Net income before tax of CDL Hospitality Trusts is contributed by:*

	CDL Hospitality Trusts	
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
H-REIT	18,291	29,771
Other H-REIT group entities	(292)	(462)
	17,999	29,309

(h) *Distribution statement*

	H-REIT Group and CDL Hospitality Trusts	
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Net income before tax of H-REIT	18,291	29,771
Add / (Less): Non tax deductible / (tax chargeable) items:		
- Amortisation of transaction costs	57	114
- Financial expense arising from the remeasuring non-current rental deposits at amortised cost	37	74
- Foreign exchange gain	(5,168)	(5,745)
- H-REIT Manager's fees paid / payable in Stapled Securities	1,383	2,603
- Other items	232	321
Income available for distribution to holders of Stapled Securities	14,832	27,138
Comprising :		
- Taxable income	13,936	25,535
- Tax exempt income	896	1,603
	14,832	27,138

Footnotes

(h) *The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT. The distribution of CDL Hospitality Trusts for the period is contributed solely by H-REIT as HBT was dormant during the period. Accordingly, only the distribution statement of H-REIT has been presented. H-REIT's current distribution policy is to distribute 100% of its income available for distribution, after adjustments for non deductible expenses and non chargeable items.*

No comparative distribution statement has been presented as H-REIT and CDL Hospitality Trusts were formed on 8 June 2006 and 12 June 2006 respectively.

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FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the Second Quarter ended 30 June 2007

1 (b)(i) Balance sheets together with a comparative statement at the end of the period immediately preceding financial year

<u>Balance Sheets</u>	Foot- notes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		Actual 30 Jun 2007 S\$'000	Actual 31 Dec 2006 S\$'000	Actual 30 Jun 2007 S\$'000	Actual 31 Dec 2006 S\$'000
ASSETS					
Non-current assets					
Investment properties	(b)	1,337,309	1,101,908	1,337,309	1,101,908
Rental deposit		76	76	76	76
Total non-current assets		1,337,385	1,101,984	1,337,385	1,101,984
Current assets					
Trade and other receivables		10,828	6,952	10,828	6,831
Cash and cash equivalents		17,171	8,677	17,555	9,183
Total current assets		27,999	15,629	28,383	16,014
Total assets		1,365,384	1,117,613	1,365,768	1,117,998
Equity					
Units in issue of HBT		-	-	500	500
Issue expenses of HBT		-	-	(121)	(121)
Total equity	(c)	-	-	379	379
LIABILITIES					
Non-current liabilities					
Financial liabilities	(d)	271,535	271,421	271,535	271,421
Rental deposits	(e)	4,144	4,069	4,144	4,069
Net assets attributable to holders of H-REIT units	(f)	733,874	720,054	733,874	720,054
		1,009,553	995,544	1,009,553	995,544
Current liabilities					
Trade and other payables	(g)	17,902	6,900	17,907	6,906
Financial liabilities	(d)	319,129	115,169	319,129	115,169
Provision for taxation	(h)	18,800	-	18,800	-
		355,831	122,069	355,836	122,075
Total liabilities		1,365,384	1,117,613	1,365,389	1,117,619
Total equity and liabilities		1,365,384	1,117,613	1,365,768	1,117,998

	Actual 30 Jun 2007 S\$'000	Actual 31 Dec 2006 S\$'000
Unitholders' funds		
<i>Represented by</i>		
Net assets attributable to holders of H-REIT units	733,874	720,054
Equity of HBT	379	379
	734,253	720,433

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Footnotes

- (a) *The balance sheet of CDL Hospitality Trusts comprises the balance sheets of H-REIT Group and HBT. No separate balance sheet of HBT has been presented as its net assets as at 30 June 2007 are approximately S\$379,000 (31 December 2006: S\$379,000).*
- (b) *Investment properties increased primarily due to the acquisition of Novotel Clarke Quay on 7 June 2007 for S\$223.0 million.*
- (c) *Total equity comprises only the equity of HBT. The units in H-REIT are accounted for as a financial liability under Financial Reporting Standard (“FRS”) 32 “Financial Instruments: Disclosure and Presentation”. Accordingly, the net assets attributable to holders of H-REIT units are included as part of non-current liabilities in the balance sheets.*
- (d) *Financial liabilities comprise borrowings of S\$589,567,000 (31 December 2006: S\$386,498,000) and a derivative liability of S\$1,097,000 (31 December 2006: S\$92,000). The borrowings are stated at amortised cost. The derivative liability relates to the fair value of interest rate swaps for a notional amount of S\$260.0 million. Current financial liabilities increased mainly due to the funding required for the purchase of Novotel Clarke Quay.*
- (e) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (f) *The movements in net assets attributable to holders of H-REIT units are set out in section 1 (d)(ii).*
- (g) *Trade and other payables relates mainly to the loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (h) *Provision for taxation relates to approximately S\$18.8 million to cover the potential tax liability on the capital gain arising upon the transfer of Novotel Clarke Quay to H-REIT on 7 June 2007.*

1 (b)(ii) Aggregate amount of group’s borrowings ^(a)

		H-REIT Group and CDL Hospitality Trusts	
Foot- notes	Actual 30 Jun 2007 S\$'000	Actual 31 Dec 2006 S\$'000	
Secured borrowings			
	Amount repayable after one year	272,000	272,000
(i)	272,000	272,000	
Unsecured borrowings			
	Amount repayable within one year	318,032	115,077
(ii)	318,032	115,077	
Total borrowings		590,032	387,077

**CDL HOSPITALITY TRUSTS
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**FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT
GROUP for the Second Quarter ended 30 June 2007**

Footnotes

(a) *Relates to borrowings from term loan and revolving credit facilities.*

i. Secured borrowings

Details of borrowings and collateral

H-REIT was granted a S\$220.0 million secured term loan facility and a S\$70.0 million revolving credit facility by DBS Bank and The Royal Bank of Scotland plc for a 3-year term (the “Facilities”) at a floating interest rate of the Singapore 3-month swap offer rate plus a margin of 0.24% per annum.

The Facilities are secured on the following:

- *A first legal mortgage on the Singapore investment properties;*
- *Debt over all present and future assets (including without limitation all furniture, fixtures, fittings, equipment and inventory) in the investment properties which are owned or acquired by H-REIT but not including the operating bank accounts of the Singapore hotels;*
- *An assignment of H-REIT’s rights, title and interests in the present and future sale and purchase agreements, leases and tenancy agreements in connection with the Singapore investment properties;*
- *An assignment of H-REIT’s rights, title and interests in the lease agreement in respect of Waterfront Conference Centre, which is leased by H-REIT from City Developments Limited and sub-leased to Republic Hotels & Resorts Limited;*
- *An assignment of insurance policies effected over the Singapore investment properties (other than with respect to public liability); and*
- *Assignment of the escrow account to be opened with the financial institutions granting the Facilities for the purposes of depositing all rental and sale proceeds in relation to the Singapore investment properties.*

ii. Unsecured borrowings

H-REIT has in place unsecured facilities comprising:

- *a S\$300.0 million multi-currency unsecured bridging loan facility (the “DBS Bank Bridging Loan Facility”) to partially fund the acquisition of Rendezvous Hotel Auckland, New Zealand and to fully fund the acquisition of Singapore Hotel Investment Holdings Company for the purpose of the acquisition of Novotel Clarke Quay. The DBS Bank Bridging Loan Facility can be drawn down in multiple tranches and each tranche is to be repaid within a maximum period of one year from each drawn down date;*
- *a US\$100.0 million multi-currency unsecured term loan facility with Deutsche Bank Aktiengesellschaft to partially fund the acquisition of Rendezvous Hotel Auckland, New Zealand; and*
- *a S\$250.0 million multi-currency unsecured revolving credit facility with Citibank, N.A., Singapore Branch to fund acquisitions, capital expenditure and working capital requirements.*

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1 (c) Cash flow statements

Foot- notes	H-REIT Group		CDL Hospitality Trusts	
	Actual 1 Apr 2007 to 30 Jun 2007 (a)	Actual 1 Jan 2007 to 30 Jun 2007 (a)	Actual 1 Apr 2007 to 30 Jun 2007 (a)	Actual 1 Jan 2007 to 30 Jun 2007 (a)
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net income before tax	17,999	29,309	17,999	29,309
Adjustments for:				
H-REIT Manager's fee paid / payable in Stapled Securities	1,383	2,603	1,383	2,603
Finance income	(5,226)	(5,963)	(5,227)	(5,966)
Finance costs	4,665	9,027	4,665	9,027
Allowance for doubtful receivables	(9)	(13)	(9)	(13)
Operating income before working capital changes	18,812	34,963	18,811	34,960
Changes in working capital:				
Trade and other receivables	(3,986)	(3,820)	(4,107)	(3,941)
Trade and other payables	7,094	6,829	7,090	6,827
Cash generated from operating activities	21,920	37,972	21,794	37,846
Investing activities				
Net cash outflow on purchase of investment properties	(197,877)	(197,877)	(197,877)	(197,877)
Capital expenditure on investment properties	(30)	(66)	(30)	(66)
Interest received	116	266	118	270
Cash flows from investing activities	(197,791)	(197,677)	(197,789)	(197,673)
Financing activities				
Proceeds from borrowings	197,390	203,390	197,390	203,390
Repayment of interest bearing loans	(6,000)	(6,000)	(6,000)	(6,000)
Finance costs paid	(4,575)	(8,952)	(4,575)	(8,952)
Distribution to unitholders	-	(20,239)	-	(20,239)
Cash flows from financing activities	186,815	168,199	186,815	168,199
Net increase in cash and cash equivalents	10,944	8,494	10,820	8,372
Cash and cash equivalents at beginning of the period	6,227	8,677	6,735	9,183
Cash and cash equivalents at end of the period	17,171	17,171	17,555	17,555

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Footnotes

- (a) *There was no comparative cash flow statement because CDL Hospitality Trusts and H-REIT were formed on 12 June 2006 and 8 June 2006 respectively.*
- (b) *The details on net cash outflow on purchase of investment properties and related assets and liabilities are as follows:-*

	H-REIT Group		CDL Hospitality Trusts ^(a)	
	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000
Investment properties	201,000	201,000	201,000	201,000
Cash	5,208	5,208	5,208	5,208
Other assets	2,339	2,339	2,339	2,339
Other liabilities	(23,240)	(23,240)	(23,240)	(23,240)
Net assets acquired	185,307	185,307	185,307	185,307
Purchase consideration	204,107	204,107	204,107	204,107
Acquisition costs	3,202	3,202	3,202	3,202
Less:				
Cash acquired	(5,208)	(5,208)	(5,208)	(5,208)
Balance of purchase consideration and acquisition costs to be paid	(2,026)	(2,026)	(2,026)	(2,026)
Acquisition fee paid in Stapled Securities	(2,198)	(2,198)	(2,198)	(2,198)
Net cash outflow	197,877	197,877	197,877	197,877

- (c) *Significant non-cash transactions*

Quarter ended 30 June 2007

566,776 Stapled Securities amounting to \$1,383,000 will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 30 June 2007 on 31 July 2007.

917,556 Stapled Securities were issued as part payment of the acquisition fee for the acquisition of Novotel Clarke Quay on 7 June 2007 and 85,821 Stapled Securities will be issued if the potential tax liability for the transfer of Novotel Clarke Quay to H-REIT materialises. (For further details, please refer to the Announcement released on 22 June 2007). The total acquisition fee paid/payable to the H-REIT Manager for the acquisition of Novotel Clarke Quay is \$2,198,000.

Period from 1 January to 30 June 2007

1,184,829 Stapled Securities amounting to \$2,603,000 were issued or will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the period from 1 January to 30 June 2007.

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1 (d)(i) Statement of movements in unitholders’ funds of HBT for the period from 1 April 2007 to 30 June 2007 ^(a)

	Foot- notes	Equity of HBT			
		Units in issue S\$'000	Issue Expenses S\$'000	Accumulated Profits S\$'000	Total S\$'000
Balance as at 1 January 2007		500	(121)	-	379
Net income after tax		-	-	-	-
Balance as at 31 March 2007		500	(121)	-	379
Net income after tax		-	-	-	-
Balance as at 30 June 2007		500	(121)	-	379

Footnotes

- (a) *Prior period comparatives as at 30 June 2006 are not available as HBT was constituted on 12 June 2006 (date of constitution) and was listed on SGX on 19 July 2006.*

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 January 2007 to 30 June 2007 ^(a)

Foot- notes	Net Assets Attributable to Holders of H-REIT units						Stapled Group
	Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2007	581,890	(16,677)	(942)	(4)	155,787	720,054	720,433
Operations							
- Net income after tax	-	-	-	-	11,310	11,310	11,310
Increase in unitholders’ funds resulting from operations	-	-	-	-	11,310	11,310	11,310
Hedging transaction	(b)	-	(683)	-	-	(683)	(683)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(2)	-	(2)	(2)
Unitholders’ transactions							
(i) Distribution to unitholders	(c)	-	-	-	(20,239)	(20,239)	(20,239)
(ii) Issue expenses	-	(4)	-	-	-	(4)	(4)
(iii) Stapled Securities issued and to be issued - as payment of H-REIT Manager’s management fees	(d)	1,220	-	-	-	1,220	1,220
Unitholders’ funds resulting from unitholders’ transactions	1,220	(4)	-	-	(20,239)	(19,023)	(19,023)
Balance as at 31 March 2007	583,110	(16,681)	(1,625)	(6)	146,858	711,656	712,035

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	Foot- notes	Net Assets Attributable to Holders of H-REIT units					Stapled Group	
		Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at at 1 April 2007		583,110	(16,681)	(1,625)	(6)	146,858	711,656	712,035
Operations								
- Net income after tax		-	-	-	-	17,999	17,999	17,999
- Net surplus from revaluation of investment properties		-	-	-	-	998	998	998
Increase in unitholders' funds resulting from operations		-	-	-	-	18,997	18,997	18,997
Hedging transaction	(b)	-	-	(322)	-	-	(322)	(322)
Translation differences relating to financial statements of foreign subsidiaries		-	-	-	(38)	-	(38)	(38)
Unitholders' transactions								
(i) Stapled Securities issued and to be issued								
- as payment of H-REIT Manager's management fees	(e)	1,383	-	-	-	-	1,383	1,383
- as payment of H-REIT Manager's acquisition fees	(f)	2,198	-	-	-	-	2,198	2,198
Unitholders' funds resulting from unitholders' transactions		3,581	-	-	-	-	3,581	3,581
Balance as at 30 June 2007		586,691	(16,681)	(1,947)	(44)	165,855	733,874	734,253

Footnotes

- (a) Prior period comparatives as at 30 June 2006 are not available as CDL Hospitality Trusts was constituted on 12 June 2006 (date of constitution) and was listed on SGX on 19 July 2006.
- (b) Hedging reserve relates to the effective part of the change in fair value of the 1.5-year interest rate swap which was entered into on 13 July 2006 to hedge the interest rate risk on S\$260 million of the Facilities.
- (c) Distribution to unitholders relates to the distribution made in respect of the period ended 31 December 2006.
- (d) This represents 618,053 Stapled Securities issued as satisfaction of the management fee payable in units for the quarter ended 31 March 2007.
- (e) This represents 566,776 Stapled Securities to be issued as satisfaction of management fee payable in units for the quarter ended 30 June 2007.
- (f) This represents 1,003,377 Stapled Securities issued and to be issued as satisfaction of the acquisition fee paid to the H-REIT Manager for the purchase of Novotel Clarke Quay.

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1 (e) Details of any changes in the H-REIT units / Stapled Securities

Foot- notes	H-REIT Group		CDL Hospitality Trusts	
	Actual 1 Apr 2007 to 30 Jun 2007 H-REIT units	Actual 1 Jan 2007 to 30 Jun 2007 H-REIT units	Actual 1 Apr 2007 to 30 Jun 2007 Stapled Securities	Actual 1 Jan 2007 to 30 Jun 2007 Stapled Securities
Issued H-REIT units / Stapled Securities at the beginning of the period	700,324,601	699,611,419	700,324,601	699,611,419
Issue of new H-REIT units / Stapled Securities ^(a)				
- as payment of H-REIT Manager’s management fees	618,053	1,331,235	618,053	1,331,235
- as payment of H-REIT Manager’s acquisition fees	917,556	917,556	917,556	917,556
Issued units at the end of the period	701,860,210	701,860,210	701,860,210	701,860,210
H-REIT units/ Stapled Securities to be issued:				
- as payment of H-REIT Manager’s management fees (b)	566,776	566,776	566,776	566,776
- as payment of H-REIT Manager’s acquisition fees (c)	85,821	85,821	85,821	85,821
Total issued and issuable H-REIT units / Stapled Securities at the end of the period	702,512,807	702,512,807	702,512,807	702,512,807

Footnotes

- (a) *Each Stapled Security comprises one H-REIT unit and one HBT unit.*
- (b) *566,776 H-REIT units / Stapled Securities will be issued to the H-REIT Manager on 31 July 2007 as satisfaction of management fee payable in units for the quarter ended 30 June 2007.*
- (c) *Comprising 917,556 Stapled Securities issued as part payment of the acquisition fee for the acquisition of Novotel Clarke Quay on 7 June 2007 and 85,821 Stapled Securities to be issued if the potential tax liability for the transfer of Novotel Clarke Quay to H-REIT materialises. (For further details, please refer to the Announcement released on 22 June 2007).*

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 information that 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”.

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- 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**

Except for the adoption of various new/revised Financial Reporting Standards issued by the Council on Corporate Disclosure and Governance, which took effect from 1 January 2007 (refer item 5 below), the accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the period ended 31 December 2006.

- 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.**

Other than the adoption of various new/revised Financial Reporting Standards issued by the Council on Corporate Disclosure and Governance, which took effect from 1 January 2007, there has been no change in the accounting policies and methods of computation adopted by the H-REIT Group and CDL Hospitality Trusts. The adoption of the new/revised Financial Reporting Standards is not expected to have a significant impact on the financial statements of the H-REIT Group and CDL Hospitality Trusts.

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

	CDL Hospitality Trusts		
	Actual 1 Apr 2007 to 30 Jun 2007	Projection ^(a) 1 Apr 2007 to 30 Jun 2007	Actual 1 Jan 2007 to 30 Jun 2007
Weighted average number of Stapled Securities ^(a)	701,048,117	NA	700,688,357
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents) - basic and diluted	2.71	NA	4.32
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents) - Taxable income	1.98	1.38	3.63
- Tax exempt income	0.13	-	0.23
	2.11 ^(b)	1.38	3.86

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Footnotes

(a) *The weighted average number of units used for computation of EPS for the quarter ended 30 June 2007 is 701,048,117. This comprises:*

- (i) *The weighted average number of Stapled Securities in issue as at 30 June 2007 of 701,033,401;*
- (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 6,228; and*
- (iii) *Weighted average number of Stapled Securities issuable to the H-REIT Manager as satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 8,488.*

The weighted average number of units used for computation of EPS for the period year-to-date from 1 January 2007 to 30 June 2007 is 700,688,357. This comprises:

- (i) *The weighted average number of Stapled Securities in issue as at 30 June 2007 of 700,680,959;*
- (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 3,131; and*
- (iii) *Weighted average number of Stapled Securities issuable to the H-REIT Manager as satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 4,267.*

(b) *The computation of actual DPS is based on the number of Stapled Securities entitled to the distribution of 702,426,986. This comprises:*

- (i) *The number of Stapled Securities in issue as at 30 June 2007 of 701,860,210; and*
- (ii) *The Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 566,776.*

(c) *The figures shown are prorated from the Projection as disclosed in the Prospectus.*

7 Net asset value (“NAV”) per Stapled Security / H-REIT unit based on issued Stapled Securities/ H-REIT units at the end of the period

	H-REIT Group		CDL Hospitality Trusts	
	Actual 30 Jun 2007 ^(a) S\$	Actual 31 Dec 2006 S\$	Actual 30 Jun 2007 ^(b) S\$	Actual 31 Dec 2006 S\$
Net asset value per H-REIT unit/ Stapled Security	1.04	1.03	1.04	1.03

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Footnotes

- (a) *The actual net asset value per H-REIT unit is computed based on:*
- *Net assets attributable to holders of H-REIT units as at 30 June 2007 of \$733,874,000;*
 - *The number of H-REIT units of 702,512,807 comprising:*
 - (i) *H-REIT units in issue as at 30 June 2007 of 701,860,210;*
 - (ii) *H-REIT units to be issued to the H-REIT Manager on 31 July 2007 as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 566,776; and*
 - (iii) *H-REIT units issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821.*
- (b) *The actual net asset value per Stapled Security is computed based on:*
- *Unitholders' funds of CDL Hospitality Trusts as at 30 June 2007 of \$734,253,000;*
 - *The number of Stapled Securities of 702,512,807 comprising:*
 - (i) *Stapled Securities in issue as at 30 June 2007 of 701,860,210;*
 - (ii) *Stapled Securities to be issued to the H-REIT Manager on 31 July 2007 as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 566,776; and*
 - (iii) *Stapled Securities issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821.*
- (c) *Net asset value of HBT as at 30 June 2007 is \$379,000 (31 December 2006: S\$379,000). The net asset value per HBT unit is 0.05 cents (31 December 2006: 0.05 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 702,512,807, comprising:*
- *HBT units in issue as at 30 June 2007 of 701,860,210;*
 - *HBT units to be issued to the H-REIT Manager on 31 July 2007 as satisfaction of management fee payable in units for the quarter ended 30 June 2007 of 566,776; and*
 - *HBT units issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821.*

8 Review of the performance – Variance between actual and proforma results for the period from 1 April 2007 to 30 June 2007

Please refer to Section 9 below on the review of actual performance against the prorated Projection for the year ending 31 December 2007 stated in the Prospectus.

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9 Variance between the forecast or prospectus statement and the actual results

9 (i) Consolidated income statement (for CDL Hospitality Trusts) – Actual compared to Projection

	Foot- notes	Actual	Projection	Increase /	Actual	Projection	Increase /
		1 Apr 2007 to 30 Jun 2007	1 Apr 2007 to 30 Jun 2007 (a)	(Decrease)	1 Jan 2007 to 30 Jun 2007	1 Jan 2007 to 30 Jun 2007 (a)	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue		20,745	14,026	47.9%	38,724	27,898	38.8%
Property tax		(648)	(560)	15.7%	(1,273)	(1,113)	14.4%
Insurance		(257)	(293)	(12.3%)	(574)	(583)	(1.5%)
Other property expenses		(293)	(335)	(12.5%)	(589)	(667)	(11.7%)
Net property income		19,547	12,838	52.3%	36,288	25,535	42.1%
H-REIT Manager's management fees		(1,729)	(1,174)	47.3%	(3,254)	(2,336)	39.3%
H-REIT Trustee's fees		(43)	(35)	22.9%	(83)	(70)	18.6%
Other trust expenses		(338)	(259)	30.5%	(581)	(515)	12.8%
Finance income	(b)	5,227	-	NM	5,966	-	NM
Finance costs	(c)	(4,665)	(2,690)	73.4%	(9,027)	(5,350)	68.7%
Net Income before tax		17,999	8,680	107.4%	29,309	17,264	69.8%
Income tax expense		-	-	-	-	-	-
Net Income after tax		17,999	8,680	107.4%	29,309	17,264	69.8%
Net surplus on revaluation of investment properties		998	-	NM	998	-	NM
Total return for the period		18,997	8,680	118.9%	30,307	17,264	75.6%

Footnotes

- (a) *The Projection is based on management's projection for the year ending 31 December 2007 shown in the Prospectus pro-rated for the period from 1 April 2007 to 30 June 2007 and for the half year from 1 January 2007 to 30 June 2007.*
- (b) *Comprises interest income on bank deposits and net foreign exchange gains.*
- (c) *Comprises interest expenses incurred on borrowings, amortization of transaction costs on borrowings capitalised and financial expense arising from remeasuring non-current rental deposits at amortised cost.*

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9 (ii) Breakdown of Total Gross Revenue by Property

	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Projection 1 Apr 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Projection 1 Jan 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %
Orchard Hotel	5,852	4,898	19.5%	11,404	9,742	17.1%
Grand Copthorne Waterfront Hotel	4,680	3,865	21.1%	8,892	7,688	15.7%
M Hotel	3,303	2,694	22.6%	6,321	5,358	18.0%
Copthorne King's Hotel	2,298	1,667	37.9%	4,391	3,316	32.4%
Orchard Hotel Shopping Arcade	925	902	2.5%	1,815	1,794	1.2%
Rendezvous Hotel Auckland	2,334	-	NM	4,548	-	NM
Novotel Clarke Quay	1,353	-	NM	1,353	-	NM
Total	20,745	14,026	47.9%	38,724	27,898	38.8%

Combined for the four Singapore Hotels (weighted average)

	Actual 1 Apr 2007 to 30 Jun 2007	Projection 1 Apr 2007 to 30 Jun 2007 ^(a)	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007	Projection 1 Jan 2007 to 30 Jun 2007 ^(a)	Increase / (Decrease) %
Average Occupancy Rate (%)	84.9%	82.0%	3.5%	84.4%	82.0%	2.9%
Average Daily Rate (\$)	203	162	25.3%	193	162	19.1%
Room revenue per Available Room (RevPAR) (\$)	172	133	29.3%	163	133	22.6%

Note : Excludes Novotel Clarke Quay, which was only acquired on 7 June 2007.

9 (iii) Breakdown of Net Property Income by Property

	Actual 1 Apr 2007 to 30 Jun 2007 S\$'000	Projection 1 Apr 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 30 Jun 2007 S\$'000	Projection 1 Jan 2007 to 30 Jun 2007 ^(a) S\$'000	Increase / (Decrease) %
Orchard Hotel	5,555	4,634	19.9%	10,780	9,217	17.0%
Grand Copthorne Waterfront Hotel	4,458	3,638	22.5%	8,421	7,236	16.4%
M Hotel	3,126	2,514	24.3%	5,949	5,000	19.0%
Copthorne King's Hotel	2,091	1,573	32.9%	3,962	3,129	26.6%
Orchard Hotel Shopping Arcade	680	479	42.0%	1,325	953	39.0%
Rendezvous Hotel Auckland	2,334	-	NM	4,548	-	NM
Novotel Clarke Quay	1,303	-	NM	1,303	-	NM
Total	19,547	12,838	52.3%	36,288	25,535	42.1%

Footnotes

- (a) The Projection is based on management's projection for the year ending 31 December 2007 shown in the Prospectus pro-rated for the period from 1 April 2007 to 30 June 2007 and for the half year from 1 January 2007 to 30 June 2007.

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**9 (iv) Review of the Performance – Actual compared to Projection for the quarter/period
ended 30 June 2007**

The 2nd Quarter and 1st Half ended 30 June 2007 performance review excludes the effect of Novotel Clarke Quay, the inclusion of which would not be meaningful as Novotel Clarke Quay was only acquired on 7 June 2007.

Second Quarter ended 30 June 2007

Performance in the 2nd Quarter of 2007 was robust with gross revenues of S\$20.7 million and net property income of S\$19.5 million, which exceeded Projection by 47.9% and 52.3% respectively.

The income available for distribution of S\$14.8 million exceeded the Projection of S\$9.7 million by 52.1%. Distribution Per Unit for 2nd Quarter of 2007 was 2.11 cents (or 8.46 cents on annualised basis), which is 52.9% above the Projection of 1.38 cents (or 5.55 cents on an annualised basis).

The four Hotels in Singapore (excluding Novotel Clarke Quay) achieved a combined total Hotel revenue of S\$53.3 million. Compared to the Projection of S\$45.7 million, the improvement was 16.6%. Combined Gross Operating Profit was S\$26.8 million against a projection of S\$19.9 million, an improvement of 34.7%.

As against the projected Average Occupancy Rate of 82% and weighted Average Daily Rate of S\$162, the actual was 84.9% and S\$203 respectively. The actual combined weighted average RevPAR achieved was S\$172 compared to the Projection of S\$133.

First Half ended 30 June 2007

For the period under review, the hotel trading industry continued to perform strongly. Gross revenues of S\$38.7 million and net property income of S\$36.3 million exceeded Projection by 38.8% and 42.1% respectively.

The income available for distribution of S\$27.1 million exceeded the Projection of S\$19.4 million by 39.9%. Distribution Per Unit for 1st Half of 2007 was 3.86 cents, which is 40.4% above the Projection of 2.75 cents.

The four Hotels in Singapore (excluding Novotel Clarke Quay) achieved a combined total Hotel revenue of S\$103.4 million. Compared to the Projection of S\$91.0 million, the improvement was 13.6%. Combined Gross Operating Profit was S\$50.5 million against a projection of S\$39.6 million, an improvement of 27.5%.

As against the projected Average Occupancy Rate of 82% and weighted Average Daily Rate of S\$162, the actual was 84.4% and S\$193 respectively. The actual combined weighted average RevPAR achieved was S\$163 compared to the Projection of S\$133.

Net property income contributed by the Orchard Hotel Shopping Arcade was S\$1.3 million which exceeded the projection by 39.0%. Occupancy was maintained at over 92% with an average monthly rental rate of approximately S\$6.23 per sq. ft.

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

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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**

The Singapore tourism industry registered strong growth for the period 1 January to 31 May 2007. Visitor arrivals for the period totaled 4.1 million against 3.9 million visitors for the same period in 2006, representing growth of 4.7%. For the period 1 April 2007 to 31 May 2007, there were 1.6 million visitor arrivals representing growth of 3.6% against the same period in 2006.

Until the end of 2008, 2,904 additional room supply is expected. However, assuming continued robust room demand, this additional room supply is not expected to negatively impact the performance of the Hotels significantly.

Barring unforeseen circumstances, the results for the next reporting period are expected to be better than the projection disclosed in the Prospectus. The overall outlook for the hotel industry continues to be positive.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?	Yes
Name of distribution	Cumulative distribution for the period from 1 January 2007 to 18 July 2007 (being the date immediately prior to the issue of new units under the Equity Fund Raising on 19 July 2007) ^(a)
i. Distribution type	Taxable income
Distribution rate	4.11 cents per unit
Tax rate	<p>Cumulative distribution comprising the DPU of 3.63 cents for the 6 months ended 30 June 2007 and 0.48 cents for the period from 1 July 2007 to 18 July 2007, being the day immediately prior to the date new units were issued under the Equity Fund Raising on 19 July 2007</p> <p><u>Taxable income distribution</u> 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.</p> <p>Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 18%.</p>

Footnotes

(a) Please see the Circular dated 6 July 2007 for further details about the Cumulative Distribution, including the rationale for it being in respect of the period from 1 January 2007 to 18 July 2007, the date immediately prior to the date on which new Stapled Securities were issued pursuant to the Equity Fund Raising instead of the original Scheduled Distribution from 1 January 2007 to 30 June 2007.

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**FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT
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ii. Distribution type	Tax Exempt Income
Distribution rate	0.26 cents per unit
	Cumulative distribution comprising the DPU of 0.23 cents for the 6 months ended 30 June 2007 and 0.03 cents for the period from 1 July 2007 to 18 July 2007, being the day immediately prior to the date new units were issued under the Equity Fund Raising on 19 July 2007
Tax rate	These distributions are made of H-REIT’s tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

11 (b) Corresponding period of the preceding financial period

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

Not applicable

11 (c) Book closure date 5 p.m. on 18 July 2007

11 (d) Date payable 31 August 2007

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

Not applicable

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**FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT
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Disclaimer

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

By Order of the Board

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

31 July 2007

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)

31 July 2007

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

**FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT
GROUP for the Second Quarter ended 30 June 2007**

CONFIRMATION BY THE BOARD

We, WONG HONG REN and VINCENT YEO WEE ENG, being two directors of M&C REIT Management Limited, the H-REIT Manager, and M&C Business Trust Management Limited, the 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 financial results of CDL Hospitality Trusts for the Second Quarter ended 30 June 2007 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN
Chairman

VINCENT YEO WEE ENG
Chief Executive Officer

31 July 2007