



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS
AND H-REIT AND ITS SUBSIDIARIES for the period from 12 June 2006 (date of
constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December
2006 respectively**

TABLE OF CONTENTS

	Page
- INTRODUCTION	2
- SUMMARY OF CONSOLIDATED INCOME STATEMENT	4
1(a) STATEMENTS OF TOTAL RETURN	5
1(b)(i) BALANCE SHEETS	9
1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES	11
1(c) CASH FLOW STATEMENTS	13
1(d)(i) STATEMENT OF MOVEMENTS IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF H-REIT UNITS	15
1(d)(ii) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS	16
1(e) DETAILS OF ANY CHANGES IN THE H-REIT UNITS / STAPLED SECURITIES	17
2 AUDIT	17
3 AUDITORS' REPORT	17
4 ACCOUNTING POLICIES	17
5 CHANGES IN ACCOUNTING POLICIES	18
6 EARNINGS PER UNIT AND DISTRIBUTION PER UNIT	18
7 NET ASSET VALUE	19
8 REVIEW OF PERFORMANCE	19
9 VARIANCE FROM THE PROSPECTUS STATEMENT	20
10 PROSPECTS	22
11 DISTRIBUTIONS	23
12 DIVIDEND STATEMENT	23
13 SEGMENTAL INFORMATION	24
14 FACTORS LEADING TO ANY CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS	25
15 BREAKDOWN OF SALES	25
16 BREAKDOWN OF THE TOTAL DISTRIBUTION	25
- CONFIRMATION BY THE BOARD	27



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, comprising one unit in H-REIT and one unit in 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 STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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 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 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 MAS (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 30 October 2006, the H-REIT manager announced that CDLHT (BVI) One Ltd, a wholly owned subsidiaries of H-REIT incorporated in the British Virgin Islands and acquired on 26

October 2006, had entered into a conditional sale and purchase agreement to acquire the 455 – room Rendezvous Hotel Auckland, its first acquisition after the listing of the Stapled Securities. The acquisition was completed in December 2006.

As at 31 December 2006, the H-REIT's portfolio, with a total of 2,370 hotel rooms, comprises Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore and Copthorne King's Hotel Singapore, 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. It 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). 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. H-REIT's first distribution after the Listing date will be for the period from the Listing Date to 31 December 2006 and will be paid by the H-REIT Manager on or before 1 March 2007. Subsequent distributions will take place semi-annually.

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.

CDL Hospitality Trusts is presenting its financial results for the period from 8 June 2006, being the date of constitution of H-REIT, and 12 June 2006, being the date of constitution of HBT, to 31 December 2006. The prior period comparatives are based on the pro forma financial information as stated in the Prospectus.

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

SUMMARY OF CONSOLIDATED INCOME STATEMENT OF CDL HOSPITALITY TRUSTS

	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Forecast 1 Oct 2006 to 31 Dec 2006 ^(b) S\$'000	Increase / (Decrease) %	Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$'000	Forecast YTD 19 Jul 2006 to 31 Dec 2006 ^(c) S\$'000	Increase/ (Decrease) %
Gross revenue	16,929	13,609	24.4%	28,189	24,555	14.8%
Net property income	15,559	12,501	24.5%	25,889	22,555	14.8%
Net income	10,779	8,195	31.5%	22,926	19,051	20.3%
Income available for distribution to holders of Stapled Securities	12,415	9,243	34.3%	20,304	16,677	21.8%
Income available for distribution per Stapled Security (cents)						
For the period ^(d)	1.76	1.32	33.3%	2.89	2.38	21.4%
Annualised	6.98	5.24	33.2%	6.35	5.23	21.4%
Annualised distribution yield (%), based on the						
Initial public offer price of S\$0.83	8.41%	6.31%	33.3%	7.65%	6.30%	21.4%
Closing market price of S\$1.76 as at 30 Jan 2007	3.97%	2.98%	33.2%	3.61%	2.97%	21.5%

Footnotes

- (a) *Although H-REIT and CDL Hospitality Trusts were established on 8 June 2006 and 12 June 2006 respectively, the acquisition of properties was only completed on 19 July 2006 which was the official listing date. Consequently, the actual income derived from the properties for the current period was from 19 July 2006 to 31 December 2006. H-REIT was dormant during the private trust period from 8 June 2006 to 18 July 2006.*

Included in the actual results of CDL Hospitality Trusts is the contribution from Rendezvous Hotel Auckland for the period from 20 December 2006 to 31 December 2006.

- (b) *The forecast is based on management's forecast for the period from 1 July 2006 to 31 December 2006 shown in the Prospectus pro-rated for the period 1 October 2006 to 31 December 2006.*
- (c) *The forecast is based on management's forecast for the period from 1 July 2006 to 31 December 2006 shown in the Prospectus pro-rated for the period 19 July 2006 to 31 December 2006.*
- (d) *The number of Stapled Securities used to calculate the amount available for distribution per Stapled Security is 700,324,601, comprising:*
- i. 698,000,000 Stapled Securities issued at the Initial Public Offering;*
 - ii. 760,600 Stapled Securities issued as satisfaction of the component of the H-REIT Manager's management fees of S\$760,600 payable in the form of Stapled Securities for the period from 19 July 2006 to 30 September 2006;*
 - iii. 713,182 Stapled Securities to be issued as satisfaction of the component of the H-REIT Manager's management fees of S\$1,088,000 payable in the form of Stapled Securities for the period from 1 October 2006 to 31 December 2006; and*
 - iv. 850,819 Stapled Securities issued to the H-REIT manager as payment for the acquisition fee of S\$1,201,000 for the Rendezvous Hotel Auckland, New Zealand.*

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CDL HOSPITALITY BUSINESS TRUST (“HBT”)

FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	Pro Forma 1 Oct 2005 to 31 Dec 2005 ^(b) S\$'000	Increase / (Decrease) %	Actual YTD 8 Jun 2006 to 31 Dec 2006 ^(a) S\$'000	Pro Forma YTD 19 Jul 2005 to 31 Dec 2005 ^(b) S\$'000	Increase / (Decrease) %	Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$'000
Gross revenue	(c)	16,929	11,466	47.7%	28,189	20,688	36.3%	28,189
Property tax		(669)	(441)	51.7%	(1,133)	(796)	42.3%	(1,133)
Insurance		(352)	(271)	29.9%	(574)	(489)	17.4%	(574)
Other property expenses	(d)	(349)	(298)	17.1%	(593)	(537)	10.4%	(593)
Net property income		15,559	10,456	48.8%	25,889	18,866	37.2%	25,889
H-REIT Manager's fees								
- management fees		(1,360)	(1,068)	27.3%	(2,311)	(1,926)	20.0%	(2,311)
- acquisition fee		(1,201)	-	NM	(1,201)	-	NM	(1,201)
H-REIT Trustee's fees		(37)	(35)	5.7%	(65)	(64)	1.6%	(65)
Other trust expenses	(e)	(514)	(259)	98.5%	(840)	(468)	79.5%	(846)
Finance income	(f)	1,300	-	NM	6,626	-	NM	6,632
Finance costs	(g)	(2,968)	(2,751)	7.9%	(5,172)	(4,964)	4.2%	(5,172)
Net income before tax		10,779	6,343	69.9%	22,926	11,444	100.3%	22,926
Income tax expense		-	-	NM	-	-	NM	-
Net income after tax	(h)	10,779	6,343	69.9%	22,926	11,444	100.3%	22,926
Net surplus on revaluation of investment properties		132,861	-	NM	132,861	-	NM	132,861
Total return for the period		143,640	6,343	NM	155,787	11,444	NM	155,787

Footnotes

NM – Not Meaningful

(a) *Although H-REIT and CDL Hospitality Trusts were established on 8 June 2006 and 12 June 2006 respectively, the acquisition of properties was only completed on 19 July 2006 which was the official listing date. Consequently, the actual income derived from the properties for the current period was from 19 July 2006 to 31 December 2006. H-REIT was dormant during the private trust period from 8 June 2006 to 18 July 2006.*

(b) *The Pro Forma figures of H-REIT are derived by prorating the pro forma figures of H-REIT for the year ended 31 December 2005 disclosed in the Prospectus for the period from 19 July 2005 to 31 December 2005 (see note (a) above).*

The actual figures of H-REIT Group presented comprise H-REIT and its subsidiaries which were only incorporated in the 4th quarter of 2006 for the purpose of acquiring the Rendezvous Hotel, Auckland. As the contribution of the subsidiaries to the H-REIT Group for both the quarter ended 31 December 2006 and the period ended 31 December 2006 is not significant, a separate statement of total return for H-REIT is not presented.

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

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CDL HOSPITALITY BUSINESS TRUST (“HBT”)

FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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

	H-REIT Group						CDL Hospitality Trusts
	Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma 1 Oct 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual YTD 8 Jun 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma YTD 19 Jul 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$’000
Orchard Hotel	5,780	4,044	42.9%	9,607	7,297	31.7%	9,607
Grand Copthorne Waterfront Hotel	4,848	2,957	64.0%	8,094	5,335	51.7%	8,094
M Hotel	3,208	2,266	41.6%	5,437	4,089	33.0%	5,437
Copthorne King’s Hotel	1,991	1,334	49.3%	3,262	2,406	35.6%	3,262
Orchard Hotel Shopping Arcade	842	865	(2.7%)	1,529	1,561	(2.1%)	1,529
Rendezvous Hotel Auckland	260	-	NM	260	-	NM	260
	16,929	11,466	47.7%	28,189	20,688	36.3%	28,189

The higher gross revenue was mainly due to the higher occupancy rate and average daily rate for all the four Singapore hotels as shown in table 9(ii).

(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.*

(f) *Finance income comprise the following:*

	H-REIT Group						CDL Hospitality Trusts
	Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma 1 Oct 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual 8 Jun 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma 19 Jul 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual 12 Jun 2006 to 31 Dec 2006 ^(a) S\$’000
Exchange gain	1,173	-	NM	1,173	-	NM	1,173
Interest income received/receivable from banks	127	-	NM	330	-	NM	336
Financial income arising from initial recognition of non-current rental deposits at fair value	-	-	NM	4,273	-	NM	4,273
Gain on remeasurement of financial derivative	-	-	NM	850	-	NM	850
	1,300	-	NM	6,626	-	NM	6,632

The gain on remeasurement of financial derivative relates to the change in fair value of the interest rate swap prior to it being designated as a hedge (see section 1 b(ii) for details).

(g) *Finance costs comprise the following:*

	H-REIT Group						CDL Hospitality Trusts
	Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma 1 Oct 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual 8 Jun 2006 to 31 Dec 2006 ^(a) S\$’000	Pro Forma 19 Jul 2005 to 31 Dec 2005 ^(b) S\$’000	Increase / (Decrease) %	Actual 12 Jun 2006 to 31 Dec 2006 ^(a) S\$’000
Interest paid/ payable to banks	(2,874)	(2,661)	8.0%	(5,002)	(4,801)	4.2%	(5,002)
Amortisation of transaction costs capitalised	(57)	(51)	11.8%	(103)	(91)	13.2%	(103)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(37)	(39)	(5.1%)	(67)	(72)	(6.9%)	(67)
	(2,968)	(2,751)	7.9%	(5,172)	(4,964)	4.2%	(5,172)

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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

	CDL Hospitality Trusts Actual YTD 12 Jun 2006 to 31 Dec 2006 S\$'000
H-REIT	23,025
Other H-REIT group entities	(99)
	22,926

Distribution Statement ⁽ⁱ⁾

	<- H-REIT Group and CDL Hospitality Trusts-->		
	Actual 8 Jun 2006 to 31 Dec 2006 ⁽ⁱⁱ⁾ S\$'000	Proforma 19 Jul 2005 to 31 Dec 2005 ⁽ⁱⁱⁱ⁾ S\$'000	Increase / (Decrease) %
Net income before tax of H-REIT	23,025	11,444	101.2%
Non-tax deductible / (chargeable) items:			
- Amortisation of transaction costs	103	91	13.2%
- Financial income arising from the initial recognition of the non-current rental deposits at fair value	(4,273)	-	NM
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	67	72	(6.9%)
- Gain from remeasurement of financial derivative	(850)	-	NM
- Foreign exchange gain	(1,149)	-	NM
- H-REIT Manager's fees paid/ payable in Stapled Securities			
- Management fee	1,849	1,540	20.1%
- Acquisition fee	1,201	-	NM
- Other items	331	64	417.2%
Income available for distribution to holders of Stapled Securities	20,304	13,211	53.7%
Tax transparent income	20,190	13,211	
Tax exempt income	114	-	
	20,304	13,211	53.7%

Footnotes

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 distribution statement of H-REIT has been presented. H-REIT current distribution 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 CDL Hospitality Trusts was formed on 12 June 2006. The first financial period is from 12 June 2006 to 31 December 2006.

ii. Although H-REIT was established on 8 June 2006, the acquisition of properties was only completed on 19 July 2006 which was the official listing date. Consequently, the actual income derived from the properties for the current period was from 19 July 2006 to 31 December 2006. H-REIT was dormant during the private trust period from 8 June 2006 to 18 July 2006.

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GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8
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- iii. The Pro Forma figures of H-REIT are derived by prorating the pro forma figures of H-REIT for the year ended 31 December 2005 disclosed in the Prospectus for the period from 19 July 2005 to 31 December 2005 (see note (a) above).*

CDL HOSPITALITY TRUSTS
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CDL HOSPITALITY BUSINESS TRUST (“HBT”)

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

<u>Balance sheets</u>	Foot- notes	H-REIT Group Actual 31 Dec 2006 S\$'000	H-REIT Pro Forma 31 Dec 2005 ^(a) S\$'000	CDL Hospitality Trusts Actual 31 Dec 2006 ^(b) S\$'000
ASSETS				
Non-current assets				
Investment properties	(c)	1,101,908	846,300	1,101,908
Rental deposit		76	-	76
Total non-current assets		1,101,984	846,300	1,101,984
Current assets				
Trade and other receivables		6,952	1,071	6,831
Cash and cash equivalents		8,677	9,161	9,183
Total current assets		15,629	10,232	16,014
Total assets		1,117,613	856,532	1,117,998
Equity				
Units in issue of HBT		-	-	500
Issue expenses of HBT		-	-	(121)
Total equity	(d)	-	-	379
LIABILITIES				
Non-current liabilities				
Financial liabilities	(e)	271,421	265,993	271,421
Rental deposits	(f)	4,069	3,920	4,069
Net assets attributable to holders of H-REIT units	(g)	720,054	562,291	720,054
		995,544	832,204	995,544
Current liabilities				
Trade and other payables	(h)	6,900	24,328	6,906
Financial liabilities	(e)	115,169	-	115,169
		122,069	24,328	122,075
Total liabilities		1,117,613	856,532	1,117,619
Total equity and liabilities		1,117,613	856,532	1,117,998

Unitholders' funds

Represented by:

Net assets attributable to holders of H-REIT units
Equity of HBT

S\$'000

720,054

379

720,433

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CDL HOSPITALITY BUSINESS TRUST (“HBT”)**

FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

Footnotes

- (a) *The pro forma balance sheet of H-REIT as at 31 December 2005 which was disclosed in the Prospectus has been presented for information only.*

The actual balance sheet of the H-REIT Group presented comprises H-REIT and its subsidiaries, which were only incorporated in the 4th quarter of 2006 for the purpose of acquiring Rendezvous Hotel Auckland on 19 December 2006.

- (b) *The balance sheets of CDL Hospitality Trusts comprise the balance sheets of H-REIT Group and HBT. No separate balance sheet of HBT has been presented as its net assets as at 31 December 2006 are approximately S\$379,000. No comparative balance sheet of CDL Hospitality Trusts as at preceding financial year end. i.e. 31 December 2005 has been presented as it was only established on 12 June 2006. The first financial period for CDL Hospitality Trusts is from 12 June 2006 to 31 December 2006.*
- (c) *In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the investment properties are to be valued by independent registered valuers at least once a year.*

The Singapore investment properties were revalued as at 31 December 2006 by CB Richard Ellis (Pte) Ltd, an independent registered valuer, as follows:

Property	Tenure	Date of valuation	Valuation S\$ million
Orchard Hotel	75 yrs from 19 July 2006	31 December 2006	384.9
Grand Copthorne Waterfront Hotel	75 yrs from 19 July 2006	31 December 2006	267.2
M Hotel	75 yrs from 19 July 2006	31 December 2006	191.0
Copthorne King's Hotel	99 yrs from 1 February 1968	31 December 2006	101.0
Orchard Shopping Arcade	75 yrs from 19 July 2006	31 December 2006	35.1

The valuation gave rise to a revaluation surplus of S\$132.9 million. This revaluation surplus has no impact on the taxable income or income available for distribution to holders of Stapled Securities. Any increase or decrease in valuation on revaluation is credited or charged directly to the Statement of Total Return as a net appreciation or depreciation in the value of the investment properties.

No valuation as at 31 December 2006 has been undertaken for the New Zealand property as it was acquired in December 2006 and an independent valuation had been undertaken at the time of the acquisition.

- (d) *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.*
- (e) *Financial liabilities comprise borrowings and a derivative liability. The borrowings are stated at amortised cost. The derivative liability of approximately S\$92,000 relates to the fair value of interest rate swaps for a notional amount of S\$260.0 million.*
- (f) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (g) *The movements in net assets attributable to holders of H-REIT units are set out in section 1 (d)(i).*
- (h) *Trade and other payables relates mainly to the loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax*

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CDL HOSPITALITY BUSINESS TRUST (“HBT”)**

FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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

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

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-years term (the “Facilities”) at a floating interest rate of the Singapore 3 months swap offer rate plus a margin of 0.24% per annum.

The Facilities are secured on the following:

- *A first legal mortgage on the investment properties;*
- *Debenture 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 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 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 and Resorts Limited;*
- *An assignment of insurance policies effected over the 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 investment properties.*

The H-REIT Trustee has entered into an interest rate swap agreement with The Royal Bank of Scotland plc to fix the floating interest rate for S\$260.0 million of the Facilities for a period of 1.5 years from 13 July 2006. The fair value of the swap which is included in financial liabilities is approximately S\$92,000 as at 31 December 2006.

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8
June 2006 (date of constitution) to 31 December 2006 respectively**

ii. Unsecured borrowings

H-REIT has in place unsecured facilities comprising:

- *one year multi-currency bridge loan of up to the equivalent of S\$130 million; and*
- *one year multi-currency term loan of up to the equivalent of US\$100 million.*

These facilities were partly drawn down on 18 December 2006 to finance the acquisition of Rendezvous Hotel Auckland, New Zealand and bear interest at a blended rate of 5.9% per annum.

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

1(c) Cash flow statements

	Foot- notes	H-REIT Group Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	H-REIT Group Actual YTD 8 Jun 2006 to 31 Dec 2006 ^(a) S\$'000	CDL Hospitality Trusts Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	CDL Hospitality Trusts Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$'000
Operating activities					
Net income before tax		10,779	22,926	10,779	22,926
Adjustments for:					
H-REIT Manager's fee paid / payable in Stapled Securities		1,088	1,849	1,088	1,849
H-REIT Manager's acquisition fee paid in Stapled Securities		1,201	1,201	1,201	1,201
Net finance (income) cost		1,668	(1,454)	1,665	(1,460)
Allowance for doubtful receivables		17	17	17	17
Operating income before working capital changes		14,753	24,539	14,750	24,533
Changes in working capital:					
Trade and other receivables		(1,355)	(6,890)	(1,355)	(6,890)
Trade and other payables		1,506	11,231	1,509	11,237
Cash generated from operating activities		14,904	28,880	14,904	28,880
Investing activities					
Net cash outflow on purchase of investment properties	(b)	(125,051)	(965,467)	(125,051)	(965,467)
Interest received		271	277	274	283
Cash flows from investing activities		(124,780)	(965,190)	(124,777)	(965,184)
Financing activities					
Advances made by the H-REIT Group to HBT		(121)	(121)	-	-
Proceeds from borrowings		120,116	390,116	120,116	390,116
Proceeds from issue of Stapled Securities		-	578,840	-	579,340
Issue costs paid		(170)	(16,677)	(290)	(16,798)
Repayment of interest bearing loans		(4,000)	(4,000)	(4,000)	(4,000)
Finance costs paid		(2,489)	(3,171)	(2,489)	(3,171)
Cash flows from financing activities		113,336	944,987	113,337	945,487
Net increase in cash and cash equivalents		3,460	8,677	3,464	9,183
Cash and cash equivalents at beginning of the period		5,217	-	5,719	-
Cash and cash equivalents at end of the period		8,677	8,677	9,183	9,183

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

Footnotes

- (a) *There was no comparative cash flow statement as at 31 December 2006 because CDL Hospitality Trusts and H-REIT were formed on 12 June 2006 (date of constitution) and 8 June 2006 respectively. The first financial period is from 12 June 2006 to 31 December 2006 and 8 June 2006 to 31 December 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 Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	H-REIT Group Actual YTD 8 Jun 2006 to 31 Dec 2006 S\$'000	CDL Hospitality Trusts Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	CDL Hospitality Trusts Actual YTD 12 Jun 2006 to 31 Dec 2006 S\$'000
Investment properties (including acquisition costs)	120,605	966,905	120,605	966,905
Cash		884		884
Rental deposits		(884)		(884)
Net assets acquired	120,605	966,905	120,605	966,905
Purchase consideration on investment properties and acquisition costs	125,605 ⁽¹⁾	966,905	125,605 ⁽¹⁾	966,905
Less:				
Cash acquired	-	(884)	-	(884)
Acquisition costs to be paid	(554)	(554)	(554)	(554)
Net cash outflow	125,051	965,467	125,501	965,467

⁽¹⁾ *includes a retention sum of \$5 million paid in respect of a property acquired in the previous period.*

- (c) *Significant non-cash transactions*

Quarter ended 31 December 2006

713,182 Stapled Securities amounting to \$1,088,000 were issued or will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 31 December 2006.

Period from 12 June to 31 December 2006

1,473,782 Stapled Securities amounting to \$1,849,000 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 12 June 2006 to 31 December 2006.

In addition, 850,819 Stapled Securities amounting to \$1,201,000 were issued as satisfaction of the acquisition fee payable to the H-REIT Manager in respect of the acquisition of the Rendezvous Hotel Auckland, New Zealand.

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

1 (d)(i) Statement of movements in net assets attributable to holders of H-REIT units for the period from 8 June 2006 to 31 December 2006 ^(a)

					Foreign Currency		
	Foot- notes	Units in issue S\$'000	Issue Expenses S\$'000	Hedging Reserve ^(b) S\$'000	Translation Reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
Net assets attributable to holders of H-REIT units at beginning of the period		-	-	-	-	-	-
Operations							
Net income after tax						22,926	22,926
Net surplus from revaluation of investment properties		-	-	-	-	132,861	132,861
Increase in net assets attributable to holders of H-REIT units resulting from operations		-	-	-	-	155,787	155,787
Hedging transaction		-	-	(942)	-	-	(942)
Translation differences relating to financial statements of foreign subsidiaries		-	-	-	(4)	-	(4)
Unitholders' transactions							
(i) Issue of H-REIT units	(c)	578,840	-	-	-	-	578,840
(ii) Issue expenses	(d)	-	(16,677)	-	-	-	(16,677)
(iii) H-REIT units issued and to be issued							
- as payment of H-REIT Manager's management fees	(e)	1,849	-	-	-	-	1,849
- as payment of H-REIT Manager's acquisition fees	(f)	1,201	-	-	-	-	1,201
Increase in net assets attributable to holders of H-REIT units resulting from unitholders' transactions		581,890	(16,677)	-	-	-	565,213
Net assets attributable to holders of H-REIT units at end of the period		581,890	(16,677)	(942)	(4)	155,787	720,054

Footnotes

- (a) Prior period comparatives as at 31 December 2005 are not available as H-REIT was constituted on 8 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 secured term loan facility (the “Hedge”).
- (c) This represents the units issued by H-REIT during the initial public offering.
- (d) Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expense.
- (e) This represents 1,473,782 H-REIT units issued and to be issued as partial satisfaction of the management fee for the period from 19 July to 31 December 2006.
- (f) This represents 850,819 H-REIT units issued as satisfaction of the acquisition fee paid to the H-REIT manager for the purchase of Rendezvous Hotel, Auckland, New Zealand.

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

1 (d)(ii) Statement of movements in unitholders’ funds for the period 12 June 2006 to 31 December 2006 ^(a)

Foot- notes	Units in issue S\$'000	Issue Expenses S\$'000	Hedging Reserve ^(b) S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
Unitholders' funds at beginning of the period	-	-	-	-	-	-
Operations						
Net income after tax	-	-	-	-	22,926	22,926
Net surplus from revaluation of investment properties	-	-	-	-	132,861	132,861
Increase in unitholders' funds resulting from operations	-	-	-	-	155,787	155,787
Hedging transaction	-	-	(942)	-	-	(942)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(4)	-	(4)
Unitholders' transactions						
(i) Issue of Stapled Securities	(c) 579,340	-	-	-	-	579,340
(ii) Issue expenses	(d) -	(16,798)	-	-	-	(16,798)
(iii) Stapled Securities issued and to be issued						
- as payment of H-REIT Manager's management fees	(e) 1,849	-	-	-	-	1,849
- as payment of H-REIT Manager's acquisition fees	(f) 1,201	-	-	-	-	1,201
Unitholders' funds resulting from unitholders' transactions	582,390	(16,798)	-	-	-	565,592
Unitholders' funds at end of the period	582,390	(16,798)	(942)	(4)	155,787	720,433

Footnotes

- (a) *Prior period comparatives as at 31 December 2005 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 Hedge.*
- (c) *This represents the Stapled Securities issued by CDL Hospitality Trusts during the initial public offering.*
- (d) *Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expense.*
- (e) *This represents 1,473,782 Stapled Securities issued and to be issued as partial satisfaction of the management fee for the period from 19 July to 31 December 2006.*
- (f) *This represents 850,819 Stapled Securities issued as satisfaction of the acquisition fee for the purchase of Rendezvous Hotel Auckland, New Zealand.*

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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

Foot- notes	H-REIT Group Actual 1 Oct 2006 to 31 Dec 2006 ^(a) H-REIT units	H-REIT Group Actual YTD 8 Jun 2006 to 31 Dec 2006 ^(a) H-REIT units	CDL Hospitality Trusts Actual 1 Oct 2006 to 31 Dec 2006 ^(a) Stapled Securities	CDL Hospitality Trusts Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) Stapled Securities
Issued H-REIT units/ Stapled Securities at the beginning of the period	698,000,000	-	698,000,000	-
Issue of new H-REIT units/ Stapled Securities ^(b)				
- initial public offering	-	698,000,000	-	698,000,000
- as payment of H-REIT Manager’s management fees	760,600	760,600	760,600	760,600
- as payment of H-REIT Manager’s acquisition fee	850,819	850,819	850,819	850,819
Issued units at the end of the period	699,611,419	699,611,419	699,611,419	699,611,419
H-REIT units/ Stapled Securities to be issued:				
- as payment of H-REIT Manager’s management fees	713,182	713,182	713,182	713,182
Total issued and issuable H-REIT units/ Stapled Securities as at 31 December 2006	700,324,601	700,324,601	700,324,601	700,324,601

Footnotes

- (a) *Although H-REIT and CDL Hospitality Trusts were established on 8 June 2006 and 12 June 2006 respectively, the acquisition of properties was only completed on 19 July 2006 which was the official listing date. Consequently, the actual income derived from the properties for the current period was from 19 July 2006 to 31 December 2006. H-REIT was dormant during the private trust period from 8 June 2006 to 18 July 2006.*
- (b) *Each Stapled Security comprises one H-REIT unit and one HBT unit.*
- (c) *There are 713,182 H-REIT units / Stapled Securities to be issued to the H-REIT Manager by 31 January 2007 as partial satisfaction of management fee incurred for the period from 1 October 2006 to 31 December 2006.*

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 reviewed by our auditors in accordance with Singapore Statement of Auditing Practice 11 “Review of Interim Financial Information”.

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

CDL Hospitality Trusts has adopted the same accounting principles and methods of computation as disclosed in the Prospectus.

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

- 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.**

Not applicable

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

	Actual 1 Oct 2006 to 31 Dec 2006	Forecast 1 Oct 2006 to 31 Dec 2006 ^(c)	Actual YTD 12 Jun 2006 to 31 Dec 2006
Weighted average number of Stapled Securities ^(a)	698,888,576	NA	699,492,464
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents) - basic and diluted	1.54	NA	3.28
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents) ^(b) - Tax transparent income - Tax exempt income	1.75 0.01	1.32 -	2.88 0.01
	1.76	1.32	2.89

Footnotes

- (a) *The weighted average number of units used for computation of EPS for the quarter ended 31 December 2006 is 698,888,576. This comprises:*

- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2006 of 698,880,824; and*
- (ii) *Weighted average number of Stapled Securities issuable to the H-REIT Manager as partial satisfaction of management fee for the quarter ended 31 December 2006 of 7,752.*

The weighted average number of units used for computation of EPS for the period from 12 June 2006 to 31 December 2006 is 698,492,464. This comprises:

- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2006 of 698,488,168; and*
- (iii) *Weighted average number of Stapled Securities issuable to the H-REIT Manager as partial satisfaction of management fee for the quarter ended 31 December 2006 of 4,296.*

- (b) *The computation of actual DPS is based on the number of Stapled Securities entitled to the distribution of 700,324,601. This comprises:*

- (i) *The number of Stapled Securities in issue as at 31 December 2006 of 699,611,419, and*
- (ii) *The Stapled Securities issuable to the H-REIT Manager as partial satisfaction of management fee for the period ended 31 December 2006 of 713,182.*

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

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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 Actual 31 Dec 2006 ^(a) S\$	H-REIT Pro forma 31 Dec 2005 ^(b) S\$	CDL Hospitality Trusts Actual 31 Dec 2006 ^(c) S\$
Net asset value per H-REIT unit/Stapled Security	1.03	0.81	1.03

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 31 December 2006 of \$720,054,000;*
 - *The number of H-REIT units of 700,324,601 comprising:*
 - (i) *H-REIT units in issue as at 31 December 2006 of 699,611,419; and*
 - (ii) *H-REIT units to be issued to the H-REIT Manager by 31 January 2007 as partial satisfaction of management fee for the quarter ended 31 December 2006 of 713,182.*
- (b) *The figure shown is extracted from the Pro Forma balance sheet as at 31 December 2005 as disclosed in the Prospectus.*
- (c) *The actual net asset value per Stapled Security is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 December 2006 of \$720,433,000;*
 - *The number of Stapled Securities of 700,324,601 comprising:*
 - (i) *Stapled Securities in issue as at 31 December 2006 of 699,611,419; and*
 - (ii) *Stapled Securities to be issued to the H-REIT Manager by 31 January 2007 as partial satisfaction of management fee for the quarter ended 31 December 2006 of 713,182.*
- (d) *Net asset value of HBT as at 31 December 2006 is S\$379,000. The net asset value per HBT unit is 0.05 cents. The number of HBT units used for computation of the actual net asset value per HBT unit is 700,324,601, comprising:*
- *HBT units in issue as at 31 December 2006 of 699,611,419; and*
 - *HBT units to be issued to the H-REIT Manager by 31 January 2007 as partial satisfaction of management fee for the quarter ended 31 December 2006 of 713,182.*

8 Review of the performance – Variance between actual and proforma results for the period from 19 July 2006 to 31 December 2006

Please refer to Section 9 below on the review of actual performance against the prorated proforma for the year ended 31 December 2005 and Forecast for the 6-month period ending 31 December 2006 stated in the Prospectus.

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

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

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

	Foot- notes	Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	Forecast 1 Oct 2006 to 31 Dec 2006 ^(b) S\$'000	Increase/ (Decrease) % %	Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$'000	Forecast YTD 19 Jul 2006 to 31 Dec 2006 ^(c) S\$'000	Increase/ (Decrease) % %
Gross revenue		16,929	13,609	24.4%	28,189	24,555	14.8%
Property tax		(669)	(506)	32.2%	(1,133)	(913)	24.1%
Insurance		(352)	(283)	24.4%	(574)	(511)	12.3%
Other property expenses		(349)	(319)	9.4%	(593)	(576)	3.0%
Net property income		15,559	12,501	24.5%	25,889	22,555	14.8%
H-REIT Manager's management fees							
- management fees		(1,361)	(1,158)	17.5%	(2,311)	(2,090)	10.6%
- acquisition fee		(1,201)	-	NM	(1,201)	-	NM
H-REIT Trustee's fees		(37)	(35)	5.7%	(65)	(63)	3.2%
Other trust expenses		(516)	(406)	27.1%	(846)	(732)	15.6%
Finance income	(d)	1,303	-	NM	6,632	4,266	55.5%
Finance costs	(e)	(2,968)	(2,707)	9.6%	(5,172)	(4,885)	5.9%
Net income before tax		10,779	8,195	31.5%	22,926	19,051	20.3%
Income tax expense		-	-	NM	-	-	NM
Net income after tax		10,779	8,195	31.5%	22,926	19,051	20.3%
Net surplus on revaluation of investment properties		132,861	-	NM	132,861	-	NM
Total return for the period		143,640	8,195	NM	155,787	19,051	NM

Footnotes

- (a) Although H-REIT and CDL Hospitality Trusts were established on 8 June 2006 and 12 June 2006 respectively, the acquisition of properties was only completed on 19 July 2006 which was the official listing date. Consequently, the actual income derived from the properties for the current period was from 19 July 2006 to 31 December 2006. H-REIT was dormant during the private trust period from 8 June 2006 to 18 July 2006.
- (b) The Forecast is based on management's forecast for the period from 1 July 2006 to 31 December 2006 shown in the Prospectus pro-rated for the period 1 October 2006 to 31 December 2006.
- (c) The Forecast is based on management's forecast for the period from 1 July 2006 to 31 December 2006 shown in the Prospectus pro-rated for the period 19 July 2006 to 31 December 2006.
- (d) Comprises interest income on bank deposits and financial income arising from the initial recognition of the non-current rental deposits at fair value.
- (e) 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.

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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

9 (ii) Breakdown of Total Gross Revenue by Property

	Actual 1 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	Forecast 1 Oct 2006 to 31 Dec 2006 ^(b) S\$'000	Increase/ (Decrease) %	Actual YTD 12 Jun 2006 to 31 Dec 2006 ^(a) S\$'000	Forecast YTD 19 Jul 2006 to 31 Dec 2006 ^(b) S\$'000	Increase/ (Decrease) %
Orchard Hotel	5,780	4,645	24.4%	9,607	8,381	14.6%
Grand Copthorne Waterfront Hotel	4,848	3,789	28.0%	8,094	6,837	18.4%
M Hotel	3,208	2,680	19.7%	5,437	4,836	12.4%
Copthorne King's Hotel	1,991	1,612	23.5%	3,262	2,909	12.1%
Orchard Hotel Shopping Arcade	842	883	(4.6%)	1,529	1,592	(4.0%)
Rendezvous Hotel	260	-	NM	260	-	NM
Total	16,929	13,609	24.4%	28,189	24,555	14.8%

Combined for the four Singapore Hotels (weighted average)

	Actual 1 Oct 2006 to 31 Dec 2006	Forecast 1 Oct 2006 to 31 Dec 2006 (a)	Increase/ (Decrease)	Actual YTD 12 Jun 2006 to 31 Dec 2006	Forecast YTD 19 Jul 2006 to 31 Dec 2006 (a)	Increase/ (Decrease)
Average Occupancy Rate (%)	88%	82%	6.0%	86%	83%	3.0%
Average Daily Rate (\$)	166	155	7.1%	166	155	7.1%
Room revenue per Available Room (RevPAR) (\$)	146	125	16.8%	143	129	10.9%

9 (iii) Breakdown of Net Property Income by Property

	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Forecast 1 Oct 2006 to 31 Dec 2006 ^(a) S\$'000	Increase/ (Decrease) %	Actual YTD 12 Jun 2006 to 31 Dec 2006 S\$'000	Forecast YTD 19 Jul 2006 to 31 Dec 2006 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	5,420	4,400	23.2%	9,014	7,940	13.5%
Grand Copthorne Waterfront Hotel	4,469	3,589	24.5%	7,438	6,477	14.8%
M Hotel	3,003	2,511	19.6%	5,091	4,531	12.4%
Copthorne King's Hotel	1,879	1,522	23.5%	3,074	2,746	11.9%
Orchard Hotel Shopping Arcade	528	479	10.2%	1,012	861	17.5%
Rendezvous Hotel	260	-	NM	260	-	NM
Total	15,559	12,501	24.5%	25,889	22,555	14.8%

Footnotes

- (a) *The Forecast is based on management's forecast for the period 1 July 2006 to 31 December 2006 shown in the Prospectus pro-rated for the period from 19 July 2006 to 30 September 2006.*

**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 period from 12 June 2006 (date of constitution) to 31 December 2006 and 8
June 2006 (date of constitution) to 31 December 2006 respectively**

**9 (iv) Review of the Performance – Actual compared to Forecast for the period 19 July
2006 to 31 December 2006 and Proforma figures for the previous corresponding
period**

For the period under review, the hotel trading industry continued to be robust. The gross revenue of S\$28.2 million and the net property income of S\$25.9 million exceeded the comparative proforma figures for the previous corresponding period by over 36% and 37% respectively. In comparison to the forecast gross revenue of S\$24.6 million and forecast net property income of S\$22.6 million, the increase was approximately 15% each.

After the adjustment for non-tax (chargeable)/ deductible items, the income available for distribution of S\$20.3 million exceeded the forecast of S\$16.7 million by nearly 22%. The annualized income available for distribution per Stapled Security of 6.35 cents exceeded the forecast of 5.23 cents by over 21%.

The four Hotels in Singapore achieved combined total revenue of S\$89.1 million. Compared to the forecast of S\$79.9 million, the improvement was 11.5%. Combined Gross Operating Profit was S\$41.9 million against a forecast of S\$34.8 million – an improvement of 20.4%.

As against the forecast Average Occupancy Rate of 83% and weighted Average Daily Rate of S\$155, the actual was 86% and S\$166 respectively. The actual combined weighted average RevPAR was S\$143 compared to the forecast S\$129.

Net property income contributed by the Orchard Hotel Shopping Arcade exceeded the forecast by about 18%. Occupancy was maintained at over 92% with an average monthly rental rate of approximately S\$6 per sq. ft.

**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 months of October and November 2006. Visitor arrivals for October and November 2006 totaled 1.66 million against 1.53 million visitors for the same period 2005, representing growth of 8.3%. For the period July to November 2006, total visitor arrivals increased by 7.7% to 4.2 million compared to 3.9 million for the same period in 2005.

For the coming 12 months, between 712 and 1,112 additional room supply is expected, which is approximately 3% of the existing hotel room capacity in Singapore. However, assuming continued robust room demand, this additional room supply is not expected to impact the performance of the Hotels significantly.

To optimize the value of the H-REIT's hotels, asset enhancements are intended to be carried out at the Grand Copthorne Waterfront Hotel later this year. Plans are being finalized to utilize available space for additional hotel rooms to increase this hotel's capacity by about 4%.

The Board remains positive about the overall outlook for the hotel industry as well as the performance of H-REIT's portfolio during the current year.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period? Yes
Name of distribution Distribution for 19 July 2006 to 31 December 2006

i. Distribution type Taxable Income
Distribution rate 2.88 cents per unit
Par value of units Not meaningful
Tax rate Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

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

All other investors will receive their distributions after deduction of tax at the rate of 20%.

ii. Distribution type Tax exempt Income
Distribution rate 0.01 cents per unit
Par value of units Not applicable
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) Date payable - 28 February 2007

11 (d) Book closure date - 5 pm on 8 February 2007

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

Not applicable

**CDL HOSPITALITY TRUSTS
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for geographical segments (of CDL Hospitality Trusts)

Geographical segments

	New Zealand 12 Jun 2006 to 31 Dec 2006 S\$'000	Singapore 12 Jun 2006 to 31 Dec 2006 S\$'000	Total 12 Jun 2006 to 31 Dec 2006 S\$'000
Property income and expenses			
Gross revenue	260	27,929	28,189
Segment net property income	260	25,629	25,889
Finance income			6,632
Finance expense			(5,172)
Unallocated expenses			(4,423)
Net income before tax			22,926
Income tax expense			-
Net income after tax			22,926
Net appreciation on revaluation of investment properties		132,861	132,861
Total return for the period			155,787
	New Zealand 31 Dec 2006 S\$'000	Singapore 31 Dec 2006 S\$'000	Total 31 Dec 2006 S\$'000
Assets and liabilities			
Segment assets	123,519	985,296	1,108,815
Unallocated assets:			
- Cash and cash equivalents			9,183
Total assets			1,117,998
Segment liabilities		4,955	4,955
Unallocated liabilities:			
- Trade and other payables			6,020
- Financial liabilities			386,590
Total liabilities (excluding net assets attributable to holders of H-REIT units)			397,565
Other segmental information			
Investment properties:			
- capital expenditure	-	39	39
Allowance for doubtful receivables	-	17	17

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FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8 June 2006 (date of constitution) to 31 December 2006 respectively

- 14 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 9(iv) for the review of the actual performance.

- 15 Breakdown of sales**

	<----- CDL Hospitality Trusts ----->		
	Actual 12 Jun 2006 to 31 Dec 2006 S\$'000	Forecast 19 July 2006 to 31 Dec 2006 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	-	-	-
Net income after tax for first half year	-	-	-
Gross revenue reported for second half year	28,189	24,555	14.8%
Net income after tax for second half year	22,926	19,051	20.3%

- 16 Breakdown of the total distribution for the financial year ended 31 December 2006**

Annual distribution to Unitholders

	<----- H-REIT Group and CDL Hospitality Trusts ----->		
	Actual 12 Jun 2006 to 31 Dec 2006 S\$'000	Forecast 19 July 2006 to 31 Dec 2006 S\$'000	Increase/ (Decrease) %
12 Jun to 31 December 2006	20,304	16,677	21.8%

**CDL HOSPITALITY TRUSTS
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GROUP for the period from 12 June 2006 (date of constitution) to 31 December 2006 and 8
June 2006 (date of constitution) to 31 December 2006 respectively**

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 January 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 January 2007



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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)
c/o Millennium & Copthorne International Limited
390 Havelock Road
#02-01 King's Centre
Singapore 169662

Dear Sirs

**Review of the financial information of CDL Hospitality Trusts and CDL
Hospitality Real Estate Investment Trust for the period from 12 June 2006 to 31
December 2006 and 8 June 2006 to 31 December 2006 respectively**

We have been engaged jointly by M&C REIT Management Limited (the "H-REIT Manager"), the Manager of CDL Hospitality Real Estate Investment Trust ("H-REIT") and M&C Business Trust Management Limited (the "Trustee-Manager of CDL Hospitality Business Trust ("HBT")") to review the consolidated financial information for CDL Hospitality Trusts for the period from 12 June 2006 to 31 December 2006 and H-REIT and its subsidiaries (the "H-REIT Group") for the period from 8 June 2006 to 31 December 2006. CDL Hospitality Trusts, which comprises the H-REIT Group and HBT, is hereinafter referred to as "the Stapled Group".

Singapore Exchange Listing Manual Appendix 7.2 requires the preparation of financial information to be in compliance with the relevant provisions thereof. The accompanying financial information consists of the following:

- Consolidated statements of total return of the H-REIT Group and the Stapled Group for the period from 8 June 2006 to 31 December 2006 and 12 June 2006 to 31 December 2006 respectively;
- Consolidated balance sheets of the H-REIT Group and the Stapled Group as at 31 December 2006;
- Consolidated cashflow statements of the H-REIT Group and the Stapled Group for the period from 8 June 2006 to 31 December 2006 and 12 June 2006 to 31 December 2006 respectively;
- Statement of movements in net assets attributable to holders of H-REIT units for the period from 8 June 2006 to 31 December 2006;



- Statement of movements in unitholders' funds of the Stapled Group for the period from 12 June 2006 to 31 December 2006; and
- Certain explanatory notes to the above financial information.

The financial information has been prepared based on the basis as set out in Appendix 1.

The financial information is the responsibility of, and has been approved by, the directors of the H-REIT Manager and the Trustee-Manager of HBT. Our responsibility is to issue a report solely for the use of the directors of the H-REIT Manager and the Trustee-Manager of HBT on the financial information based on our review.

We conducted our review in accordance with Singapore Statement of Auditing Practice 11: "*Review of Interim Financial Information*". A review of financial information consists principally of applying analytical review procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. A review of financial information is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any material modification that needs to be made to the accompanying financial information for it to be in accordance with Singapore Exchange Listing Manual Appendix 7.2.

Yours faithfully

KPMG

KPMG
Certified Public Accountants
Singapore

31 January 2007