



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS  
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND  
H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2007**

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

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2007**



**CDL HOSPITALITY TRUSTS**

A stapled group comprising:

**CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES**

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

**CDL HOSPITALITY BUSINESS TRUST**

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

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

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**INTRODUCTION**

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

The H-REIT Units and HBT Units are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between M&C REIT Management Limited (the “**H-REIT Manager**”), DBS Trustee Limited (the “**H-REIT Trustee**”) and M&C Business Trust Management Limited (the “**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.

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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 31 December 2007, H-REIT's portfolio with a total of 2,779 hotel rooms, comprises Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore, Copthorne King's Hotel Singapore and Novotel Clarke Quay Singapore (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 Singapore.

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

On 19 July 2007, H-REIT completed an Equity Fund Raising comprising the offer and placement of 120,162,795 New Stapled Securities (the “New Stapled Securities”) in H-REIT by way of a preferential offering and a private placement to institutional and other investors (the “Equity Fund Raising”).

In conjunction with the Equity Fund Raising, the H-REIT Manager and the HBT Trustee-Manager have declared, in lieu of the Scheduled Distribution, a distribution (the “Cumulative Distribution”) of H-REIT's distributable income for the period from 1 January 2007 to 18 July 2007, being the day immediately preceding the date on which New Stapled Securities were issued pursuant to the Equity Fund Raising (the New Stapled Securities were issued on 19 July 2007). The New Stapled Securities were not entitled to participate in the Cumulative Distribution. The next distribution thereafter, which will be payable on 29 February 2008, will comprise H-REIT's distributable income for the period from 19 July 2007 to 31 December 2007. HBT presently has no distributable income as it is dormant.

H-REIT's distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of the Properties and related property services income after deduction of expenses and allowances, and of its tax exempt income (if any). As disclosed in the prospectus dated 10 July 2006 (the “Prospectus”), H-REIT will distribute 100.0% of its taxable income, and tax-exempt income (if any) for the period from the Listing Date to 31 December 2007. Thereafter, H-REIT will distribute at least 90.0% of its taxable income and tax-exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager's discretion. Distributions, when paid, will be in Singapore Dollars. H-REIT will make distributions to holders of the Stapled Securities on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates (the “Scheduled Distribution”).

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.

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Where appropriate, comparisons are made against proforma figures or the pro-rated projection figures for the financial year ended 31 December 2007 as disclosed in the Prospectus for the quarter from 1 October 2007 to 31 December 2007 or 1 January 2007 to 31 December 2007 (the “Projection”) as the context requires. The Projection had been prepared based on the initial portfolio of properties held by H-REIT at the time of the initial public offering comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel and Orchard Hotel Shopping Arcade.

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

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**SUMMARY OF CONSOLIDATED INCOME STATEMENT OF CDL HOSPITALITY TRUSTS**

	Actual 1 Oct 2007 to 31 Dec 2007	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup>	Increase/ (Decrease)	Actual 1 Jan 2007 to 31 Dec 2007	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup>	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	27,960	14,180	97.2%	90,654	56,259	61.1%
Net Property Income	26,928	12,980	107.5%	85,817	51,494	66.7%
Net income	20,258	8,777	130.9%	60,028	34,815	72.4%
Income available for distribution to holders of Stapled Securities	22,770	9,862	130.9%	68,724	39,124	75.7%
Income available for distribution per Stapled Security (cents)						
For the period	2.76	1.40	97.1%	8.98	5.55	61.8%
Annualised	10.95	5.55	97.3%	8.98	5.55	61.8%
<b>Annualised distribution yield (%), based on the</b>						
Initial public offer price of S\$0.83	13.19%	6.69%	97.2%	10.82%	6.69%	61.7%
Closing market price of S\$2.18 as at 25 January 2008	5.03%	2.55%	97.3%	4.12%	2.55%	61.6%

*Footnote*

- (a) *The Projection had been prepared based on the initial portfolio of properties held by H-REIT at the time of the initial public offering comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Orchard Hotel Shopping Arcade. In comparison, the actual results include contributions from Novotel Clarke Quay Hotel for the period from 7 June 2007 to 31 December 2007, and full year contributions from Rendezvous Hotel Auckland which was only acquired on 19 December 2006.*

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**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2007**

**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>	Foot- notes	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Oct 2006 to 31 Dec 2006	Increase/ (Decrease)	Actual 1 Jan 2007 to 31 Dec 2007	Proforma 1 Jan 2006 to 31 Dec 2006 <sup>(a)</sup>	Increase/ (Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(b)	27,960	16,929	65.2%	90,654	57,191	58.5%
Property tax		(648)	(669)	(3.1)%	(2,564)	(2,152)	19.1%
Insurance		(25)	(352)	(92.9)%	(984)	(1,163)	(15.4)%
Other property expenses	(c)	(359)	(349)	2.9%	(1,289)	(1,187)	8.6%
Net property income		26,928	15,559	73.1%	85,817	52,689	62.9%
H-REIT Manager's fees		(2,289)	(2,561)	10.6%	(7,554)	(6,024)	25.4%
H-REIT Trustee's fees		(48)	(37)	29.7%	(179)	(142)	26.1%
Other trust expenses	(d)	(1,320)	(514)	156.8%	(2,126)	(1,447)	46.9%
Finance income		313	1,300	(75.9)%	717	6,626	(89.2)%
Finance costs		(3,326)	(2,968)	12.1%	(16,647)	(11,073)	50.3%
Net finance costs	(e)	(3,013)	(1,668)	80.6%	(15,930)	(4,447)	258.2%
Net income		20,258	10,779	87.9%	60,028	40,629	47.7%
Net surplus on revaluation of investment properties		239,354	132,861	80.2%	296,758	132,861	123.4%
Total return before tax	(f)	259,612	143,640	80.7%	356,786	173,490	105.7%
Income tax expense		-	-	-	-	-	-
Total return for the period/year		259,612	143,640	80.7%	356,786	173,490	105.7%

		CDL Hospitality Trusts		
<u>Statements of Total Return</u>	Foot- notes	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup>	Actual 12 Jun 2006 to 31 Dec 2006
		S\$'000	S\$'000	S\$'000
Gross revenue	(b)	27,960	90,654	28,189
Property tax		(648)	(2,564)	(1,133)
Insurance		(25)	(984)	(574)
Other property expenses	(c)	(359)	(1,289)	(593)
Net property income		26,928	85,817	25,889
H-REIT Manager's fees		(2,289)	(7,554)	(3,512)
H-REIT Trustee's fees		(48)	(179)	(65)
Other trust expenses	(d)	(1,322)	(2,133)	(846)
Finance income		315	724	6,632
Finance costs		(3,326)	(16,647)	(5,172)
Net finance (costs) / income	(e)	(3,011)	(15,923)	1,460
Net income		20,258	60,028	22,926
Net surplus on revaluation of investment properties		239,354	296,758	132,861
Total return before tax	(f)	259,612	356,786	155,787
Income tax expense		-	-	-
Total return for the period/year		259,612	356,786	155,787

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**Footnotes**

NM – Not Meaningful

- (a) *H-REIT was established on 8 June 2006 and the acquisition of properties was only completed on 19 July 2006. Consequently, no actual income is derived by H-REIT for the period from 1 January 2006 to 18 July 2006. The proforma figures have been compiled based on the actual figures of H-REIT for the period from 19 July 2006 to 31 December 2006 and the unaudited financial statements of City Hotels Pte. Ltd., Harbour View Hotel Pte. Ltd. and Republic Hotels & Resorts Limited, and the unaudited divisional financial statements of City Developments Limited relating to Grand Copthorne Waterfront Hotel for the period from 1 January 2006 to 18 July 2006, after making certain assumptions and adjustments as appropriate.*

*Prior period comparative statement of total return for CDL Hospitality Trusts is only available for the period from 12 June 2006 to 31 December 2006. CDL Hospitality Trusts was established on 12 June 2006 and listed on 19 July 2006.*

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

	H-REIT Group					
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Proforma 1 Jan 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
Orchard Hotel	6,945	5,780	20.2%	24,498	19,972	22.7%
Grand Copthorne Waterfront Hotel	5,744	4,848	18.5%	19,530	15,707	24.3%
M Hotel	3,953	3,208	23.2%	13,824	10,943	26.3%
Copthorne King's Hotel	2,768	1,991	39.0%	9,591	6,734	42.4%
Orchard Hotel Shopping Arcade	951	842	12.9%	3,681	3,575	3.0%
Rendezvous Hotel Auckland	3,112	260*	NM	9,881	260*	NM
Novotel Clarke Quay Hotel	4,487	-	NM	9,649**	-	NM
	27,960	16,929	65.2%	90,654	57,191	58.5%

	CDL Hospitality Trusts		
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 12 June 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000
Orchard Hotel	6,945	24,498	9,607
Grand Copthorne Waterfront Hotel	5,744	19,530	8,094
M Hotel	3,953	13,824	5,437
Copthorne King's Hotel	2,768	9,591	3,262
Orchard Hotel Shopping Arcade	951	3,681	1,529
Rendezvous Hotel Auckland	3,112	9,881	260*
Novotel Clarke Quay Hotel	4,487	9,649**	-
	27,960	90,654	28,189

\* Includes revenue from Rendezvous Hotel Auckland from 19 December 2006 to 31 December 2006.

\*\* Includes revenue of Novotel Clarke Quay Hotel for the period from 7 June 2007 to 31 December 2007.

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- (c) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade.*
- (d) *Other trust expenses comprise mainly professional fees and administrative costs.*
- (e) *Net finance (costs) / income comprise the following:*

H-REIT Group

	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Proforma 1 Jan 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
Exchange gain	219	1,173	(81.3)%	-	1,173	NM
Interest income received / receivable from banks	94	127	(26.0)%	717	330	117.3%
Financial income arising from initial recognition of non-current rental deposits at fair value	-	-	-	-	4,273	NM
Gain on remeasurement of financial derivative	-	-	-	-	850	NM
Finance income	313	1,300	(75.9)%	717	6,626	(89.2)%
Exchange loss	-	-	NM	(217)	-	NM
Interest paid/payable to banks	(3,232)	(2,874)	12.5%	(16,053)	(10,803)	48.6%
Amortisation of transaction costs capitalized	(56)	(57)	(1.8)%	(227)	(114)	99.1%
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(38)	(37)	2.7%	(150)	(156)	(3.8)%
Finance costs	(3,326)	(2,968)	12.1%	(16,647)	(11,073)	50.3%
Net finance costs	(3,013)	(1,668)	80.6%	(15,930)	(4,447)	258.2%

CDL Hospitality Trusts

	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 12 June 2006 to 31 Dec 2006 S\$'000
Exchange gain	219	-	1,173
Interest income received / receivable from banks	96	724	336
Financial income arising from initial recognition of non-current rental deposits at fair value	-	-	4,273
Gain on remeasurement of financial derivative	-	-	850
Finance income	315	724	6,632
Exchange loss	-	(217)	-
Interest paid/payable to banks	(3,232)	(16,053)	(5,002)
Amortisation of transaction costs capitalized	(56)	(227)	(103)
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(38)	(150)	(67)
Finance costs	(3,326)	(16,647)	(5,172)
Net finance (costs) / income	(3,011)	(15,923)	1,460



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(f) Total return before tax of CDL Hospitality Trusts is contributed by:

	CDL Hospitality Trusts		
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 12 Jun 2006 to 31 Dec 2006 S\$'000
H-REIT	259,419	356,956	155,886
Other H-REIT group entities	193	(170)	(99)
	259,612	356,786	155,787

(g) Distribution statement <sup>(h)</sup>

	H-REIT Group and CDL Hospitality Trusts		H-REIT Group	CDL Hospitality Trusts
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 8 Jun 2006 to 31 Dec 2006 S\$'000	Actual 12 Jun 2006 to 31 Dec 2006 S\$'000
Total return before tax of H-REIT	259,419	356,956	155,886	155,886
Add / (Less): Non tax deductible / (tax chargeable) items:				
- Net surplus on revaluation of investment properties	(239,354)	(296,246)	(132,861)	(132,861)
- Amortisation of transaction costs	56	227	103	103
- Financial income arising from initial recognition of non-current rental deposits at fair value	-	-	(4,273)	(4,273)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	38	150	67	67
- Foreign exchange (gain)/loss	(224)	195	(1,149)	(1,149)
- Gain from remeasurement of financial derivative	-	-	(850)	(850)
- H-REIT Manager's fees paid / payable in Stapled Securities				
- Management fee	1,831	6,044	1,849	1,849
- Acquisition fee	-	-	1,201	1,201
- Other items	255	649	331	331
- Impairment loss on subsidiary under liquidation	749	749	-	-
Income available for distribution to holders of Stapled Securities <sup>(i)</sup>	22,770	68,724	20,304	20,304
Comprising :				
- Taxable income	20,705	63,636	20,190	20,190
- Tax exempt income	2,065	5,088	114	114
	22,770	68,724	20,304	20,304

**Footnotes**

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

	S\$'000
(i) Income available for distribution to holders of Stapled Securities for the period from 1 January 2007 to 31 December 2007	68,724
Less: Amount for the period from 1 January 2007 to 18 July 2007 already distributed	(30,671)
Amount to be distributed for the period from 19 July 2007 to 31 December 2007	<u>38,053</u>

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

	Foot- notes	H-REIT Group		CDL Hospitality Trusts <sup>(a)</sup>	
		Actual 31 Dec 2007 S\$'000	Actual 31 Dec 2006 S\$'000	Actual 31 Dec 2007 S\$'000	Actual 31 Dec 2006 S\$'000
<b>Balance Sheets</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	(b)	1,628,809	1,101,908	1,628,809	1,101,908
Rental deposit		76	76	76	76
<b>Total non-current assets</b>		<b>1,628,885</b>	<b>1,101,984</b>	<b>1,628,885</b>	<b>1,101,984</b>
<b>Current assets</b>					
Trade and other receivables		14,750	6,952	14,750	6,831
Cash and cash equivalents		13,273	8,677	13,661	9,183
<b>Total current assets</b>		<b>28,023</b>	<b>15,629</b>	<b>28,411</b>	<b>16,014</b>
<b>Total assets</b>		<b>1,656,908</b>	<b>1,117,613</b>	<b>1,657,296</b>	<b>1,117,998</b>
<b>Equity</b>					
Units in issue of HBT		-	-	500	500
Issue expenses of HBT		-	-	(121)	(121)
<b>Total equity</b>	(c)	<b>-</b>	<b>-</b>	<b>379</b>	<b>379</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Financial liabilities	(d)	259,648	271,421	259,648	271,421
Rental deposits	(e)	4,219	4,069	4,219	4,069
Net assets attributable to holders of H-REIT units	(f)	1,325,476	720,054	1,325,476	720,054
		<b>1,589,343</b>	<b>995,544</b>	<b>1,589,343</b>	<b>995,544</b>
<b>Current liabilities</b>					
Trade and other payables	(g)	17,030	6,900	17,039	6,906
Financial liabilities	(d)	31,735	115,169	31,735	115,169
Provision for taxation	(h)	18,800	-	18,800	-
		<b>67,565</b>	<b>122,069</b>	<b>67,574</b>	<b>122,075</b>
<b>Total liabilities</b>		<b>1,656,908</b>	<b>1,117,613</b>	<b>1,656,917</b>	<b>1,117,619</b>
<b>Total equity and liabilities</b>		<b>1,656,908</b>	<b>1,117,613</b>	<b>1,657,296</b>	<b>1,117,998</b>

	Actual 31 Dec 2007 S\$'000	Actual 31 Dec 2006 S\$'000
<b>Unitholders' funds</b>		
<i>Represented by</i>		
Net assets attributable to holders of H-REIT units	1,325,476	720,054
Equity of HBT	379	379
	<b>1,325,855</b>	<b>720,433</b>

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**Footnotes**

- (a) *The balance sheet of CDL Hospitality Trusts comprises the balance sheets of H-REIT Group and HBT. No separate balance sheet of HBT has been presented as its net assets as at 31 December 2007 are approximately S\$379,000 (31 December 2006: S\$379,000).*
- (b) *The investment properties were revalued as at 31 December 2007 by CB Richard Ellis (Pte) Ltd, an independent registered valuer, as follows:*

Property	Tenure	Date of valuation	Valuation
Orchard Hotel	75 years from 19 July 2006	31 December 2007	S\$458,000,000
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006	31 December 2007	S\$334,000,000
M Hotel	75 years from 19 July 2006	31 December 2007	S\$253,000,000
Copthorne King's Hotel	99 years from 1 February 1968	31 December 2007	S\$141,000,000
Orchard Shopping Arcade	75 years from 19 July 2006	31 December 2007	S\$40,300,000
Rendezvous Hotel Auckland	Freehold	31 December 2007	NZ\$114,000,000
Novotel Clarke Quay Hotel	97 years & 30 days from 2 April 1980	31 December 2007	S\$275,000,000

*The valuation gave rise to a revaluation surplus of S\$296.8 million which has been recognized in the Statement of Total Return. This revaluation surplus has no impact on the taxable income or income available for distribution to holders of Stapled Securities.*

*Included in investment properties as at 31 December 2007 is a translation gain of S\$4,261,000 relating to Rendezvous Hotel Auckland.*

- (c) *Total equity comprises only the equity of HBT. The units in H-REIT are accounted for as a financial liability under Financial Reporting Standard (“FRS”) 32 “Financial Instruments: Disclosure and Presentation”. Accordingly, the net assets attributable to holders of H-REIT units are included as part of non-current liabilities in the balance sheets.*
- (d) *Financial liabilities comprise borrowings of S\$291,302,000 (31 December 2006: S\$386,498,000) and a derivative liability of S\$81,000 (31 December 2006: S\$92,000). The borrowings are stated at amortised cost. The derivative liability relates to the fair value of interest rate swap for a notional amount of S\$260.0 million.*
- (e) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (f) *The movements in net assets attributable to holders of H-REIT units are set out in section 1 (d)(ii).*
- (g) *Trade and other payables relates mainly to the loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (h) *Provision for taxation relates to approximately S\$18.8 million to cover the potential tax liability on the capital gain arising upon the transfer of Novotel Clarke Quay Hotel to H-REIT on 7 June 2007.*

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1 (b)(ii) Aggregate amount of group’s borrowings and debt securities <sup>(a)</sup>

		H-REIT Group and CDL Hospitality Trusts	
		31 Dec 2007	31 Dec 2006
		S\$'000	S\$'000
<b>Secured borrowings</b>			
Amount repayable after one year		260,000	272,000
	(i)	260,000	272,000
<b>Unsecured borrowings</b>			
Amount repayable within one year		31,654	115,077
	(ii)	31,654	115,077
<b>Total borrowings</b>		291,654	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 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.

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 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 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			
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Actual 8 Jun 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000
<b>Operating activities</b>				
Net income	20,258	60,028	10,779	22,926
Adjustments for:				
H-REIT Manager's fee paid / payable in Stapled Securities	1,831	6,044	1,088	1,849
H-REIT Manager's acquisition fee paid in Stapled Securities	-	-	1,201	1,201
Net finance costs / (income)	3,013	15,930	1,668	(1,454)
Allowance for doubtful receivables	-	(13)	17	17
<b>Operating income before working capital changes</b>	<b>25,102</b>	<b>81,989</b>	<b>14,753</b>	<b>24,539</b>
Changes in working capital:				
Trade and other receivables	(3,682)	(8,018)	(1,355)	(6,890)
Trade and other payables	(1,163)	5,269	1,506	11,231
<b>Cash generated from operating activities</b>	<b>20,257</b>	<b>79,240</b>	<b>14,904</b>	<b>28,880</b>
<b>Investing activities</b>				
Net cash outflow on purchase of investment properties	(438)	(198,348)	(125,051)	(965,467)
Capital expenditure on investment properties	(234)	(1,328)	-	-
Interest received	98	767	271	277
<b>Cash flows from investing activities</b>	<b>(574)</b>	<b>(198,909)</b>	<b>(124,780)</b>	<b>(965,190)</b>
<b>Financing activities</b>				
Repayment of advances by HBT / (Advances made by the H-REIT Group to HBT)	121	121	(121)	(121)
Proceeds from borrowings	31,420	249,911	120,116	390,116
Proceeds from issue of Stapled Securities	-	295,309	-	578,840
Issue costs paid	(618)	(4,009)	(170)	(16,677)
Repayment of interest bearing loans	(44,409)	(349,758)	(4,000)	(4,000)
Finance costs paid	(3,271)	(16,398)	(2,489)	(3,171)
Distribution to unitholders	-	(50,911)	-	-
<b>Cash flows from financing activities</b>	<b>(16,757)</b>	<b>124,265</b>	<b>113,336</b>	<b>944,987</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,926</b>	<b>4,596</b>	<b>3,460</b>	<b>8,677</b>
Cash and cash equivalents at beginning of the period/year	10,347	8,677	5,217	-
<b>Cash and cash equivalents at end of the period/year</b>	<b>13,273</b>	<b>13,273</b>	<b>8,677</b>	<b>8,677</b>

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

	CDL Hospitality Trusts			
	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Actual 12 Jun 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000
<b>Operating activities</b>				
Net income	20,258	60,028	10,779	22,926
Adjustments for:				
H-REIT Manager's fee paid / payable in Stapled Securities	1,831	6,044	1,088	1,849
H-REIT Manager's acquisition fee paid in Stapled Securities	-	-	1,201	1,201
Net finance costs / (income)	3,011	15,923	1,665	(1,460)
Allowance for doubtful receivables	-	(13)	17	17
<b>Operating income before working capital changes</b>	<b>25,100</b>	<b>81,982</b>	<b>14,750</b>	<b>24,533</b>
Changes in working capital:				
Trade and other receivables	(3,560)	(8,018)	(1,355)	(6,890)
Trade and other payables	(1,161)	5,272	1,509	11,237
<b>Cash generated from operating activities</b>	<b>20,379</b>	<b>79,236</b>	<b>14,904</b>	<b>28,880</b>
<b>Investing activities</b>				
Net cash outflow on purchase of investment properties	(438)	(198,348)	(125,051)	(965,467)
Capital expenditure on investment properties	(234)	(1,328)	-	-
Interest received	100	774	274	283
<b>Cash flows from investing activities</b>	<b>(572)</b>	<b>(198,902)</b>	<b>(124,777)</b>	<b>(965,184)</b>
<b>Financing activities</b>				
Proceeds from borrowings	31,420	249,911	120,116	390,116
Proceeds from issue of Stapled Securities	-	295,309	-	579,340
Issue costs paid	(618)	(4,009)	(290)	(16,798)
Repayment of interest bearing loans	(44,409)	(349,758)	(4,000)	(4,000)
Finance costs paid	(3,271)	(16,398)	(2,489)	(3,171)
Payment of distribution	-	(50,911)	-	-
<b>Cash flows from financing activities</b>	<b>(16,878)</b>	<b>124,144</b>	<b>113,337</b>	<b>945,487</b>
<b>Increase in cash and cash equivalents</b>	<b>2,929</b>	<b>4,478</b>	<b>3,464</b>	<b>9,183</b>
Cash and cash equivalents at beginning of the period / year	10,732	9,183	5,719	-
<b>Cash and cash equivalents at end of the period / year</b>	<b>13,661</b>	<b>13,661</b>	<b>9,183</b>	<b>9,183</b>

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**Footnotes**

(a) *CDL Hospitality Trusts and H-REIT were formed on 12 June 2006 and 8 June 2006 respectively. The comparative cashflow statements are available for the period from 12 June 2006 to 31 December 2006 and 8 June 2006 to 31 December 2006 respectively.*

(b) *Significant non-cash transactions*

*Quarter ended 31 December 2007*

*774,221 Stapled Securities amounting to S\$1,831,000 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 2007 on 30 January 2008.*

*Period from 1 January to 31 December 2007*

*2,641,144 Stapled Securities amounting to S\$6,044,000 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 financial year ended 31 December 2007.*

*917,556 Stapled Securities were issued in the quarter ended 30 June 2007 as part payment of the acquisition fee for the acquisition of Novotel Clarke Quay on 7 June 2007 and an additional 85,821 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. (For further details, please refer to the Announcement released on 22 June 2007). The total acquisition fee paid/payable to the H-REIT Manager for the acquisition of Novotel Clarke Quay is S\$2,198,000.*



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

	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 1 Oct 2006 to 31 Dec 2006 S\$'000	Actual 12 Jun 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000
<b>Balance as at beginning of the period/year</b>	379	379	500	-
Issue of units	-	-	-	500
Issue expense	-	-	(121)	(121)
Net income after tax	-	-	-	-
<b>Balance as at end of the period/year</b>	<b>379</b>	<b>379</b>	<b>379</b>	<b>379</b>

**Footnotes**

- (a) *HBT was constituted on 12 June 2006 (date of constitution) and was listed on SGX on 19 July 2006. Prior period comparatives are only available for the period from 12 June 2006 to 31 December 2006.*

**1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 Oct 2007 to 31 December 2007**

		Net Assets Attributable to Holders of H-REIT units					Stapled Group	
Foot- notes	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	
	<b>883,610</b>	<b>(20,550)</b>	<b>(1,484)</b>	<b>(10)</b>	<b>202,050</b>	<b>1,063,616</b>	<b>1,063,995</b>	
<b>Operations</b>								
- Net income after tax	-	-	-	-	20,258	20,258	20,258	
- Net surplus from revaluation of investment properties	-	-	-	-	239,354	239,354	239,354	
<b>Increase in unitholders’ funds resulting from operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259,612</b>	<b>259,612</b>	<b>259,612</b>	
<b>Hedging transaction</b>	(b) <b>-</b>	<b>-</b>	<b>552</b>	<b>-</b>	<b>-</b>	<b>552</b>	<b>552</b>	
<b>Translation differences relating to financial statements of foreign subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	
<b>Unitholders’ transactions</b>								
(i) Issue expenses	(d) <b>-</b>	<b>(136)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(136)</b>	<b>(136)</b>	
(ii) Stapled Securities to be issued - as payment of H-REIT Manager’s management fees	(e) <b>1,831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,831</b>	<b>1,831</b>	
<b>Unitholders’ funds resulting from unitholders’ transactions</b>	<b>1,831</b>	<b>(136)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,695</b>	<b>1,695</b>	
<b>Balance as at 31 December 2007</b>	<b>885,441</b>	<b>(20,686)</b>	<b>(932)</b>	<b>(9)</b>	<b>461,662</b>	<b>1,325,476</b>	<b>1,325,855</b>	

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**1 (d)(ii) Statement of movements in unitholders’ funds for the year from 1 January 2007 to 31 December 2007 <sup>(a)</sup>**

		Net Assets Attributable to Holders of H-REIT units					Stapled Group	
Foot- notes	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	
	<b>Balance as at 1 January 2007</b>	581,890	(16,677)	(942)	(4)	155,787	720,054	720,433
	<b>Operations</b>							
	- Net income after tax	-	-	-	-	60,028	60,028	60,028
	- Net surplus from revaluation of investment properties	-	-	-	-	296,758	296,758	296,758
	<b>Increase in unitholders’ funds resulting from operations</b>	-	-	-	-	356,786	356,786	356,786
	<b>Hedging transaction</b>	(b)	-	10	-	-	10	10
	<b>Translation differences relating to financial statements of foreign subsidiaries</b>	-	-	-	(5)	-	(5)	(5)
	<b>Unitholders’ transactions</b>							
	(i) Issue of H-REIT units / Stapled Securities	(c)	295,309	-	-	-	295,309	295,309
	(ii) Issue expenses	(d)	-	(4,009)	-	-	(4,009)	(4,009)
	(iii) Stapled Securities issued and to be issued							
	- as payment of H-REIT Manager’s management fees	(e)	6,044	-	-	-	6,044	6,044
	- as payment of H-REIT Manager’s acquisition fees	(f)	2,198	-	-	-	2,198	2,198
	(iv) Distribution to unitholders	(g)	-	-	-	(50,911)	(50,911)	(50,911)
	<b>Unitholders’ funds resulting from unitholders’ transactions</b>		303,551	(4,009)	-	(50,911)	248,631	248,631
	<b>Balance as at 31 December 2007</b>	885,441	(20,686)	(932)	(9)	461,662	1,325,476	1,325,855

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**Footnotes**

- (a) *Prior period comparatives of CDL Hospitality Trusts and H-REIT are only available for the period from 12 June 2006 to 31 December 2006 and 8 June 2006 to 31 December 2006 respectively. CDL Hospitality Trusts and H-REIT were constituted on 12 June 2006 (date of constitution) and 8 June 2006 (date of constitution) respectively and was listed on SGX on 19 July 2006.*
- (b) *Hedging reserve relates to the effective part of the change in fair value of the 1.5-year interest rate swap which was entered into on 13 July 2006 to hedge the interest rate risk on S\$260 million of the Facilities (the “Hedge”).*
- (c) *This represents the H-REIT units/Stapled Securities issued during the Equity Fund Raising on 19 July 2007.*
- (d) *Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expenses in relation to the Equity Fund Raising.*
- (e) *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.*
- (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.*
- (g) *Distribution to unitholders comprises distribution income for the period from 12 June 2006 to 18 July 2007.*

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**1 (d)(iii) Statement of movements in unitholders’ funds of CDL Hospitality Trusts and H-REIT for the period from 1 October 2006 to 31 December 2006**

		Net Assets Attributable to Holders of H-REIT units					Stapled Group	
	Foot- notes	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
<b>Balance as at 1 Oct 2006</b>		579,601	(16,566)	(847)	-	12,147	574,335	574,835
<b>Operations</b>								
- Net income after tax		-	-	-	-	10,779	10,779	10,779
- Net surplus from revaluation of investment properties		-	-	-	-	132,861	132,861	132,861
<b>Increase in unitholders’ funds resulting from operations</b>		-	-	-	-	143,640	143,640	143,640
<b>Hedging transaction</b>	(b)	-	-	(95)	-	-	(95)	(95)
<b>Translation differences relating to financial statements of foreign subsidiaries</b>		-	-	-	(4)	-	(4)	(4)
<b>Unitholders’ transactions</b>								
(i) Issue expenses	(d)	-	(111)	-	-	-	(111)	(232)
(ii) Stapled Securities to be issued								
- as payment of H-REIT Manager’s management fees	(e)	1,088	-	-	-	-	1,088	1,088
- as payment of H-REIT Manager’s acquisition fee	(f)	1,201	-	-	-	-	1,201	1,201
<b>Unitholders’ funds resulting from unitholders’ transactions</b>		2,289	(111)	-	-	-	2,178	2,057
<b>Balance as at 31 December 2006</b>		581,890	(16,677)	(942)	(4)	155,787	720,054	720,433

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**1 (d)(iii) Statement of movements in unitholders’ funds of CDL Hospitality Trusts and H-REIT for the period from 12 June 2006 to 31 December 2006 and 8 June 2006 to 31 December 2006 respectively <sup>(a)</sup>**

Foot-notes	Net Assets Attributable to Holders of H-REIT units					Stapled Group	
	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
<b>Balance as at beginning of period</b>	-	-	-	-	-	-	-
<b>Operations</b>							
- Net income after tax	-	-	-	-	22,926	22,926	22,926
- Net surplus from revaluation of investment properties	-	-	-	-	132,861	132,861	132,861
<b>Increase in unitholders’ funds resulting from operations</b>	-	-	-	-	155,787	155,787	155,787
<b>Hedging transaction</b>	(b)	-	(942)	-	-	(942)	(942)
<b>Translation differences relating to financial statements of foreign subsidiaries</b>		-	-	(4)	-	(4)	(4)
<b>Unitholders’ transactions</b>							
(i) Issue of H-REIT units / Stapled Securities	(c)	578,840	-	-	-	578,840	579,340
(ii) Issue expenses	(d)	-	(16,677)	-	-	(16,677)	(16,798)
(iii) Stapled Securities issued and to be issued							
- as payment of H-REIT Manager’s management fees	(e)	1,849	-	-	-	1,849	1,849
- as payment of H-REIT Manager’s acquisition fee	(f)	1,201	-	-	-	1,201	1,201
<b>Unitholders’ funds resulting from unitholders’ transactions</b>		581,890	(16,677)	-	-	565,213	565,592
<b>Balance as at 31 December 2006</b>		581,890	(16,677)	(942)	(4)	155,787	720,054
						720,054	720,433

**Footnotes**

- (a) *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 H-REIT units / Stapled Securities issued during the initial public offering.*
- (d) *Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expenses.*
- (e) *This represents the 1,473,782 Stapled Securities issued and to be issued as partial satisfaction of the management fee for the period from 19 July 2006 to 31 December 2006.*
- (f) *This represents the 850,819 Stapled Securities issued as satisfaction of the acquisition fee paid to the H-REIT manager for the purchase of Rendezvous Hotel Auckland, New Zealand.*

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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 Oct 2007 to 31 Dec 2007	Actual 1 Oct 2006 to 31 Dec 2006	Actual 1 Jan 2007 to 31 Dec 2007	Actual 8 Jun 2006 to 31 Dec 2006	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Oct 2006 to 31 Dec 2006	Actual 1 Jan 2007 to 31 Dec 2007	Actual 12 Jun 2006 to 31 Dec 2006
Issued H-REIT units / Stapled Securities at the beginning of the period	822,589,781	698,000,000	699,611,419	-	822,589,781	698,000,000	699,611,419	-
Issue of new H-REIT units / Stapled Securities <sup>(a)</sup>								
- Initial Public Offering	-	-	-	698,000,000	-	-	-	698,000,000
- Equity Fund Raising	-	-	120,162,795	-	-	-	120,162,795	-
- as payment of H- REIT Manager’s management fees	682,094	760,600	2,580,105	760,600	682,094	760,600	2,580,105	760,600
- as payment of H- REIT Manager’s acquisition fees	-	850,819	917,556	850,819	-	850,819	917,556	850,819
Issued H-REIT units / Stapled Securities at the end of the period / year	823,271,875	699,611,419	823,271,875	699,611,419	823,271,875	699,611,419	823,271,875	699,611,419
H-REIT units/ Stapled Securities to be issued:								
- as payment of H- REIT Manager’s management fees	(b) 774,221	713,182	774,221	713,182	774,221	713,182	774,221	713,182
- as payment of H- REIT Manager’s acquisition fees	(c) 85,821	-	85,821	-	85,821	-	85,821	-
Total issued and issuable H-REIT units / Stapled Securities at the end of the period / year	824,131,917	700,324,601	824,131,917	700,324,601	824,131,917	700,324,601	824,131,917	700,324,601

**Footnotes**

- (a) Each Stapled Security comprises one H-REIT unit and one HBT unit.
- (b) 774,221 H-REIT units / Stapled Securities will be issued to the H-REIT Manager on 30 January 2008 as satisfaction of management fee payable in units for the quarter ended 31 December 2007.
- (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 Hotel to H-REIT materialises. (For further details, please refer to the Announcement released on 22 June 2007).

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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 financial year ended 31 December 2007 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**

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

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

Other than the adoption of various new/revised FRS issued by the Council on Corporate Disclosure and Governance, which took effect from 1 January 2007, there has been no change in the accounting policies and methods of computation adopted by the H-REIT Group and CDL Hospitality Trusts. With the adoption of FRS 40: Investment Property, the earnings per Stapled Security has been computed based on total return for the year / period. Earnings per Stapled Security had previously been computed based on net income. The adoption of other new/revised FRS is not expected to have a significant impact on the financial statements of 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 Oct 2007 to 31 Dec 2007 <sup>(a)</sup>	Actual 1 Oct 2006 to 31 Dec 2006	Actual 1 Jan 2007 to 31 Dec 2007	Actual 12 Jun 06 to 31 Dec 2006
Weighted average number of Stapled Securities <sup>(a)</sup>	823,366,111	698,888,576	756,435,069	698,492,464
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	31.53	20.55	47.17	22.30
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.51	1.75	8.33	2.88
- Tax exempt income	0.25	0.01	0.65	0.01
	2.76	1.76	8.98	2.89
Distribution per Stapled Security (cents)				
- Taxable income	4.11	4.22	8.33	
- Tax exempt income	0.26	0.39	0.65	
	4.37	4.61	8.98	

\* The amount has been distributed.

**Footnotes**

(a) *The weighted average number of units used for computation of EPS for the quarter ended 31 December 2007 is 823,366,111. This comprises:*

- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2007 of 823,271,875;*
- (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay Hotel 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 31 December 2007 of 8,415.*

*The weighted average number of units used for computation of EPS for the period from 1 January 2007 to 31 December 2007 is 756,435,069. This comprises:*

- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2007 of 756,387,569;*
- (ii) *Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay Hotel of 45,379; 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 31 December 2007 of 2,121.*



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- (b) *The computation of actual DPS for the period from 1 October 2007 to 31 December 2007 is based on the number of Stapled Securities entitled to distribution of 824,046,096. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 December 2007 of 823,271,875; 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 31 December 2007 of 774,221.*

**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 year / period**

	H-REIT Group		CDL Hospitality Trusts	
	Actual 31 Dec 2007 S\$	Actual 31 Dec 2006 S\$	Actual 31 Dec 2007 S\$	Actual 31 Dec 2006 S\$
Net asset value per H-REIT unit/ Stapled Security	1.61	1.03	1.61	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 2007 of S\$1,325,476,000; and*
  - *The number of issued and issuable H-REIT units of 824,131,917 (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 31 December 2007 of S\$1,325,855,000; and*
  - *The number of issued and issuable H-REIT units of 824,131,917 (see paragraph 1(e) for details).*
- (c) *Net asset value of HBT as at 31 December 2007 is S\$379,000 (31 December 2006: S\$379,000). The net asset value per HBT unit is 0.05 cents (31 December 2006: 0.05 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 824,131,917 comprising:*
- *HBT units in issue as at 31 December 2007 of 823,271,875;*
  - *HBT units to be issued to the H-REIT Manager on 30 January 2008 as satisfaction of management fee payable in units for the quarter ended 31 December 2007 of 774,221; and*
  - *HBT units issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821.*

**8 Review of the performance – Variance between actual and proforma results for the period from 1 October 2007 to 31 December 2007**

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

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**9 Variance between the forecast or prospectus statement and the actual result.**

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

Foot- notes	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
Gross revenue	27,960	14,180	97.2%	90,654	56,259	61.1%
Property tax	(648)	(565)	14.7%	(2,564)	(2,243)	14.3%
Insurance	(25)	(296)	(91.6)%	(984)	(1,176)	(16.3)%
Other property expenses	(359)	(339)	5.9%	(1,289)	(1,346)	(4.2)%
Net property income	26,928	12,980	107.5%	85,817	51,494	66.7%
H-REIT Manager's fees	(2,289)	(1,187)	92.8%	(7,554)	(4,711)	60.3%
H-REIT Trustee's fees	(48)	(35)	37.1%	(179)	(140)	27.9%
Other trust expenses	(1,322)	(262)	404.6%	(2,133)	(1,040)	105.1%
Finance income	315	-	NM	724	-	NM
Finance costs	(3,326)	(2,719)	22.3%	(16,647)	(10,788)	54.3%
Net finance costs	(3,011)	(2,719)	10.7%	(15,923)	(10,788)	47.6%
Net income	20,258	8,777	130.8%	60,028	34,815	72.4%
Net surplus on revaluation of investment properties	239,354	-	NM	296,758	-	NM
Total return before tax	259,612	8,777	NM	356,786	34,815	NM
Income tax expense	-	-	-	-	-	-
Total return for the period / year	259,612	8,777	NM	356,786	34,815	NM

**Footnotes**

(a) *The Projection is based on management's projection for the year ended 31 December 2007 shown in the Prospectus pro-rated for the period from 1 October 2007 to 31 December 2007. The Projection had been prepared based on the initial portfolio of properties held by H-REIT at the time of the initial public offering comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Orchard Hotel Shopping Arcade. In comparison, the actual results include contributions from Novotel Clarke Quay Hotel for the period from 7 June 2007 to 31 December 2007, and full year contributions from Rendezvous Hotel Auckland which was only acquired on 19 December 2006.*

(b) *Comprises interest income on bank deposits, net foreign exchange gain/(loss), interest expenses incurred on borrowings, amortization of transaction costs on borrowings capitalised and financial expense arising from measuring non-current rental deposits at amortised cost.*

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**9 (ii) Breakdown of Total Gross Revenue by Property**

	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase / (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase / (Decrease) %
Orchard Hotel	6,945	4,951	40.3%	24,498	19,644	24.7%
Grand Copthorne Waterfront Hotel	5,744	3,908	47.0%	19,530	15,503	26.0%
M Hotel	3,953	2,723	45.2%	13,824	10,804	28.0%
Copthorne King's Hotel	2,768	1,686	64.2%	9,591	6,688	43.4%
Orchard Hotel Shopping Arcade	951	912	4.3%	3,681	3,620	1.7%
Rendezvous Hotel Auckland	3,112	-	NM	9,881	-	NM
Novotel Clarke Quay Hotel	4,487	-	NM	9,649	-	NM
<b>Total</b>	<b>27,960</b>	<b>14,180</b>	<b>97.2%</b>	<b>90,654</b>	<b>56,259</b>	<b>61.1%</b>

**Combined for the 4 Singapore Hotels (weighted average)**

	Actual 1 Oct 2007 to 31 Dec 2007	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup>	Increase/ (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup>	Increase/ (Decrease) %
Average Occupancy Rate (%)	89%	82%	8.5%	87%	82%	6.1%
Average Daily Rate (\$)	220	162	35.8%	202	162	24.7%
Room Revenue per Available Room (RevPar) (\$)	195	132	47.7%	175	132	32.6%

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

**Combined for the 5 Singapore Hotels (weighted average)**

	Actual 1 Oct 2007 to 31 Dec 2007	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup>	Actual 1 Jan 2007 to 31 Dec 2007	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup>
Average Occupancy Rate (%)	89%	NA	87%	NA
Average Daily Rate (\$)	216	NA	200	NA
Room Revenue per Available Room (RevPar) (\$)	191	NA	174	NA

Note: Includes Novotel Clarke Quay Hotel, which was only acquired on 7 June 2007

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**9 (iii) Breakdown of Net Property Income by Property**

	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Projection 1 Oct 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Projection 1 Jan 2007 to 31 Dec 2007 <sup>(a)</sup> S\$'000	Increase/ (Decrease) %
Orchard Hotel	6,765	4,684	44.4%	23,420	18,584	26.0%
Grand Copthorne Waterfront Hotel	5,621	3,679	52.8%	18,713	14,593	28.2%
M Hotel	3,878	2,542	52.6%	13,200	10,084	30.9%
Copthorne King's Hotel	2,589	1,591	62.7%	8,772	6,311	39.0%
Orchard Hotel Shopping Arcade	656	484	35.5%	2,638	1,922	37.3%
Rendezvous Hotel Auckland	3,110	-	NM	9,881	-	NM
Novotel Clarke Quay Hotel	4,309	-	NM	9,193	-	NM
<b>Total</b>	<b>26,928</b>	<b>12,980</b>	<b>107.5%</b>	<b>85,817</b>	<b>51,494</b>	<b>66.7%</b>

**Footnotes**

- (a) *The Projection is based on management's projection for the year ended 31 December 2007 shown in the Prospectus pro-rated for the period from 1 October 2007 to 31 December 2007. The Projection had been prepared based on the initial portfolio of properties held by H-REIT at the time of the initial public offering comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Orchard Hotel Shopping Arcade. In comparison, the actual results include contributions from Novotel Clarke Quay Hotel for the period from 7 June 2007 to 31 December 2007, and full year contributions from Rendezvous Hotel Auckland which was only acquired on 19 December 2006.*

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**9 (iv) Review of the Performance – Actual compared to Projection for the quarter/period ended 31 December 2007**

**4<sup>th</sup> Quarter ended 31 December 2007**

Performance in the 4<sup>th</sup> Quarter of 2007 was strong with gross revenues of S\$28.0 million and net property income of S\$26.9 million, which exceeded the Projection by 97.2% and 107.5% respectively.

The original four hotels owned by H-REIT at its Initial Public Offering on 19 July 2006, being Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore and Copthorne King’s Hotel Singapore (“the IPO Hotels”) achieved a combined total Hotel revenue of S\$63.6 million. Compared to the Projection of S\$46.2 million, the improvement was 37.7%. Combined Gross Operating Profit for the IPO Hotels was S\$32.9 million against a projection of S\$20.1 million, an improvement of 63.7%. Including Novotel Clarke Quay Hotel which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for 4<sup>th</sup> Quarter 2007 was S\$73.7 million and S\$37.8 million respectively.

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

	IPO Hotels			All Singapore Hotels		
	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Oct 2006 to 31 Dec 2006	Growth	Actual 1 Oct 2007 to 31 Dec 2007	Proforma 1 Oct 2006 to 31 Dec 2006	Growth
Average Occupancy	89%	88%	0.6 pp	89%	87%	1.7 pp
Weighted Average Daily Rate	\$220	\$166	32.7%	\$216	\$164	31.7%
RevPAR	\$195	\$146	33.5%	\$191	\$142	34.5%

Net property income contributed by the Orchard Hotel Shopping Arcade was S\$0.7 million which exceeded the Projection by 35.5%. Occupancy was maintained at 92.2% with an average monthly rental rate of approximately S\$6.53 per sq. ft.

**Full year ended 31 December 2007**

Overall for the period 1 January 2007 to 31 December 2007, the performance of H-REIT has been strong with gross revenues and net property income exceeding Projections by 61.1% and 66.7% respectively to S\$90.7 million and S\$85.8 million. The improvement in gross revenue performance resulted from a 26.4% growth in H-REIT’s Initial Public Offering (“IPO”) portfolio together with a 34.7% increase in contributions from H-REIT’s two acquisitions since its IPO. Improvement in net property income was a result of a 29.6% increase in H-REIT’s IPO portfolio together with growth of 37% contributed by H-REIT’s two acquisitions since its IPO.

The income available for distribution for the period 1 January 2007 to 31 December 2007 of S\$68.7 million exceeded the Projection of S\$39.1 million by 75.7%. Of the S\$68.7 million, an amount of S\$30.7 million representing the amount available for distribution for the period from 1 January 2007 to 18 July 2007 has already been distributed. The remaining amount of S\$38.0 million represents the income available for distribution for the period from 19 July to 31 December 2007.

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The IPO Hotels achieved a combined total Hotel revenue of S\$223.4 million. Compared to the Projection of S\$183.4 million, the improvement was 21.8%. Combined Gross Operating Profit for the IPO Hotels was S\$111.6 million against a projection of S\$79.8 million, an improvement of 39.8%. Including Novotel Clarke Quay Hotel which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for the period 1 January 2007 to 31 December was S\$244.8 million and S\$122.3 million respectively.

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

	IPO Hotels			All Singapore Hotels		
	Actual 1 Jan 2007 to 31 Dec 2007	Proforma 1 Jan 2006 to 31 Dec 2006	Growth	Actual 1 Jan 2007 to 31 Dec 2007*	Proforma 1 Jan 2006 to 31 Dec 2006*	Growth
Average Occupancy	87%	83%	4.0 pp	87%	82%	5.3 pp
Weighted Average Daily Rate	\$202	\$163	24.1%	\$200	\$162	23.5%
RevPAR	\$175	\$135	30.1%	\$174	\$133	30.8%

\* Based on the actual and proforma contributions from Novotel Clarke Quay Hotel for the period from 7 June to 31 December of 2007 and 2006 respectively.

Net property income contributed by the Orchard Hotel Shopping Arcade was S\$2.6 million which exceeded the Projection by 37.3%. Occupancy was maintained at 91.8% with an average monthly rental rate of approximately S\$6.35 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 to December 2007 with visitor arrivals of 2.7 million, representing a growth of 5.5% compared to the same period last year. Cumulatively, visitor arrivals for 2007 were 10.3 million against 9.7 million in 2006, representing growth of 5.4%.

Until the end of 2008, an additional supply of 1,134 rooms is expected. However, assuming continued robust room demand, this additional room supply is not expected to negatively impact the performance of the Hotels significantly.

Barring unforeseen circumstances, the overall outlook for the hotel industry continues to be positive and we expect to register growth for the next reporting period.

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

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 H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2007**

**11 Distributions**

**11 (a) Current financial period**

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 19 July 2007 to 31 December 2007
i. Distribution type	Taxable income
Distribution rate	4.22 cents per unit
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who held their units through a partnership) would 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 received their distributions after deduction of tax at the rate of 10%.  All other investors received their distributions after deduction of tax at the rate of 18%.
ii. Distribution type	Tax Exempt Income
Distribution rate	0.39 cents per unit  Distribution for the period from 19 July 2007 to 31 December 2007
Tax rate	These distributions are made of H-REIT’s tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

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

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

No

**11 (c) Book closure date** 5.00 p.m. on 11 February 2008

**11 (d) Date payable** 29 February 2008

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

Not applicable



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

Geographical Segments

	Singapore 1 Jan 2007 to 31 Dec 2007 S\$000	New Zealand 1 Jan 2007 to 31 Dec 2007 S\$000	Total 1 Jan 2007 to 31 Dec 2007 S\$000
Gross Revenue	80,773	9,881	90,654
Segment net property income	75,936	9,881	85,817
Finance income			724
Finance expense			(16,647)
Unallocated expenses			(9,866)
Net income			60,028
Net surplus on revaluation of investment properties	296,246	512	296,758
Total return before tax			356,786
Income tax expense			-
Total return for the year			356,786
<b>Assets and liabilities</b>			
Segment assets	1,514,519	129,116	1,643,635
Unallocated assets: - Cash and cash equivalents			13,661
Total assets			1,657,296
Segment liabilities	7,750	363	8,113
Unallocated liabilities: - Trade and other payables - Financial liabilities - Provision for taxation			13,145 291,383 18,800
Total liabilities (excluding net assets attributable to holders of H-REIT units)			331,441
<b>Other segmental information</b>			
Investment properties -capital expenditure	225,854	28	225,882
Allowance for doubtful receivables	4	-	4

**CDL HOSPITALITY TRUSTS**  
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**14 In the review 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 1 Jan to 31 Dec 2007 S\$000	Actual 12 Jun to 31 Dec 2006 <sup>(a)</sup> S\$000	Increase/(Decrease) %
Gross revenue reported for first half year	38,724	-	NM
Net income for first half year	29,309	-	NM
Gross revenue reported for second half year	51,930	28,189	84.2%
Net income for second half year	30,719	22,926	34.0%

(a) CDL Hospitality Trusts was constituted on 12 June 2006 (date of constitution) and was listed on SGX on 19 July 2006. The first financial period was from 12 June 2006 to 31 December 2006.

**16. Annual distribution to holders of Stapled Securities for financial year ended 31 December 2007**

H-REIT Group and CDL Hospitality Trust

	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Actual 12 Jun 2006 to 31 Dec 2006 <sup>(a)</sup> S\$'000
1 January 2007 to 18 July 2007	30,671	-
12 June 2006 to 31 December 2006	20,240	-

(a) CDL Hospitality Trusts was constituted on 12 June 2006 (date of constitution) and was listed on SGX on 19 July 2006. The first financial period was from 12 June 2006 to 31 December 2006.

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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)

30 January 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)

30 January 2008