



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND
H-REIT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30
SEPTEMBER 2008**

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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)

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008

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.

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND
H-REIT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED
30 SEPTEMBER 2008**

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 2008, H-REIT’s portfolio with a total of 2,806 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel and Novotel Clarke Quay (collectively, the “**Singapore Hotels**”), 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.

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 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), with the actual level of distribution to be determined at the H-REIT Manager’s discretion. H-REIT has distributed 100% of its taxable and tax exempt income available for distribution to holders of the Stapled Securities for the financial period from 1 January 2008 to 30 June 2008. 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**”). The first Scheduled Distribution was paid on 29 August 2008.

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 the corresponding actual figures for the period from 1 January 2007 to 30 September 2007 or for the quarter ended 30 September 2007.

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SUMMARY OF CONSOLIDATED STATEMENT OF TOTAL RETURN OF CDL HOSPITALITY TRUSTS

	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	29,086	23,970	21.3	86,515	62,694	38.0
Net property income	27,282	22,602	20.7	81,064	58,889	37.7
Net income before revaluation	20,157	10,461	92.7	59,405	39,770	49.4
Income available for distribution to holders of Stapled Securities	24,410	18,817	29.7	72,994	45,955	58.8
Income available for distribution per Stapled Security (cents)						
For the period	2.93	2.36	24.2	8.82	6.22	41.8
Annualised	11.66	9.36	24.6	11.78	8.32	41.6
Annualised distribution yield (%), based on the						
Initial public offer price of S\$0.83	14.05	11.28	24.6	14.19	10.02	41.6
Closing market price of S\$0.585 as at 28 th October 2008	19.93	16.00	24.6	20.14	14.22	41.6

Footnote

- (a) *The actual results for the nine months ended 30 September 2008 include contributions from Novotel Clarke Quay. The actual results for the corresponding period last year is not comparable to the current financial period as Novotel Clarke Quay was only acquired on 7 June 2007.*

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008

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

		H-REIT Group					
<u>Statements of Total Return</u>	Footnotes	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	(b)	29,086	23,970	21.3	86,515	62,694	38.0
Property tax	(c)	(1,263)	(643)	96.4	(3,761)	(1,916)	96.3
Insurance		(181)	(385)	(53.0)	(660)	(959)	(31.2)
Other property expenses	(d)	(360)	(340)	5.9	(1,030)	(930)	10.8
Net property income		27,282	22,602	20.7	81,064	58,889	37.7
H-REIT Manager's fees		(2,396)	(2,012)	19.1	(7,136)	(5,266)	35.5
H-REIT Trustee's fees		(53)	(47)	12.8	(156)	(130)	20.0
Other trust expenses	(e)	(534)	(230)	N.M	(1,607)	(807)	99.1
Finance income		15	393	(96.2)	105	623	(83.1)
Finance costs		(4,154)	(10,245)	(59.5)	(12,862)	(13,539)	(5.0)
Net finance costs	(f)	(4,139)	(9,852)	(58.0)	(12,757)	(12,916)	(1.2)
Net income before revaluation		20,160	10,461	92.7	59,408	39,770	49.4
Net surplus on revaluation of investment properties		-	56,406	N.M	-	57,404	N.M
Net income		20,160	66,867	(69.9)	59,408	97,174	(38.9)
Income tax expense	(h)	-	-	-	-	-	-
Total return for the period		20,160	66,867	(69.9)	59,408	97,174	(38.9)

		CDL Hospitality Trusts					
<u>Statements of Total Return</u>	Footnotes	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	(b)	29,086	23,970	21.3	86,515	62,694	38.0
Property tax	(c)	(1,263)	(643)	96.4	(3,761)	(1,916)	96.3
Insurance		(181)	(385)	(53.0)	(660)	(959)	(31.2)
Other property expenses	(d)	(360)	(340)	5.9	(1,030)	(930)	10.8
Net property income		27,282	22,602	20.7	81,064	58,889	37.7
H-REIT Manager's fees		(2,396)	(2,012)	19.1	(7,136)	(5,266)	35.5
H-REIT Trustee's fees		(53)	(47)	12.8	(156)	(130)	20.0
Other trust expenses	(e)	(537)	(231)	N.M	(1,612)	(812)	98.5
Finance income		15	394	(96.2)	107	628	(83.0)
Finance costs		(4,154)	(10,245)	(59.5)	(12,862)	(13,539)	(5.0)
Net finance costs	(f)	(4,139)	(9,851)	(58.0)	(12,755)	(12,911)	(1.2)
Net income before revaluation		20,157	10,461	92.7	59,405	39,770	49.4
Net surplus on revaluation of investment properties		-	56,406	N.M	-	57,404	N.M
Net income	(g)	20,157	66,867	(69.9)	59,405	97,174	(38.9)
Income tax expense	(h)	-	-	-	-	-	-
Total return for the period		20,157	66,867	(69.9)	59,405	97,174	(38.9)

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008

Footnotes

N.M – Not Meaningful

- (a) *The actual results for the nine months ended 30 September 2008 include contributions from Novotel Clarke Quay. The actual results for the corresponding period last year is not comparable to the current financial period as Novotel Clarke Quay was only acquired on 7 June 2007.*
- (b) *Gross revenue comprises rental income from H-REIT’s investment properties as follows:*

H-REIT Group and CDL Hospitality Trusts

	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	7,549	6,149	22.8	21,862	17,553	24.5
Grand Copthorne Waterfront Hotel	5,813	4,894	18.8	17,279	13,786	25.3
M Hotel	4,184	3,550	17.8	12,362	9,871	25.2
Copthorne King’s Hotel	2,648	2,432	8.9	8,259	6,823	21.0
Orchard Hotel Shopping Arcade	1,087	915	18.8	3,180	2,730	16.5
Rendezvous Hotel Auckland	2,260	2,221	1.7	7,185	6,769	6.1
Novotel Clarke Quay	5,545	3,809	45.6	16,388	5,162	N.M
	29,086	23,970	21.3	86,515	62,694	38.0

- (c) *Property tax expenses have increased due to changes to the property tax regime that apply to all hotels licensed under the Hotel Act (Cap 127). With effect from 1 January 2008, the annual value of hotel rooms is assessed on 20% (previously 15%) of gross room receipts in the preceding year, while that of the other lettable areas (including Food and Beverage areas) in the hotels is assessed based on estimated market rent. Under Singapore law, property tax is levied at 10% on the annual value of a hotel.*
- (d) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade.*
- (e) *Other trust expenses comprise mainly professional fees and administrative costs.*

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(f) Net finance costs comprise the following:

H-REIT Group						
	Actual 1 Jul 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Interest income received / receivable from banks	15	393	(96.2)	105	623	(83.1)
Finance income	15	393	(96.2)	105	623	(83.1)
(Loss)/ Gain from remeasurement of financial derivative ⁽ⁱⁱ⁾	(3,182)	-	N.M	295	-	N.M
Exchange (loss)/gain ⁽ⁱ⁾	1,362	(6,169)	N.M	(5,823)	(436)	N.M
Interest paid/ payable to banks ⁽ⁱⁱⁱ⁾	(2,239)	(3,981)	(43.8)	(7,047)	(12,820)	(45.0)
Amortisation of transaction costs capitalized	(56)	(57)	(1.8)	(170)	(171)	(0.6)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(39)	(38)	2.6	(117)	(112)	4.5
Finance costs	(4,154)	(10,245)	(59.5)	(12,862)	(13,539)	(5.0)
Net finance costs	(4,139)	(9,852)	(58.0)	(12,757)	(12,916)	(1.2)

CDL Hospitality Trusts						
	Actual 1 Jul 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Interest income received / receivable from banks	15	394	(96.2)	107	628	(83.0)
Finance income	15	394	(96.2)	107	628	(83.0)
(Loss)/ Gain from remeasurement of financial derivative ⁽ⁱⁱ⁾	(3,182)	-	N.M	295	-	N.M
Exchange (loss)/gain ⁽ⁱ⁾	1,362	(6,169)	N.M	(5,823)	(436)	N.M
Interest paid/ payable to banks ⁽ⁱⁱⁱ⁾	(2,239)	(3,981)	(43.8)	(7,047)	(12,820)	(45.0)
Amortisation of transaction costs capitalized	(56)	(57)	(1.8)	(170)	(171)	(0.6)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(39)	(38)	2.6	(117)	(112)	4.5
Finance costs	(4,154)	(10,245)	(59.5)	(12,862)	(13,539)	(5.0)
Net finance costs	(4,139)	(9,851)	(58.0)	(12,755)	(12,911)	(1.2)

(i) The foreign exchange loss recognized for the nine months ended 30 September 2008 was mainly due to the unrealized translation loss on a foreign currency loan, denominated in New Zealand Dollar, extended to a subsidiary for the period to 30 June 2008. The loss arose as a result of the depreciation of New Zealand Dollar against Singapore Dollar. The loan is treated as H-REIT's net investment in the subsidiary with effect from 1 July 2008. Accordingly, the exchange differences on the loan to the subsidiary are recognized in the unitholders' funds in the consolidated financial statements with effect from 1 July 2008. The unrealized exchange differences have no impact on the distribution of CDL Hospitality Trusts.

(ii) This represents a net gain/ loss in fair value of an interest rate swap which was entered into in the first quarter of 2008. Under Financial Reporting Standard 39 *Financial Instruments: Recognition and Measurement*, any change in the fair value of this interest rate swap has to be taken to the Statement of Total Return that does not qualify for hedge accounting. The interest rate swap is not used for trading purposes and the unrealized gain /loss has no impact on the distribution of CDL Hospitality Trusts.

(iii) The decrease in interest paid/ payable to banks in the third quarter ended 30 September 2008 and nine months ended 30 September 2008 was mainly due to lower funding costs and lower bank borrowings.

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

	CDL Hospitality Trusts			
	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000
H-REIT	12,615	66,768	52,721	97,537
Other H-REIT group entities (including consolidation adjustments)	7,542	99	6,684	(363)
	20,157	66,867	59,405	97,174

(h) *No income tax provisions are made as the distributable income to holders of Stapled Securities is based on 100% of taxable income available for distribution to holders of Stapled Securities.*

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

	H-REIT and CDL Hospitality Trusts			
	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000
Net income of H-REIT	12,615	52,721	66,768	97,537
Add / (Less): Non tax deductible / (tax chargeable) items:				
- Amortisation of transaction costs	56	170	57	171
- Net surplus on revaluation of investment properties	-	-	(55,894)	(56,892)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	39	117	38	112
- Foreign exchange loss ⁽ⁱⁱ⁾	6,186	13,288	6,164	419
- Loss/ (Gain) from remeasurement of financial derivatives	3,182	(295)	-	-
- H-REIT Manager's fees paid / payable in Stapled Securities	1,917	5,709	1,610	4,213
- Other items	415	1,284	74	395
Income available for distribution to holders of Stapled Securities	24,410	72,994	18,817	45,955
Comprising :				
- Taxable income	22,794	67,097	17,397	42,932
- Tax exempt income	1,616	5,897	1,420	3,023
	24,410	72,994	18,817	45,955

(i) 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 income available for distribution of H-REIT has been presented.

(ii) The foreign exchange loss for the nine months ended 30 September 2008 were mainly due to unrealized translation loss on a foreign currency loan, denominated in New Zealand Dollar, extended to a subsidiary. The unrealized translation loss arose as a result of the depreciation of New Zealand Dollar against Singapore Dollar. The unrealized translation losses have no impact on the distribution of CDL Hospitality Trusts.

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

Balance Sheets	Footnotes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		Actual 30 Sep 2008 S\$'000	Actual 31 Dec 2007 S\$'000	Actual 30 Sep 2008 S\$'000	Actual 31 Dec 2007 S\$'000
ASSETS					
Non-current assets					
Investment properties		1,618,645	1,628,809	1,618,645	1,628,809
Rental deposit		76	76	76	76
Total non-current assets		1,618,721	1,628,885	1,618,721	1,628,885
Current assets					
Trade and other receivables		15,510	14,750	15,511	14,750
Cash and cash equivalents		2,521	13,273	2,908	13,661
Total current assets		18,031	28,023	18,419	28,411
Total assets		1,636,752	1,656,908	1,637,140	1,657,296
Equity					
Units in issue of HBT		-	-	379	379
Accumulated loss		-	-	(3)	-
Total equity	(b)	-	-	376	379
LIABILITIES					
Non-current liabilities					
Financial liabilities	(c)	-	259,648	-	259,648
Rental deposits	(d)	4,336	4,219	4,336	4,219
Net assets attributable to holders of H-REIT units	(e)	1,295,638	1,325,476	1,295,638	1,325,476
		1,299,974	1,589,343	1,299,974	1,589,343
Current liabilities					
Trade and other payables	(f)	20,555	17,030	20,567	17,039
Financial liabilities	(c)	297,423	31,735	297,423	31,735
Provision for taxation	(g)	18,800	18,800	18,800	18,800
		336,778	67,565	336,790	67,574
Total liabilities		1,636,752	1,656,908	1,636,764	1,656,917
Total equity and liabilities		1,636,752	1,656,908	1,637,140	1,657,296

	Actual 30 Sep 2008 S\$'000	Actual 31 Dec 2007 S\$'000
Unitholders' funds		
<i>Represented by</i>		
Net assets attributable to holders of H-REIT units	1,295,638	1,325,476
Equity of HBT	376	379
	1,296,014	1,325,855

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30 SEPTEMBER 2008**

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 September 2008 are approximately S\$376,000 (31 December 2007: S\$379,000).*
- (b) *Total equity comprises only the equity of HBT. The units in H-REIT are accounted for as a financial liability under Financial Reporting Standard 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.*
- (c) *Financial liabilities comprise borrowings of S\$296,733,000 (31 December 2007: S\$291,302,000) and derivative liabilities of S\$690,000 (31 December 2007: \$81,000). The borrowings, which are stated at amortised cost, were re-classified from non-current liabilities to current liabilities as the entire amount is repayable on 31 July 2009. The derivative liabilities relate to the fair value of two consecutive interest rate swaps of notional amount of S\$220 million each. Subsequent to 30 September 2008, the interest rate swap relating to the period 31 July 2009 to 15 January 2011 has been terminated and a cumulative net gain of approximately S\$100,000 will be recognized for the year ending 31 December 2008.*
- (d) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (e) *The movements in net assets attributable to holders of H-REIT units are set out in section 1 (d).*
- (f) *Trade and other payables relates mainly to the loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (g) *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.*

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

		H-REIT Group and CDL Hospitality Trusts	
		Actual 30 Sep 2008	Actual 31 Dec 2007
		S\$'000	S\$'000
Amount repayable after one year			
Secured borrowings		-	260,000
		-	260,000
Amount repayable within one year			
Secured borrowings	(i)	274,500	-
Unsecured borrowings	(ii)	22,414	31,654
		296,914	31,654
Total borrowings		296,914	291,654

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 committed secured term loan facility and a S\$70.0 million committed revolving credit facility by DBS Bank Limited 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. As at 28 October 2008, S\$20.5 million of the revolving credit facility remains unutilized.

The Facilities are secured on the following:

- A first legal mortgage on the Singapore investment properties (except for Novotel Clarke Quay);
- Debenture over all present and future assets (including without limitation on 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 (except for Novotel Clarke Quay);
- 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 (except for Novotel Clarke Quay);
- 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 (other than with respect to public liability) effected over the Singapore investment properties (except for Novotel Clarke Quay); 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 (except for Novotel Clarke Quay).

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ii. Unsecured borrowings

H-REIT has in place the following uncommitted unsecured facilities to fund acquisitions, capital expenditure and working capital requirements:

- *a S\$300.0 million multi-currency unsecured bridging loan facility (the “**DBS Bank Bridging Loan Facility**”) with DBS Bank Limited. 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; and*
- *a S\$250.0 million multi-currency unsecured revolving credit facility with Citibank, N.A., Singapore Branch.*

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1 (c)(i) Cash flow statements of H-REIT Group

		H-REIT Group			
Footnotes	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jan 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 S\$'000	
Operating activities					
Net income	20,160	59,408	66,867	97,174	
Adjustments for:					
H-REIT Manager's fee paid / payable in Stapled Securities (a)	1,917	5,709	1,610	4,213	
Net finance costs	4,139	12,757	9,852	12,916	
Impairment losses on trade receivables	1	5	-	(13)	
Net surplus on revaluation of investment properties	-	-	(56,406)	(57,404)	
Operating income before working capital changes	26,217	77,879	21,923	56,886	
Changes in working capital:					
Trade and other receivables	(429)	(920)	(514)	(4,334)	
Trade and other payables	496	1,737	(396)	6,432	
Cash generated from operating activities	26,284	78,696	21,013	58,984	
Investing activities					
Net cash outflow on purchase of investment properties (b)	-	-	(33)	(197,910)	
Capital expenditure on investment properties	(1,051)	(3,698)	(1,030)	(1,096)	
Interest received	17	105	405	671	
Cash flows from investing activities	(1,034)	(3,593)	(658)	(198,335)	
Financing activities					
Proceeds from borrowings (b)	34,000	59,500	15,100	218,490	
Repayment of interest bearing loans	(15,500)	(51,148)	(299,349)	(305,349)	
Proceeds from issue of Stapled Securities (c)	-	-	295,309	295,309	
Issue costs paid	-	-	(3,391)	(3,391)	
Finance costs paid	(2,231)	(7,561)	(4,176)	(13,127)	
Distribution to holders of Stapled Securities	(48,658)	(86,646)	(30,672)	(50,911)	
Cash flows from financing activities	(32,389)	(85,855)	(27,179)	141,021	
Net (decrease)/ increase in cash and cash equivalents	(7,139)	(10,752)	(6,824)	1,670	
Cash and cash equivalents at beginning of the period	9,660	13,273	17,171	8,677	
Cash and cash equivalents at end of the period	2,521	2,521	10,347	10,347	

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1 (c)(ii) Cash flow statements of CDL Hospitality Trusts

		CDL Hospitality Trusts			
Footnotes		Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jan 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 S\$'000
Operating activities					
		20,157	59,405	66,867	97,174
		Adjustments for:			
	(a)	1,917	5,709	1,610	4,213
		4,139	12,755	9,851	12,911
		1	5	-	(13)
		-	-	(56,406)	(57,404)
		26,214	77,874	21,922	56,881
		Changes in working capital:			
		(429)	(920)	(517)	(4,457)
		498	1,739	(392)	6,434
		26,283	78,693	21,013	58,858
Investing activities					
	(b)	-	-	(33)	(197,910)
		(1,051)	(3,698)	(1,030)	(1,096)
		18	107	406	676
		(1,033)	(3,591)	(657)	(198,330)
Financing activities					
	(b)	34,000	59,500	15,100	218,490
		(15,500)	(51,148)	(299,349)	(305,349)
	(c)	-	-	295,309	295,309
		-	-	(3,391)	(3,391)
		(2,231)	(7,561)	(4,176)	(13,127)
		(48,658)	(86,646)	(30,672)	(50,911)
		(32,389)	(85,855)	(27,179)	141,021
		(7,139)	(10,753)	(6,823)	1,549
		10,047	13,661	17,555	9,183
		2,908	2,908	10,732	10,732

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Footnotes

(a) *Significant non-cash transactions*

Quarter ended 30 September 2008

1,918,429 (Quarter ended 30 September 2007: 682,094) Stapled Securities amounting to S\$1,917,000 (Quarter ended 30 September 2007: S\$1,610,000) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 30 September 2008.

Period from 1 January 2008 to 30 September 2008

3,976,570 (nine months ended 30 September 2007: 1,866,923) Stapled Securities amounting to S\$5,709,000 (nine months ended 30 September 2007: S\$4,213,000) 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 September 2008.

(b) *Funds were drawn down to finance the acquisition of Novotel Clarke Quay on 7 June 2007.*

(c) *This represents the proceeds from the issue of H-REIT units/ Stapled Securities during the Equity Fund Raising on 19 July 2007.*

1 (d)(i) Statement of movements in unitholders' funds of HBT

	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jun 2007 to 30 Sep 2007 ^(a) S\$'000
Balance as at beginning of the period	379	379	379	379
Net loss after tax	(3)	-	(3)	-
Balance as at end of the period	376	379	376	379

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 July 2008 to 30 September 2008

		Net Assets Attributable to Holders of H-REIT units					Stapled Group	
	Footnotes	Units in issue S\$'000	Issue Expenses S\$'000	Hedging Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Total S\$'000
Balance as at 1 July 2008		889,233	(20,686)	(1,251)	51	462,922	1,330,269	1,330,648
Operations								
Increase in net assets attributable to unitholders resulting from operations		-	-	-	-	20,160	20,160	20,157
Hedging transaction	(a)	-	-	(584)	-	-	(584)	(584)
Translation differences relating to financial statements of foreign subsidiaries		-	-	-	44	-	44	44
Exchange differences on monetary items forming part of net investment in a foreign operation	(b)	-	-	-	(7,510)	-	(7,510)	(7,510)
Unitholders’ transactions								
(i) Distribution to holders of Stapled Securities	(c)	-	-	-	-	(48,658)	(48,658)	(48,658)
(ii) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(d)	1,917	-	-	-	-	1,917	1,917
Decrease in net assets attributable to unitholders resulting from unitholders’ transactions		1,917	-	-	-	(48,658)	(46,741)	(46,741)
Balance as at 30 September 2008		891,150	(20,686)	(1,835)	(7,415)	434,424	1,295,638	1,296,014

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1 (d)(iii) Statement of movements in unitholders’ funds for the period from 1 January 2008 to 30 September 2008

Footnotes	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 2008	885,441	(20,686)	(932)	(9)	461,662	1,325,476	1,325,855
Operations							
Increase in net assets attributable to unitholders resulting from operations	-	-	-	-	59,408	59,408	59,405
Hedging transaction (a)	-	-	(903)	-	-	(903)	(903)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	104	-	104	104
Exchange differences on monetary items forming part of net investment in a foreign operation (b)	-	-	-	(7,510)	-	(7,510)	(7,510)
Unitholders’ transactions							
(i) Distribution to holders of Stapled Securities (e)	-	-	-	-	(86,646)	(86,646)	(86,646)
(ii) Stapled Securities to be issued as payment of H-REIT Manager’s management fees (d)	5,709	-	-	-	-	5,709	5,709
Decrease in net assets attributable to unitholders resulting from unitholders’ transactions	5,709	-	-	-	(86,646)	(80,937)	(80,937)
Balance as at 30 September 2008	891,150	(20,686)	(1,835)	(7,415)	434,424	1,295,638	1,296,014

Footnotes

- (a) The hedging reserve relates to the effective portion of the change in fair value of the interest rate swap entered into to hedge the interest rate risk on S\$220 million of the Facilities, which will expire on 31 July 2009.
- (b) These represent the exchange differences arising from the translation on the NZD loan between H-REIT and its subsidiary (refer to paragraph 1(a)(f)(i)).
- (c) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 January 2008 to 30 June 2008.
- (d) These represent the Stapled Securities issued and to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.
- (e) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 19 July 2007 to 31 December 2007 and from 1 January 2008 to 30 June 2008.

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1 (d)(iv) Statement of movements in unitholders’ funds for the period from 1 July 2007 to 30 September 2007

		Net Assets Attributable to Holders of H-REIT units					Stapled Group		
Footnotes	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 July 2007	586,691	(16,681)	(1,947)	(44)	165,855	733,874	734,253	
	Operations								
	Increase in net assets attributable to unitholders resulting from operations	-	-	-	-	66,867	66,867	66,867	
	Hedging transaction	(a)	-	463	-	-	463	463	
	Translation differences relating to financial statements of foreign subsidiaries		-	-	34	-	34	34	
	Unitholders’ transactions								
	(i) Issue of H-REIT units/Stapled Securities	(b)	295,309	-	-	-	295,309	295,309	
	(ii) Issue expenses	(c)	-	(3,869)	-	-	(3,869)	(3,869)	
	(iii) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(d)	1,610	-	-	-	1,610	1,610	
	(iv) Distribution to holders of Stapled Securities	(e)	-	-	-	(30,672)	(30,672)	(30,672)	
	Increase in net assets attributable to unitholders resulting from unitholders’ transactions		296,919	(3,869)	-	(30,672)	262,378	262,378	
	Balance as at 30 September 2007		883,610	(20,550)	(1,484)	(10)	202,050	1,063,616	1,063,995

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1 (d)(v) Statement of movements in unitholders’ funds for the period from 1 January 2007 to 30 September 2007

Footnotes	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							
Increase in net assets attributable to unitholders resulting from operations	-	-	-	-	97,174	97,174	97,174
Hedging transaction (a)	-	-	(542)	-	-	(542)	(542)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(6)	-	(6)	(6)
Unitholders’ transactions							
(i) Issue of H-REIT units/Stapled Securities (b)	295,309	-	-	-	-	295,309	295,309
(ii) Issue expenses (c)	-	(3,873)	-	-	-	(3,873)	(3,873)
(iii) Stapled Securities to be issued -as payment of H-REIT Manager’s management fees (d)	4,213	-	-	-	-	4,213	4,213
-as payment of H-REIT Manager’s acquisition fees (f)	2,198	-	-	-	-	2,198	2,198
(iv) Distribution to holders of Stapled Securities	-	-	-	-	(50,911)	(50,911)	(50,911)
Increase in net assets attributable to unitholders resulting from unitholders’ transactions	301,720	(3,873)	-	-	(50,911)	246,936	246,936
Balance as at 30 September 2007	883,610	(20,550)	(1,484)	(10)	202,050	1,063,616	1,063,995

Footnotes

- (a) 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. The interest rate swap matured on 13 January 2008.
- (b) This represents the H-REIT units/ Stapled Securities issued during the Equity Fund Raising on 19 July 2007.
- (c) Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expenses in relation to the Equity Fund Raising.
- (d) These represent the Stapled Securities issued and to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.
- (e) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 January 2007 to 18 July 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 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Actual 1 Jan 2008 to 30 Sep 2008	Actual 1 Jan 2007 to 30 Sep 2007	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Actual 1 Jan 2008 to 30 Sep 2008	Actual 1 Jan 2007 to 30 Sep 2007
Issued H-REIT units / Stapled Securities at the beginning of the period	824,988,356	701,860,210	823,271,875	699,611,419	824,988,356	701,860,210	823,271,875	699,611,419
Issue of new H-REIT units / Stapled Securities ^(a)								
- Equity Fund Raising	-	120,162,795	-	120,162,795	-	120,162,795	-	120,162,795
- as payment of H-REIT Manager's management fees	1,115,881	566,776	2,832,362	1,898,011	1,115,881	566,776	2,832,362	1,898,011
- as payment of H-REIT Manager's acquisition fees	-	-	-	917,556	-	-	-	917,556
Issued H-REIT units / Stapled Securities at the end of the period	826,104,237	822,589,781	826,104,237	822,589,781	826,104,237	822,589,781	826,104,237	822,589,781
H-REIT units/ Stapled Securities to be issued:								
- as payment of H-REIT Manager's management fees (b)	1,918,429	682,094	1,918,429	682,094	1,918,429	682,094	1,918,429	682,094
- as payment of H-REIT Manager's acquisition fees (c)	85,821	85,821	85,821	85,821	85,821	85,821	85,821	85,821
Total issued and issuable H-REIT units / Stapled Securities at the end of the period	828,108,487	823,357,696	828,108,487	823,357,696	828,108,487	823,357,696	828,108,487	823,357,696

Footnotes

- (a) Each Stapled Security comprises one H-REIT unit and one HBT unit.
- (b) These represent the H-REIT units/ Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters.
- (c) An additional 85,821 H-REIT units/ Stapled Securities will be issued to the H-REIT Manager if the potential tax liability for the transfer of Novotel Clarke Quay to H-REIT materialises.

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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 financial information for the nine months ended 30 September 2008 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 2007.

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 the accounting policies and methods of computation adopted by the H-REIT Group and CDL Hospitality Trusts.

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

	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Actual 1 Jan 2008 to 30 Sep 2008	Actual 1 Jan 2007 to 30 Sep 2007
Weighted average number of Stapled Securities	826,210,910	799,172,904	825,150,425	733,879,553
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	2.44	8.37	7.20	13.24
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.74	2.19	8.11	5.82
- Tax exempt income	0.19	0.17	0.71	0.40
	2.93	2.36	8.82	6.22

Footnotes

- (a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 30 September 2008 is 826,210,910. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 30 September 2008 of 826,104,237;*
 - (ii) *Weighted average number of Stapled Securities to be issued 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; and*
 - (iii) *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 September 2008 of 20,852.*
- (b) *The weighted average number of Stapled Securities used for computation of EPS for the period from 1 January 2008 to 30 September 2008 is 825,150,425. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 30 September 2008 of 825,057,602;*
 - (ii) *Weighted average number of Stapled Securities to be issued 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; and*
 - (iii) *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 September 2008 of 7,002.*
- (c) *The computation of actual DPS for the quarter ended 30 September 2008 is based on the number of Stapled Securities entitled to distribution of 828,022,666. This comprises:*
- (i) *The number of Stapled Securities in issue as at 30 September 2008 of 826,104,237; 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 September 2008 of 1,918,429.*

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

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

	H-REIT Group		CDL Hospitality Trusts	
	Actual 30 Sep 2008 S\$	Actual 31 Dec 2007 S\$	Actual 30 Sep 2008 S\$	Actual 31 Dec 2007 S\$
Net asset value per H-REIT unit/ Stapled Security	1.56	1.61	1.57	1.61

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 September 2008 of S\$1,295,638,000; and*
 - *The number of issued and issuable H-REIT units of 828,108,487 (see paragraph 1(e) for details).*
- (b) *The actual net asset value per Stapled Security is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 30 September 2008 of S\$1,296,014,000; and*
 - *The number of issued and issuable Stapled Securities of 828,108,487 (see paragraph 1(e) for details).*
- (c) *Net asset value of HBT as at 30 September 2008 is S\$376,000 (31 December 2007: S\$379,000). The net asset value per HBT unit is 0.05 cents (31 December 2007: 0.05 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 828,108,487 (31 December 2007: 824,131,917) comprising:*
- *HBT units in issue as at 30 September 2008 of 826,104,237;*
 - *HBT units to be issued to the H-REIT Manager on 30 October 2008 as satisfaction of management fee payable in units for the quarter ended 30 September 2008 of 1,918,429; 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.*

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8 Review of the performance for the quarter ended 30 September 2008

8 (i) Consolidated statement of total return of CDL Hospitality Trusts

Foot- notes	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	29,086	23,970	21.3	86,515	62,694	38.0
Property tax	(1,263)	(643)	96.4	(3,761)	(1,916)	96.3
Insurance	(181)	(385)	(53.0)	(660)	(959)	(31.2)
Other property expenses	(360)	(340)	5.9	(1,030)	(930)	10.8
Net property income	27,282	22,602	20.7	81,064	58,889	37.7
H-REIT Manager's fees	(2,396)	(2,012)	19.1	(7,136)	(5,266)	35.5
H-REIT Trustee's fees	(53)	(47)	12.8	(156)	(130)	20.0
Other trust expenses	(537)	(231)	N.M	(1,612)	(812)	98.5
Finance income	15	394	(96.2)	107	628	(83.0)
Finance costs	(4,154)	(10,245)	(59.5)	(12,862)	(13,539)	(5.0)
Net finance costs	(b) (4,139)	(9,851)	(58.0)	(12,755)	(12,911)	(1.2)
Net income before revaluation	20,157	10,461	92.7	59,405	39,770	49.4
Net surplus on revaluation of investment properties	-	56,406	N.M	-	57,404	N.M
Net income	20,157	66,867	(69.9)	59,405	97,174	(38.9)
Income tax expense	-	-	-	-	-	-
Total return for the period	20,157	66,867	(69.9)	59,405	97,174	(38.9)

Footnotes

(a) *The actual results for the nine months ended 30 September 2008 include contributions from Novotel Clarke Quay. The actual results for the corresponding period last year is not comparable to the current financial period as Novotel Clarke Quay was only acquired on 7 June 2007.*

(b) *Please refer to footnote (f) under paragraph 1(a).*

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8 (ii) Breakdown of Total Gross Revenue by Property

	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	7,549	6,149	22.8	21,862	17,553	24.5
Grand Copthorne Waterfront Hotel	5,813	4,894	18.8	17,279	13,786	25.3
M Hotel	4,184	3,550	17.8	12,362	9,871	25.2
Copthorne King's Hotel	2,648	2,432	8.9	8,259	6,823	21.0
Orchard Hotel Shopping Arcade	1,087	915	18.8	3,180	2,730	16.5
Rendezvous Hotel Auckland	2,259	2,221	1.7	7,185	6,769	6.1
Novotel Clarke Quay	5,546	3,809	45.6	16,388	5,162	N.M
Total	29,086	23,970	21.3	86,515	62,694	38.0

Footnote

(a) Includes Novotel Clarke Quay, which was only acquired on 7 June 2007.

Combined for the IPO Hotels (weighted average)^(a)

	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Growth	Actual 1 Jan 2008 to 30 Sep 2008	Actual 1 Jan 2007 to 30 Sep 2007	Growth
Average Occupancy Rate	83.9%	89.4%	-5.5pp	84.8%	86.1%	-1.3pp
Average Daily Rate	\$255	\$201	26.9%	\$255	\$196	30.1%
Room Revenue per Available Room (RevPAR)	\$214	\$179	19.6%	\$216	\$168	28.6%

Combined for the Singapore Hotels (weighted average)^(b)

	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Growth	Actual 1 Jan 2008 to 30 Sep 2008	Pro Forma 1 Jan 2007 to 30 Sep 2007 ^(c)	Growth
Average Occupancy Rate	85.5%	89.9%	-4.4pp	85.7%	86.8%	-1.1pp
Average Daily Rate	\$250	\$196	27.6%	\$251	\$191	31.4%
Room Revenue per Available Room (RevPAR)	\$214	\$176	21.6%	\$215	\$166	29.5%

Footnotes

(a) IPO Hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King's Hotel.

(b) Singapore Hotels include the IPO Hotels and Novotel Clarke Quay.

(c) Assumes that Novotel Clarke Quay was acquired on 1 January 2007.

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8 (iii) Breakdown of Net Property Income by Property

	Actual 1 Jul 2008 to 30 Sep 2008 S\$'000	Actual 1 Jul 2007 to 30 Sep 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 30 Sep 2008 S\$'000	Actual 1 Jan 2007 to 30 Sep 2007 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	7,113	5,875	21.1	20,553	16,655	23.4
Grand Copthorne Waterfront Hotel	5,513	4,672	18.0	16,380	13,092	25.1
M Hotel	3,887	3,373	15.2	11,466	9,322	23.0
Copthorne King's Hotel	2,381	2,222	7.1	7,454	6,183	20.5
Orchard Hotel Shopping Arcade	788	657	19.9	2,362	1,982	19.2
Rendezvous Hotel Auckland	2,259	2,222	1.7	7,184	6,771	6.1
Novotel Clarke Quay	5,341	3,581	49.1	15,665	4,884	N.M
Total	27,282	22,602	20.7	81,064	58,889	37.7

Footnote

(a) Includes Novotel Clarke Quay, which was only acquired on 7 June 2007.

8 (iv) Review of the Performance

Third Quarter ended 30 September 2008

Performance in 3Q 2008 was strong with gross revenues of S\$29.1 million and net property income of S\$27.3 million, which exceeded corresponding quarter last year by 21.3% and 20.7% respectively.

The income available for distribution of S\$24.4 million exceeded 3Q 2007 of S\$18.8 million by 29.8%. Distribution per unit for 3Q 2008 was 2.93 cents, which is 24.2% above the same period last year.

The original four hotels owned by H-REIT at its Initial Public Offering on 19 July 2006, being Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King's Hotel (the “**IPO Hotels**”) achieved a combined total Hotel revenue of S\$65.6 million, an improvement of 16.3% over the corresponding quarter last year of S\$56.4 million. Combined Gross Operating Profit for the IPO Hotels was S\$34.8 million as compared to 3Q 2007 of S\$28.2 million, an improvement of 23.4%. Including Novotel Clarke Quay which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for 3Q 2008 was S\$77.0 million and S\$40.9 million respectively.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the IPO Hotels together with the Novotel Clarke Quay are set out below.

	IPO Hotels			All Singapore Hotels		
	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Growth	Actual 1 Jul 2008 to 30 Sep 2008	Actual 1 Jul 2007 to 30 Sep 2007	Growth
Average Occupancy Rate	83.9%	89.4%	-5.5pp	85.5%	89.9%	-4.4pp
Average Daily Rate	\$255	\$201	26.9%	\$250	\$196	27.6%
Room Revenue per Available Room (RevPAR)	\$214	\$179	19.6%	\$214	\$176	21.6%

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Net property income contributed by the Orchard Hotel Shopping Arcade was S\$0.8 million which exceeded 3Q 2007 by 19.9%. Occupancy increased from 90.8% in 3Q 2007 to 94.9% in 3Q 2008 with an average monthly rental rate of approximately S\$7.26 per sq. ft.

Nine months ended 30 September 2008

Performance for nine months ended 2008 has been robust with gross revenues of S\$86.5 million and net property income of S\$81.1 million, which exceeded the corresponding period last year by 38.0% and 37.7% respectively. The strong operating performance was due to both organic growth across the portfolio, and a full period’s contribution from Novotel Clarke Quay.

The income available for distribution of S\$73.0 million exceeded same period 2007 of S\$46.0 million by 58.7%. The annualized income available for distribution per Stapled Security of 11.78 cents exceeded corresponding last year of 8.32 cents by 41.6%. Distribution per unit for nine months ended was 8.82 cents, which is 41.8% higher than the same period last year.

The IPO Hotels achieved a combined total Hotel revenue of S\$193.7 million, an improvement of 21.2% over the corresponding period last year of S\$159.8 million. Combined Gross Operating Profit for the IPO Hotels was S\$103.4 million as compared to the corresponding period last year of S\$78.7 million, an improvement of 31.4%. Including Novotel Clarke Quay which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for nine months ended was S\$226.3 million and S\$121.3 million respectively.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the IPO Hotels and the IPO Hotels together with the Novotel Clarke Quay are set out below:

	IPO Hotels			All Singapore Hotels		
	Actual 1 Jan 2008 to 30 Sep 2008	Actual 1 Jan 2007 to 30 Sep 2007	Growth	Actual 1 Jan 2008 to 30 Sep 2008	Pro Forma 1 Jan 2007 to 30 Sep 2007 ^(a)	Growth
Average Occupancy Rate	84.8%	86.1%	-1.3pp	85.7%	86.8%	-1.1pp
Average Daily Rate	\$255	\$196	30.1%	\$251	\$191	31.4%
Room Revenue per Available Room (RevPAR)	\$216	\$168	28.6%	\$215	\$166	29.5%

Footnote

(a) Assumes that Novotel Clarke Quay was acquired on 1 January 2007.

Net property income contributed by the Orchard Hotel Shopping Arcade was S\$2.4 million which exceeded same period 2007 by 19.2%. Occupancy increased from 91.7% in nine months ended 2007 to 94.6% in nine months ended 2008 with an average monthly rental rate of approximately S\$7.10 per sq. ft.

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

Not applicable.

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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**

Despite the market turbulence in the third quarter of 2008, CDL Hospitality Trusts continued to demonstrate strong trading performance for the quarter. We have a low gearing of 18.1% and strong operating cash flows of S\$27.2 million for the quarter ended 30 September 2008 which translates to an interest cover of 12.2 times. S\$297 million of debt is due for refinancing in July 2009. As of today, we have strong balance sheet with an asset value of S\$1.6 billion and we are currently exploring various options to refinance the debt.

We are currently in the midst of an unusual market disorder which is expected to have some impact on our business but we have taken appropriate steps to protect the profitability of CDL Hospitality Trusts. With Millennium & Copthorne Hotels plc as a strong sponsor and active engagement with the respective master lessees of the hotels, we remain positive of the general outlook over the medium and long term.

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 corresponding period of the immediately preceding financial period?

Yes

Name of distribution

Distribution for the period from 1 July 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)

i. Distribution type

Taxable income

Distribution rate

0.48 cents per unit

Cumulative distribution comprising the DPU of 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

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Tax rate	<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 received 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>
ii. Distribution type	Tax Exempt income
Distribution rate	<p>0.03 cents per unit</p> <p>Cumulative distribution comprising the DPU of 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</p>
Tax rate	<p><u>Tax exempt income distribution</u> 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.</p>
11 (c) Book closure date	
Not applicable	
11 (d) Date payable	
Not applicable	
12 If no distribution has been declared / recommended, a statement to that effect	
Not applicable	

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13 CONFIRMATION PURSUANT TO RULE 705(4) 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 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN
Chairman

YEO WEE ENG VINCENT
Chief Executive Officer

29 October 2008

**CDL HOSPITALITY TRUSTS
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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)

29 October 2008

By Order of the Board

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

29 October 2008



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

29 October 2008

Dear Sirs

CDL Hospitality Real Estate Investment Trust Group and CDL Hospitality Trusts Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated balance sheets and portfolio statements of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts as at 30 September 2008, and the related consolidated statements of total return, statements of movements in unitholders' funds and cash flow statements for the nine-month period then ended and certain explanatory notes (the Interim Financial Information). CDL Hospitality Trusts comprises the H-REIT Group and CDL Hospitality Business Trust.

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 provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information. 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 enquiries, 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 fairly, in all material respects, in accordance with the provisions of *RAP 7 Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accountants of Singapore.

Restriction on use

Our report is provided on the basis that it is solely for the information of the directors of the Manager and for the inclusion of our report in CDL Hospitality Trusts' interim announcement to the holders of Stapled Securities and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of the Manager, H-REIT or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
29 October 2008