



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND
H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2008**

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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

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

CDL HOSPITALITY BUSINESS TRUST

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

CDL HOSPITALITY TRUSTS

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2008

INTRODUCTION

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

The H-REIT Units and HBT Units are stapled together under the terms of a stapling deed dated 12 June 2006 entered into between M&C REIT Management Limited (the “**H-REIT Manager**”), DBS Trustee Limited (the “**H-REIT Trustee**”) and M&C Business Trust Management Limited (the “**HBT 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 2008, H-REIT’s portfolio with a total of 2,806 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel and Novotel Clarke Quay (collectively, the “**Singapore Hotels**”), all of which are located in Singapore and marketed as “superior” hotels, the Rendezvous Hotel Auckland, a deluxe hotel located in New Zealand’s gateway city of Auckland, as well as the Orchard Hotel Shopping Arcade, the shopping arcade adjoining Orchard Hotel.

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

H-REIT’s distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of the properties and related property services income after deduction of expenses and allowances, and of its tax exempt income (if any), with the actual level of distribution to be determined at the H-REIT Manager’s discretion. H-REIT will be distributing 90% of its taxable and 100% of its tax exempt income available for distribution to holders of the Stapled Securities for the financial period from 1 July 2008 to 31 December 2008. Distributions, when paid, will be in Singapore Dollars. H-REIT will make distributions to holders of the Stapled Securities on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates (the “**Scheduled Distribution**”). The first Scheduled Distribution was paid on 29 August 2008. The second Scheduled Distribution will be paid on 27 February 2009.

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’s Board at its sole discretion.

Where appropriate, comparisons are made against the corresponding actual figures for the year from 1 January 2007 to 31 December 2007 or for the quarter ended 31 December 2007.

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SUMMARY OF CONSOLIDATED STATEMENT OF TOTAL RETURN OF CDL HOSPITALITY
TRUSTS

	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	28,144	27,960	0.7	114,659	90,654	26.5
Net property income	21,706	26,928	(19.4)	102,770	85,817	19.8
Net income before revaluation	19,000	20,258	(6.2)	78,405	60,028	30.6
Income available for distribution to holders of Stapled Securities	18,994	22,770	(16.6)	91,988	68,724	33.9
Less :						
Income retained for working capital	(4,044)	-	N.M.	(4,044)	-	N.M.
Income to be distributed to holders of Stapled Securities	14,950	22,770	(34.3)	87,944	68,724	28.0
Income available for distribution to holders of Stapled Securities (cents)						
For the period	2.29	2.76	(17.0)	11.11	8.98	23.7
Annualised	9.11	10.95	(16.8)	11.11	8.98	23.7
Annualised distribution yield (%), based on the income available for distribution to holders of Stapled Securities at						
Initial public offer price of S\$0.83	10.98%	13.19%	(16.8)	13.39%	10.82%	23.8
Closing market price of S\$0.64 as at 29 th January 2009	14.23%	17.11%	(16.7)	17.36%	14.03%	23.7
Income to be distributed to holders of Stapled Securities (cents)						
For the period	1.80	2.76	(34.8)	10.62	8.98	18.3
Annualised	7.16	10.95	(34.6)	10.62	8.98	18.3
Annualised distribution yield (%), based on the income to be distributed at						
Initial public offer price of S\$0.83	8.63%	13.19%	(34.6)	12.80%	10.82%	18.3
Closing market price of S\$0.64 as at 29 th January 2009	11.19%	17.10%	(34.6)	16.59%	14.03%	18.2

Footnote

- (a) *The actual results for the year ended 31 December 2008 include contributions from Novotel Clarke Quay. The actual results last year is not comparable to the current financial year as Novotel Clarke Quay was only acquired on 7 June 2007.*

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

		H-REIT Group					
<u>Statements of Total Return</u>	Footnotes	Actual	Actual	Increase/ (Decrease)	Actual	Actual	Increase/ (Decrease)
		1 Oct 2008 to 31 Dec 2008 S\$'000	1 Oct 2007 to 31 Dec 2007 S\$'000	%	1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	%
Gross revenue	(b)	28,144	27,960	0.7	114,659	90,654	26.5
Property tax	(c)	(4,605)	(648)	N.M.	(8,366)	(2,564)	N.M.
Insurance		(221)	(25)	N.M.	(881)	(984)	(10.5)
Other property expenses	(d)	(1,612)	(359)	N.M.	(2,642)	(1,289)	N.M.
Net property income		21,706	26,928	(19.4)	102,770	85,817	19.8
H-REIT Manager's fees		(2,080)	(2,289)	(9.1)	(9,216)	(7,554)	22.0
H-REIT Trustee's fees		(50)	(48)	4.2	(206)	(179)	15.1
Other trust expenses	(e)	(212)	(1,320)	(83.9)	(1,819)	(2,126)	(14.4)
Finance income		109	94	16.0	214	717	(70.2)
Finance costs		(473)	(3,107)	(84.8)	(13,335)	(16,647)	(19.9)
Net finance costs	(f)	(364)	(3,013)	(87.9)	(13,121)	(15,930)	(17.6)
Net income before revaluation		19,000	20,258	(6.2)	78,408	60,028	30.6
Net (deficit) / surplus on revaluation of investment properties	(g)	(123,221)	239,354	N.M.	(123,221)	296,758	N.M.
Net (loss) / income	(h)	(104,221)	259,612	N.M.	(44,813)	356,786	N.M.
Income tax expense	(i)	(728)	-	N.M.	(728)	-	N.M.
Total return for the period / year		(104,949)	259,612	N.M.	(45,541)	356,786	N.M.

		CDL Hospitality Trusts					
<u>Statements of Total Return</u>	Footnotes	Actual	Actual	Increase/ (Decrease)	Actual	Actual	Increase/ (Decrease)
		1 Oct 2008 to 31 Dec 2008 S\$'000	1 Oct 2007 to 31 Dec 2007 S\$'000	%	1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	%
Gross revenue	(b)	28,144	27,960	0.7	114,659	90,654	26.5
Property tax	(c)	(4,605)	(648)	N.M.	(8,366)	(2,564)	N.M.
Insurance		(221)	(25)	N.M.	(881)	(984)	(10.5)
Other property expenses	(d)	(1,612)	(359)	N.M.	(2,642)	(1,289)	N.M.
Net property income		21,706	26,928	(19.4)	102,770	85,817	19.8
H-REIT Manager's fees		(2,080)	(2,289)	(9.1)	(9,216)	(7,554)	22.0
H-REIT Trustee's fees		(50)	(48)	4.2	(206)	(179)	15.1
Other trust expenses	(e)	(213)	(1,322)	(83.9)	(1,825)	(2,133)	(14.4)
Finance income		110	96	14.6	217	724	(70.0)
Finance costs		(473)	(3,107)	(84.8)	(13,335)	(16,647)	(19.9)
Net finance costs	(f)	(363)	(3,011)	(87.9)	(13,118)	(15,923)	(17.6)
Net income before revaluation		19,000	20,258	(6.2)	78,405	60,028	30.6
Net (deficit) / surplus on revaluation of investment properties	(g)	(123,221)	239,354	N.M.	(123,221)	296,758	N.M.
Net (loss) / income	(h)	(104,221)	259,612	N.M.	(44,816)	356,786	N.M.
Income tax expense	(i)	(728)	-	N.M.	(728)	-	N.M.
Total return for the period / year		(104,949)	259,612	N.M.	(45,544)	356,786	N.M.

Footnotes
N.M – Not Meaningful

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- (a) *The actual results for the year ended 31 December 2008 include contributions from Novotel Clarke Quay. The actual results last year is not comparable to the current financial year as Novotel Clarke Quay was only acquired on 7 June 2007.*
- (b) *Gross revenue comprises rental income from H-REIT’s investment properties. Please refer to paragraph 8(ii).*
- (c) *With effect from 1 January 2008, the Inland Authority of Singapore (“IRAS”) implemented a new basis of computing the annual value of hotels. The annual value of hotel rooms is assessed at 20% (previously 15%) of gross room receipts in the preceding year, whilst that of the other lettable areas (including Food and Beverage areas) in the Hotels is assessed based on estimated market rent. Under Singapore law, property tax is levied at 10% on the annual value of a hotel. In line with the changes to the property tax regime, property tax expenses in 2008 were significantly higher compared to 2007. The increase in property tax was also largely due to a one-off additional property tax assessed of about S\$3.2 million in respect of 2006 and 2007, based on revised assessments raised by IRAS in December 2008. H-REIT has engaged CB Richard Ellis (Pte) Ltd to review the revised tax assessments raised by IRAS and the outcome will be reflected in subsequent periods.*
- (d) *Other property expenses comprise mainly direct operating expenses of Orchard Hotel Shopping Arcade, including allowance for doubtful debts of S\$10,000 (31 December 2007: S\$Nil) and a property contribution of S\$1.3 million made by H-REIT to the Management Corporation Strata Title Plan No. 3027 of the Liang Court Complex (the “Complex”) in 4Q 2008, being H-REIT’s share of the repairs and maintenance works in relation to the public areas common to the Complex.*
- (e) *Other trust expenses comprise mainly professional fees and administrative costs.*

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(f) Net finance costs comprise the following:

	H-REIT Group					
	Actual 1 Oct 2008 to 31 Dec 2008 ^(a)	Actual 1 Oct 2007 to 31 Dec 2007 ^(a)	Increase/ (Decrease)	Actual 1 Jan 2008 to 31 Dec 2008 ^(a)	Actual 1 Jan 2007 to 31 Dec 2007 ^(a)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain on termination of financial derivative ⁽ⁱ⁾	100	-	N.M.	100	-	N.M.
Interest income received / receivable from banks	9	94	(90.4)	114	717	(84.1)
Finance income	109	94	16.0	214	717	(70.2)
Exchange gain / (loss) ⁽ⁱⁱ⁾	2,956	219	N.M.	(2,867)	(217)	N.M.
Loss on remeasurement of financial derivative ⁽ⁱ⁾	(1,145)	-	N.M.	-	-	-
Interest paid / payable to banks ⁽ⁱⁱⁱ⁾	(2,189)	(3,232)	(32.3)	(9,236)	(16,053)	(42.5)
Amortisation of transaction costs capitalized	(57)	(56)	1.8	(227)	(227)	-
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(38)	(38)	-	(155)	(150)	3.3
Net change in fair value of cash flow hedge transferred to the statement of total return ^(iv)	-	-	-	(850)	-	N.M.
Finance costs	(473)	(3,107)	(84.8)	(13,335)	(16,647)	(19.9)
Net finance costs	(364)	(3,013)	(87.9)	(13,121)	(15,930)	(17.6)

	CDL Hospitality Trusts					
	Actual 1 Oct 2008 to 31 Dec 2008 ^(a)	Actual 1 Oct 2007 to 31 Dec 2007 ^(a)	Increase/ (Decrease)	Actual 1 Jan 2008 to 31 Dec 2008 ^(a)	Actual 1 Jan 2007 to 31 Dec 2007 ^(a)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain on termination of financial derivative ⁽ⁱ⁾	100	-	N.M.	100	-	N.M.
Interest income received / receivable from banks	10	96	(89.6)	117	724	(83.8)
Finance income	110	96	14.6	217	724	(70.0)
Exchange gain / (loss) ⁽ⁱⁱ⁾	2,956	219	N.M.	(2,867)	(217)	N.M.
Loss on remeasurement of financial derivative ⁽ⁱ⁾	(1,145)	-	N.M.	-	-	-
Interest paid / payable to banks ⁽ⁱⁱⁱ⁾	(2,189)	(3,232)	(32.3)	(9,236)	(16,053)	(42.5)
Amortisation of transaction costs capitalized	(57)	(56)	1.8	(227)	(227)	-
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(38)	(38)	-	(155)	(150)	3.3
Net change in fair value of cash flow hedge transferred to the statement of total return ^(iv)	-	-	-	(850)	-	N.M.
Finance costs	(473)	(3,107)	(84.8)	(13,335)	(16,647)	(19.9)
Net finance costs	(363)	(3,011)	(87.9)	(13,118)	(15,923)	(17.6)

(i) This represents a net loss in fair value of an interest rate swap of S\$220 million relating to the period 31 July 2009 to 15 January 2011, which was entered into in the first quarter of 2008. Under the Financial Reporting Standard 39 *Financial Instruments: Recognition and Measurement*, any change in the fair value of this interest rate swap has to be taken to the Statement of Total Return as it does not qualify for hedge accounting. In October 2008, this interest rate swap was terminated and a cumulative net gain of S\$100,000 was recognised in the financial statements for the year ended 31 December 2008.

(ii) The foreign exchange gain for the quarter ended 31 December 2008 mainly relates to the unrealised translation gain on a New Zealand Dollar bank loan, which arose as a result of the depreciation of New Zealand Dollar against Singapore Dollar.

The foreign exchange loss for the year ended 31 December 2008 mainly relates to the following:

- translation loss of S\$8.9 million on a New Zealand Dollar loan extended to a subsidiary for the period from 1 January 2008 to 30 June 2008 due to the depreciation of the New Zealand Dollar against Singapore Dollar. The loan was treated as H-REIT's net investment in the subsidiary with effect from 1 July 2008. Accordingly, the exchange differences on the loan to the subsidiary are recognised in the unitholders' funds from 1 July 2008;
- translation loss on New Zealand Dollar intercompany balances of \$0.8 million; and
- translation gain of S\$6.8 million on a New Zealand Dollar bank loan.

(iii) The decrease in interest paid / payable to banks in the fourth quarter ended 31 December 2008 and year ended 31 December 2008 was mainly due to lower funding costs and lower bank borrowings.

(iv) This relates to the transfer of the net change in fair value of the S\$260 million interest rate swap which expired on 13 January 2008, from the hedging reserve to the Statement of Total Return.

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(g) *The net revaluation deficit on investment properties of S\$123.2 million as at 31 December 2008 comprise a revaluation deficit of S\$121.2 million arising from the Singapore Hotels and Orchard Hotel Shopping Arcade and S\$2.0 million from Rendezvous Hotel Auckland. The Singapore Hotels and Orchard Hotel Shopping Arcade were revalued as at 31 December 2008 by Knight Frank Pte Ltd whilst Rendezvous Hotel Auckland was revalued by DTZ New Zealand Limited MREINZ, both of whom are independent registered valuers. The net revaluation deficit of S\$123.2 million has been recognised in the Statement of Total Return and has no impact on the income available for distribution to holders of Stapled Securities.*

(h) *Net (loss) / income of CDL Hospitality Trusts is contributed by:*

	CDL Hospitality Trusts			
	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000
H-REIT	(118,459)	259,419	(65,738)	356,956
Other H-REIT group entities (including consolidation adjustments)	14,238	193	20,925	(170)
HBT	-	-	(3)	-
	(104,221)	259,612	(44,816)	356,786

(i) *Income tax expense for the year relates to the tax payable on 10% of the taxable income for the period from 1 July 2008 to 31 December 2008 not distributed to the holders of Stapled Securities.*

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(j) *Distribution statement⁽ⁱ⁾*

	H-REIT and CDL Hospitality Trusts			
	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000
Net (loss) / income of H-REIT	(118,459)	259,419	(65,738)	356,956
Add / (Less): Non tax deductible / (tax chargeable) items:				
- Amortisation of transaction costs	57	56	227	227
- Net deficit / (surplus) on revaluation of investment properties ⁽ⁱⁱ⁾	121,193	(239,354)	121,193	(296,246)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	38	38	155	150
- Foreign exchange loss / (gain)	13,291	(224)	26,579	195
- H-REIT Manager's fees paid / payable in Stapled Securities	1,664	1,831	7,373	6,044
- Impairment loss on subsidiary under liquidation	-	749	-	749
- Net change in fair value of cash flow hedge transferred to the statement of total return	-	-	850	-
- Other items	65	255	1,349	649
- Loss on remeasurement of financial derivative	1,145	-	-	-
Income available for distribution to holders of Stapled Securities ⁽ⁱⁱⁱ⁾	18,994	22,770	91,988	68,724
Less :				
Income retained for working capital	(4,044)	-	(4,044)	-
Income to be distributed	14,950	22,770	87,944	68,724
Comprising :				
- Taxable income	13,596	20,705	80,693	63,636
- Tax exempt income	1,354	2,065	7,251	5,088
	14,950	22,770	87,944	68,724

(i) The distribution of CDL Hospitality Trusts represents the aggregate of distributions by H-REIT and HBT. The distribution of CDL Hospitality Trusts for the period is contributed solely by H-REIT as HBT was dormant during the period. Accordingly, only the income available for distribution of H-REIT has been presented.

(ii) The Singapore Hotels and Orchard Hotel Shopping Arcade were revalued as at 31 December 2008 by Knight Frank Pte Ltd, an independent valuer. The valuations gave rise to a revaluation deficit of S\$121.2 million, which has been recognised in the Statement of Total Return of H-REIT. This revaluation deficit has no impact on the income available for distribution to holders of Stapled Securities.

(iii) The income available for distribution of S\$87,944,000 comprises taxable income and tax-exempt income.

100% of the taxable income and tax-exempt income available for distribution for the period from 1 January 2008 to 30 June 2008, amounting to S\$48,658,000, has already been distributed. 90% of the taxable income and all the tax-exempt income for the period from 1 July 2008 to 31 December 2008, amounting to S\$39,286,000 will be distributed on 27 February 2009.

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

Balance Sheets	Footnotes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		Actual 31 Dec 2008 S\$'000	Actual 31 Dec 2007 S\$'000	Actual 31 Dec 2008 S\$'000	Actual 31 Dec 2007 S\$'000
ASSETS					
Non-current assets					
Investment properties	(b)	1,481,184	1,628,809	1,481,184	1,628,809
Rental deposit		76	76	76	76
Total non-current assets		1,481,260	1,628,885	1,481,260	1,628,885
Current assets					
Trade and other receivables		13,565	14,750	13,565	14,750
Cash and cash equivalents		6,728	13,273	7,116	13,661
Total current assets		20,293	28,023	20,681	28,411
Total assets		1,501,553	1,656,908	1,501,941	1,657,296
LIABILITIES					
Non-current liabilities					
Financial liabilities	(c)	-	259,648	-	259,648
Rental deposits	(d)	4,375	4,219	4,375	4,219
		4,375	263,867	4,375	263,867
Current liabilities					
Trade and other payables	(e)	26,185	17,030	26,197	17,039
Financial liabilities	(c)	274,825	31,735	274,825	31,735
Provision for taxation	(f)	19,528	18,800	19,528	18,800
		320,538	67,565	320,550	67,574
Total liabilities		324,913	331,432	324,925	331,441
Net assets		1,176,640	1,325,476	1,177,016	1,325,855
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(g)	1,176,640	1,325,476	1,176,640	1,325,476
Unitholders' funds of HBT		-	-	376	379
		1,176,640	1,325,476	1,177,016	1,325,855

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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 2008 are approximately S\$376,000 (31 December 2007: S\$379,000).*
- (b) *The investment properties were revalued as at 31 December 2008 by Knight Frank Pte Ltd and DTZ New Zealand Limited MREINZ, independent registered valuers, as follows:*

Property	Tenure	Date of valuation	Valuation
Orchard Hotel	75 years from 19 July 2006	31 December 2008	S\$423,000,000
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006	31 December 2008	S\$309,000,000
M Hotel	75 years from 19 July 2006	31 December 2008	S\$227,000,000
Copthorne King's Hotel	99 years from 1 February 1968	31 December 2008	S\$120,000,000
Orchard Hotel Shopping Arcade	75 years from 19 July 2006	31 December 2008	S\$43,000,000
Rendezvous Hotel Auckland	Freehold	31 December 2008	NZ\$112,000,000
Novotel Clarke Quay	97 years & 30 days from 2 April 1980	31 December 2008	S\$266,000,000

The valuations gave rise to a net revaluation deficit of S\$123,221,000 (31 December 2007: revaluation surplus of S\$296,758,000) which has been recognised in the Statement of Total Return. This revaluation deficit 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 2008 is a translation loss of S\$32,297,000 (31 December 2007: translation gain of S\$4,261,000) relating to Rendezvous Hotel Auckland.

- (c) *Financial liabilities comprise borrowings of S\$273,012,000 (31 December 2007: S\$291,302,000) and derivative liability of S\$1,813,000 (31 December 2007: \$81,000). The borrowings, which are stated at amortised cost, were re-classified from non-current liabilities to current liabilities as the entire amount is repayable on 31 July 2009. The derivative liability relates to the fair value on interest rate swap of notional amount of S\$220 million.*
- (d) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (e) *Trade and other payables relates mainly to the loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax, which increased due to additional assessments raised by IRAS in respect of prior years and 2008.*
- (f) *Provision for taxation relates to approximately S\$18.8 million to cover the potential tax liability on the capital gain arising upon the transfer of Novotel Clarke Quay to H-REIT on 7 June 2007 and tax payable on 10% of the taxable income for the period from 1 July 2008 to 31 December 2008 that is not distributed.*
- (g) *The movement in unitholders' funds are set out in Section 1 (d).*

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

		H-REIT Group and CDL Hospitality Trusts	
		Actual 31 Dec 2008 S\$'000	Actual 31 Dec 2007 S\$'000
Amount repayable after one year			
Secured borrowings		-	260,000
Amount repayable within one year			
Secured borrowings	(i)	254,000	-
Unsecured borrowings	(ii)	19,136	31,654
	(iii)	273,136	31,654
Total borrowings		273,136	291,654

Footnotes

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

i. Secured borrowings

Details of borrowings and collateral

H-REIT was granted a S\$220.0 million committed secured term loan facility and a S\$70.0 million committed revolving credit facility by DBS Bank Limited and The Royal Bank of Scotland plc for a 3-year term (the “Facilities”) at a floating interest rate of the Singapore 3-month swap offer rate plus a margin of 0.24% per annum. As at 28 January 2009, S\$42.0 million of the revolving credit facility remains unutilised.

The Facilities are secured on the following:

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

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ii. Unsecured borrowings

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

- *a S\$300.0 million multi-currency unsecured bridging loan facility (the “**DBS Bank Bridging Loan Facility**”) with DBS Bank Limited. The DBS Bank Bridging Loan Facility can be drawn down in multiple tranches and each tranche is to be repaid within a maximum period of one year from each drawn down date.*

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

		H-REIT Group			
Footnotes	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	
Operating activities					
Net (loss) / income	(104,221)	(44,813)	259,612	356,786	
Adjustments for:					
H-REIT Manager's fee paid / payable in Stapled Securities (a)	1,664	7,373	1,831	6,044	
Net finance costs	364	13,121	3,013	15,930	
Impairment losses on trade receivables	5	10	-	(13)	
Net deficit / (surplus) on revaluation of investment properties	123,221	123,221	(239,354)	(296,758)	
Operating income before working capital changes	21,033	98,912	25,102	81,989	
Changes in working capital:					
Trade and other receivables	1,752	832	(3,682)	(8,018)	
Trade and other payables	5,410	7,147	(1,163)	5,269	
Cash generated from operating activities	28,195	106,891	20,257	79,240	
Investing activities					
Net cash outflow on purchase of investment properties (b)	-	-	(438)	(198,348)	
Capital expenditure on investment properties	(1,347)	(5,045)	(234)	(1,328)	
Interest received	9	114	98	767	
Cash flows from investing activities	(1,338)	(4,931)	(574)	(198,909)	
Financing activities					
Repayment of advances by HBT	-	-	121	121	
Proceeds from borrowings (b)	-	59,500	31,420	249,911	
Repayment of interest bearing loans	(20,500)	(71,648)	(44,409)	(349,758)	
Proceeds from issue of Stapled Securities (c)	-	-	-	295,309	
Issue costs paid	-	-	(618)	(4,009)	
Finance costs paid	(2,250)	(9,811)	(3,271)	(16,398)	
Proceeds from termination of interest rate swap	100	100	-	-	
Distribution to holders of Stapled Securities	-	(86,646)	-	(50,911)	
Cash flows from financing activities	(22,650)	(108,505)	(16,757)	124,265	
Net increase / (decrease) in cash and cash equivalents	4,207	(6,545)	2,926	4,596	
Cash and cash equivalents at beginning of the period / year	2,521	13,273	10,347	8,677	
Cash and cash equivalents at end of the period / year	6,728	6,728	13,273	13,273	

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

		CDL Hospitality Trusts			
	Footnotes	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000
Operating activities					
Net (loss) / income		(104,221)	(44,816)	259,612	356,786
Adjustments for:					
H-REIT Manager's fee paid / payable in Stapled Securities	(a)	1,664	7,373	1,831	6,044
Net finance costs		363	13,118	3,011	15,923
Impairment losses on trade receivables		5	10	-	(13)
Net deficit / (surplus) on revaluation of investment properties		123,221	123,221	(239,354)	(296,758)
Operating income before working capital changes		21,032	98,906	25,100	81,982
Changes in working capital:					
Trade and other receivables		1,752	832	(3,560)	(8,018)
Trade and other payables		5,411	7,150	(1,161)	5,272
Cash generated from operating activities		28,195	106,888	20,379	79,236
Investing activities					
Net cash outflow on purchase of investment properties	(b)	-	-	(438)	(198,348)
Capital expenditure on investment properties		(1,347)	(5,045)	(234)	(1,328)
Interest received		10	117	100	774
Cash flows from investing activities		(1,337)	(4,928)	(572)	(198,902)
Financing activities					
Proceeds from borrowings	(b)	-	59,500	31,420	249,911
Repayment of interest bearing loans		(20,500)	(71,648)	(44,409)	(349,758)
Proceeds from issue of Stapled Securities	(c)	-	-	-	295,309
Issue costs paid		-	-	(618)	(4,009)
Finance costs paid		(2,250)	(9,811)	(3,271)	(16,398)
Proceeds from termination of interest rate swap		100	100	-	-
Distribution to holders of Stapled Securities		-	(86,646)	-	(50,911)
Cash flows from financing activities		(22,650)	(108,505)	(16,878)	124,144
Net increase / (decrease) in cash and cash equivalents		4,208	(6,545)	2,929	4,478
Cash and cash equivalents at beginning of the period / year		2,908	13,661	10,732	9,183
Cash and cash equivalents at end of the period / year		7,116	7,116	13,661	13,661

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Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 December 2008

2,410,022 (Quarter ended 31 December 2007: 774,221) Stapled Securities amounting to S\$1,664,000 (Quarter ended 31 December 2007: S\$1,831,000) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in Stapled Securities in respect of the quarter ended 31 December 2008.

Full year from 1 January 2008 to 31 December 2008

6,386,592 (year ended 31 December 2007: 2,641,144) Stapled Securities amounting to S\$7,373,000 (year ended 31 December 2007: S\$6,044,000) were issued or will be issued to the H-REIT Manager as satisfaction of asset management fees payable in Stapled Securities in respect of the year ended 31 December 2008.

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

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

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

	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Actual 1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000
Balance as at beginning of the period / year	376	379	379	379
Net loss after tax	-	-	(3)	-
Balance as at end of the period / year	376	379	376	379

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 October 2008 to 31 December 2008

Footnotes	Unitholders’ funds of H-REIT Group					Stapled Group	
	Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
Balance as at 1 October 2008	891,150	(20,686)	(1,835)	(7,415)	434,424	1,295,638	1,296,014
Operations							
Decrease in net assets resulting from operations	-	-	-	-	(104,949)	(104,949)	(104,949)
Movements in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge	(a) -	-	22	-	-	22	22
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	470	-	470	470
- Exchange differences on monetary items forming part of net investment in a foreign operation	(c) -	-	-	(16,217)	-	(16,217)	(16,217)
Unitholders’ transactions							
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(d) 1,664	-	-	-	-	1,664	1,664
(ii) Issue expenses	-	12	-	-	-	12	12
Increase in net assets resulting from unitholders’ transactions	1,664	12	-	-	-	1,676	1,676
Balance as at 31 December 2008	892,814	(20,674)	(1,813)	(23,162)	329,475	1,176,640	1,177,016

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1 (d)(iii) Statement of movements in unitholders’ funds for the year from 1 January 2008 to 31 December 2008

Footnotes	Unitholders’ funds of H-REIT Group					Stapled Group	
	Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
Balance as at 1 January 2008	885,441	(20,686)	(932)	(9)	461,662	1,325,476	1,325,855
Operations							
Decrease in net assets resulting from operations	-	-	-	-	(45,541)	(45,541)	(45,544)
Movements in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge (a)	-	-	(1,731)	-	-	(1,731)	(1,731)
- Net change in fair value of cash flow hedge transferred to the statement of total return (b)	-	-	850	-	-	850	850
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	574	-	574	574
- Exchange differences on monetary items forming part of net investment in a foreign operation (c)	-	-	-	(23,727)	-	(23,727)	(23,727)
Unitholders’ transactions							
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees (d)	7,373	-	-	-	-	7,373	7,373
(ii) Distribution to holders of Stapled Securities (e)	-	-	-	-	(86,646)	(86,646)	(86,646)
(iii) Issue expenses	-	12	-	-	-	12	12
Decrease in net assets resulting from unitholders’ transactions	7,373	12	-	-	(86,646)	(79,261)	(79,261)
Balance as at 31 December 2008	892,814	(20,674)	(1,813)	(23,162)	329,475	1,176,640	1,177,016

Footnotes

- (a) *The hedging reserve relates to the effective portion of the change in fair value of the interest rate swap entered into to hedge the interest rate risk on S\$220 million of the Facilities, which will expire on 31 July 2009.*
- (b) *This relates to the transfer of the net change in fair value of the S\$260 million interest rate swap which expired on 13 January 2008, from the hedging reserve to the Statement of Total Return.*
- (c) *These represent the exchange differences arising from the translation on the NZD loan between H-REIT and its subsidiary (refer to paragraph 1(a)(f)(ii)).*
- (d) *These represent the Stapled Securities issued and to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.*
- (e) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 19 July 2007 to 31 December 2007 and from 1 January 2008 to 30 June 2008.*

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1 (d)(iv) Statement of movements in unitholders’ funds for the period from 1 October 2007 to 31 December 2007

		Unitholders’ funds of H-REIT Group					Stapled Group
Footnotes	Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
	883,610	(20,550)	(1,484)	(10)	202,050	1,063,616	1,063,995
Operations							
Increase in net assets resulting from operations	-	-	-	-	259,612	259,612	259,612
Movements in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge (a)	-	-	552	-	-	552	552
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	1	-	1	1
Unitholders’ transactions							
(i) Issue of H-REIT units / Stapled Securities (b)	-	-	-	-	-	-	-
(ii) Issue expenses (c)	-	(136)	-	-	-	(136)	(136)
(iii) Stapled Securities to be issued as payment of H-REIT Manager’s management fees (d)	1,831	-	-	-	-	1,831	1,831
Increase in net assets resulting from unitholders’ transactions	1,831	(136)	-	-	-	1,695	1,695
Balance as at 31 December 2007	885,441	(20,686)	(932)	(9)	461,662	1,325,476	1,325,855

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1 (d)(v) Statement of movements in unitholders’ funds for the year from 1 January 2007 to 31 December 2007

Footnotes	Unitholders’ funds of H-REIT Group						Stapled Group
	Units in issue	Issue Expenses	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Total
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
Balance as at 1 January 2007	581,890	(16,677)	(942)	(4)	155,787	720,054	720,433
Operations							
Increase in net assets resulting from operations	-	-	-	-	356,786	356,786	356,786
Movements in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge (a)	-	-	10	-	-	10	10
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(5)	-	(5)	(5)
Unitholders’ transactions							
(i) Issue of H-REIT units / Stapled Securities (b)	295,309	-	-	-	-	295,309	295,309
(ii) Issue expenses (c)	-	(4,009)	-	-	-	(4,009)	(4,009)
(iii) Stapled Securities to be issued - as payment of H-REIT Manager’s management fees (d)	6,044	-	-	-	-	6,044	6,044
- as payment of H-REIT Manager’s acquisition fees (e)	2,198	-	-	-	-	2,198	2,198
(iv) Distribution to holders of Stapled Securities (f)	-	-	-	-	(50,911)	(50,911)	(50,911)
Increase in net assets resulting from unitholders’ transactions	303,551	(4,009)	-	-	(50,911)	248,631	248,631
Balance as at 31 December 2007	885,441	(20,686)	(932)	(9)	461,662	1,325,476	1,325,855

Footnotes

- (a) *The hedging reserve related to the effective part of the change in fair value of the 1.5 year interest rate swap which was entered into on 13 July 2006 to hedge the interest rate risk on S\$260 million of the Facilities. The interest rate swap matured on 13 January 2008.*
- (b) *This represents the H-REIT units/ Stapled Securities issued during the Equity Fund Raising on 19 July 2007.*
- (c) *Issue expenses comprise professional and other fees, underwriting and selling commission and miscellaneous issue expenses in relation to the Equity Fund Raising.*
- (d) *These represent the Stapled Securities issued and to be issued as partial satisfaction of the management fee incurred for the respective quarters. The Stapled Securities are issued within 30 days from quarter end.*
- (e) *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.*
- (f) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 January 2007 to 18 July 2007.*

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

<----- H-REIT Group and CDL Hospitality Trusts ----->				
Foot-notes	Actual 1 Oct 2008 to 31 Dec 2008	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Jan 2008 to 31 Dec 2008	Actual 1 Jan 2007 to 31 Dec 2007
Issued H-REIT units / Stapled Securities at the beginning of the period / year	826,104,237	822,589,781	823,271,875	699,611,419
Issue of new H-REIT units / Stapled Securities ^(a)				
- Equity Fund Raising	-	-	-	120,162,795
- as payment of H-REIT Manager's management fees	1,918,429	682,094	4,750,791	2,580,105
- as payment of H-REIT Manager's acquisition fees	-	-	-	917,556
Issued H-REIT units / Stapled Securities at the end of the period / year	828,022,666	823,271,875	828,022,666	823,271,875
H-REIT units / Stapled Securities to be issued:				
- as payment of H-REIT Manager's management fees	2,410,022	774,221	2,410,022	774,221
- as payment of H-REIT Manager's acquisition fees	85,821	85,821	85,821	85,821
Total issued and issuable H-REIT units / Stapled Securities at the end of the period / year	830,518,509	824,131,917	830,518,509	824,131,917

Footnotes

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

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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 year ended 31 December 2008 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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

Please see the attached review report.

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

Except for the early adoption of the Amendments to FRS 32 and FRS 1 (refer item 5 below), the accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2007.

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

The H-REIT Group and the Stapled Group have voluntarily, ahead of the latest required adoption date, adopted the Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*.

The early adoption of the Amendments to FRS 32 and FRS 1 has resulted in the net assets attributable to unitholders of the H-REIT Group (including the units in issue of H-REIT) being classified as equity instead of a financial liability.

This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the H-REIT Group’s statement of total return.

The early adoption of the Amendments to FRS 32 and FRS 1 has resulted in:

	H-REIT Group and CDL Hospitality Trusts	
	2008	2007
	S\$’000	S\$’000
Decrease in non-current liabilities	(1,176,640)	(1,325,476)
Increase in unitholders’ funds	1,176,640	1,325,476
	-	-

Except for the above change, there are no other changes to the accounting policies and methods of computation adopted by the H-REIT Group and CDL Hospitality Trusts.

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

	Actual 1 Oct 2008 to 31 Dec 2008	Actual 1 Oct 2007 to 31 Dec 2007	Actual 1 Jan 2008 to 31 Dec 2008	Actual 1 Jan 2007 to 31 Dec 2007
Earnings per Stapled Security				
Weighted average number of Stapled Securities	828,134,683	823,366,111	825,900,567	756,435,069
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	(12.67)	31.53	(5.51)	47.17
Distribution per Stapled Security				
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	1.64	2.51	9.75	8.33
- Tax exempt income	0.16	0.25	0.87	0.65
	1.80	2.76	10.62 ⁽¹⁾	8.98

⁽¹⁾ The income to be distributed per Stapled Security for the year ended 31 December 2008 is 10.62 cents, of which 5.89 cents has already been distributed. The balance 4.73 cents will be distributed on 27 February 2009.

Footnotes

(a) The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 December 2008 is 828,134,683. This comprises:

- (i) The weighted average number of Stapled Securities in issue as at 31 December 2008 of 828,022,666;
- (ii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821; and
- (iii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 December 2008 of 26,196.

(b) The weighted average number of Stapled Securities used for computation of EPS for the year ended 31 December 2008 is 825,900,567. This comprises:

- (i) The weighted average number of Stapled Securities in issue as at 31 December 2008 of 825,808,161;
- (ii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821; and
- (iii) Weighted average number of Stapled Securities to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 December 2008 of 6,585.

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- (c) *The computation of actual DPS for the quarter ended 31 December 2008 is based on the number of Stapled Securities entitled to distribution of 830,432,688. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 December 2008 of 828,022,666; 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 2008 of 2,410,022.*

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

	H-REIT Group		CDL Hospitality Trusts	
	Actual 31 Dec 2008	Actual 31 Dec 2007	Actual 31 Dec 2008	Actual 31 Dec 2007
	S\$	S\$	S\$	S\$
Net asset value per H-REIT unit / Stapled Security	1.42	1.61	1.42	1.61

Footnotes

- (a) The actual net asset value per H-REIT unit is computed based on:
- Unitholders’ funds of H-REIT as at 31 December 2008 of S\$1,176,640,000; and
 - The number of issued and issuable H-REIT units of 830,518,509 (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 2008 of S\$1,177,016,000; and
 - The number of issued and issuable Stapled Securities of 830,518,509 (see paragraph 1(e) for details).
- (c) Net asset value of HBT as at 31 December 2008 is S\$376,000 (31 December 2007: S\$379,000). The net asset value per HBT unit is 0.04 cents (31 December 2007: 0.05 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 830,518,509 (31 December 2007: 824,131,917) comprising:
- HBT units in issue as at 31 December 2008 of 828,022,666;
 - HBT units to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 December 2008 of 2,410,022; and
 - HBT units issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of the acquisition of Novotel Clarke Quay of 85,821.

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8 Review of the performance for the quarter ended 31 December 2008

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

	Foot- notes					
	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 31 Dec 2008 ^(a) S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	Increase/ (Decrease) %
Gross revenue	28,144	27,960	0.7	114,659	90,654	26.5
Property tax	(4,605)	(648)	N.M.	(8,366)	(2,564)	N.M.
Insurance	(221)	(25)	N.M.	(881)	(984)	(10.5)
Other property expenses	(1,612)	(359)	N.M.	(2,642)	(1,289)	N.M.
Net property income	21,706	26,928	(19.4)	102,770	85,817	19.8
H-REIT Manager's fees	(2,080)	(2,289)	(9.1)	(9,216)	(7,554)	22.0
H-REIT Trustee's fees	(50)	(48)	4.2	(206)	(179)	15.1
Other trust expenses	(213)	(1,322)	(83.9)	(1,825)	(2,133)	(14.4)
Finance income	110	96	14.6	217	724	(70.0)
Finance costs	(473)	(3,107)	(84.8)	(13,335)	(16,647)	(19.9)
Net finance costs	(363)	(3,011)	(87.9)	(13,118)	(15,923)	(17.6)
Net income before revaluation	19,000	20,258	(6.2)	78,405	60,028	30.6
Net (deficit) / surplus on revaluation of investment properties	(123,221)	239,354	N.M.	(123,221)	296,758	N.M.
Net (loss) / income	(104,221)	259,612	N.M.	(44,816)	356,786	N.M.
Income tax expense	(728)	-	N.M.	(728)	-	N.M.
Total return for the period / year	(104,949)	259,612	N.M.	(45,544)	356,786	N.M.

Footnotes

- (a) *The actual results for the year ended 31 December 2008 include contributions from Novotel Clarke Quay. The actual results last year is not comparable to the current financial year as Novotel Clarke Quay was only acquired on 7 June 2007.*
- (b) *Please refer to footnote (f) under paragraph 1(a).*

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8 (ii) Breakdown of Total Gross Revenue by Property

	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	7,063	6,945	1.7	28,925	24,498	18.1
Grand Copthorne Waterfront Hotel	6,161	5,744	7.3	23,440	19,530	20.0
M Hotel	3,704	3,953	(6.3)	16,066	13,824	16.2
Copthorne King's Hotel	2,484	2,768	(10.3)	10,743	9,591	12.0
Orchard Hotel Shopping Arcade	1,110	951	16.7	4,290	3,681	16.5
Rendezvous Hotel Auckland	1,985	3,112	(36.2)	9,170	9,881	(7.2)
Novotel Clarke Quay	5,637	4,487	25.6	22,025	9,649	N.M.
Total	28,144	27,960	0.7	114,659	90,654	26.5

Footnote

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

8 (iii) Breakdown of Net Property Income by Property

	Actual 1 Oct 2008 to 31 Dec 2008 S\$'000	Actual 1 Oct 2007 to 31 Dec 2007 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 ^(a) S\$'000	Increase/ (Decrease) %
Orchard Hotel	5,474	6,765	(19.1)	26,027	23,420	11.1
Grand Copthorne Waterfront Hotel	5,101	5,621	(9.2)	21,481	18,713	14.8
M Hotel	2,899	3,878	(25.2)	14,365	13,200	8.8
Copthorne King's Hotel	1,843	2,589	(28.8)	9,297	8,772	6.0
Orchard Hotel Shopping Arcade	820	656	25.0	3,182	2,638	20.6
Rendezvous Hotel Auckland	1,986	3,110	(36.1)	9,170	9,881	(7.2)
Novotel Clarke Quay	3,583	4,309	(16.8)	19,248	9,193	N.M.
Total	21,706	26,928	(19.4)	102,770	85,817	19.8

Footnote

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

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8 (iv) Review of the Performance

Fourth Quarter ended 31 December 2008

Gross revenue for 4th Quarter 2008 was S\$28.1 million, an increase of 0.7% over 4th Quarter 2007. Net property income for 4th Quarter 2008 was S\$21.7 million, a reduction of S\$5.2 million or 19.4% over 4th Quarter 2007. The reduction in the reporting quarter’s net property income was mainly due to a one-off increase in property tax expense of about S\$3.2 million arising from higher than expected property tax assessed by IRAS in respect of 2006 and 2007 (for more details, refer to Section 1(a) Note (c)) and other property expenses of S\$1.3 million. The increased property expenses relate mainly to property contribution of S\$1.3 million made by H-REIT to the Management Corporation Strata Title Plan No. 3027 of the Liang Court Complex (the “Complex”) in 4th Quarter 2008, being H-REIT’s share of the repairs and maintenance works in relation to the public areas common to the Complex. This has correspondingly resulted in a lower income available for distribution of S\$19.0 million in 4th Quarter 2008 as compared to S\$22.8 million in 4th Quarter 2007. The income to be distributed to holders of Stapled Securities for 4th Quarter 2008 is 1.80 cents.

The original four hotels owned by H-REIT at its Initial Public Offering on 19 July 2006, being Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King’s Hotel (the “**IPO Hotels**”) achieved a combined total Hotel revenue of S\$63.5 million, comparable to the corresponding quarter last year of S\$63.6 million. Combined Gross Operating Profit for the IPO Hotels for the 4th Quarter 2008 was S\$33.7 million as compared to 4th Quarter 2007 of S\$32.9 million, an improvement of 2.4%. Including Novotel Clarke Quay which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for 4th Quarter 2008 was S\$74.8 million and S\$39.9 million respectively.

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

	IPO Hotels ^(a)			All Singapore Hotels ^(b)		
	Actual 1 Oct 2008 to 31 Dec 2008	Actual 1 Oct 2007 to 31 Dec 2007	Growth	Actual 1 Oct 2008 to 31 Dec 2008	Actual 1 Oct 2007 to 31 Dec 2007	Growth
Average Occupancy Rate	81.8%	88.6%	-6.8pp	83.7%	88.6%	-4.9pp
Average Daily Rate	\$228	\$220	3.6%	\$224	\$216	3.7%
Room Revenue per Available Room (RevPAR)	\$186	\$195	-4.6%	\$188	\$191	-1.6%

Footnotes

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

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

Net property income contributed by the Orchard Hotel Shopping Arcade was S\$0.8 million which exceeded 4th Quarter 2007 by 25.0%. Occupancy increased from 92.2% in 4th Quarter 2007 to 94.9% in 4th Quarter 2008 with an average monthly rental rate of approximately S\$7.41 per sq. ft.

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Full year ended 31 December 2008

Performance for year ended 2008 was robust, with gross revenues of S\$114.7 million and net property income of S\$102.8 million, which exceeded the corresponding year by 26.5% and 19.8% respectively. The strong operating performance was due to both organic growth across the portfolio, and a full year’s contribution from Novotel Clarke Quay.

The income available for distribution of S\$87.9 million exceeded corresponding year of S\$68.7 million by 27.9%. The income to be distributed to holders of Stapled Securities for full year ended 2008 is 10.62 cents, exceeding the corresponding year of 8.98 cents by 18.3%.

The IPO Hotels achieved a combined total Hotel revenue of S\$257.2 million, an improvement of 15.1% over the corresponding period year of S\$223.4 million. Combined Gross Operating Profit for the IPO Hotels was S\$137.2 million as compared to the corresponding year of S\$111.6 million, an improvement of 22.9%. Including Novotel Clarke Quay which was acquired on 7 June 2007, the total Hotel revenue and Gross Operating Profit for the year ended was S\$301.2 million and S\$161.2 million respectively.

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

	IPO Hotels			All Singapore Hotels		
	Actual 1 Jan 2008 to 31 Dec 2008	Actual 1 Jan 2007 to 31 Dec 2007	Growth	Actual 1 Jan 2008 to 31 Dec 2008	Pro Forma 1 Jan 2007 to 31 Dec 2007 ^(a)	Growth
Average Occupancy Rate	84.0%	86.7%	-2.7pp	85.2%	87.3%	-2.1pp
Average Daily Rate	\$249	\$202	23.3%	\$244	\$197	23.9%
Room Revenue per Available Room (RevPAR)	\$209	\$175	19.4%	\$208	\$172	20.9%

Footnote

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

Net property income contributed by the Orchard Hotel Shopping Arcade was \$3.2 million which exceeded corresponding year by 20.6%. Occupancy increased from 91.8% in corresponding year to 94.6% in current year with an average monthly rental rate of approximately S\$7.18 per sq. ft.

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

Not applicable.

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

In view of the weakness of the overall economic climate, 2009 is expected to be a challenging year, especially for consumer-driven sectors like tourism. This has already translated into poor booking visibility in recent months. Due to uncertain demand trends, hotel rates and room occupancies are likely to decline in the short term, with upcoming new hotel supply over the next two years intensifying market competition. According to Knight Frank, new hotel supply comprising of 4,775 rooms is also expected to come into the market by the end of 2009. This figure includes some 2,600 rooms from the Marina Bay Sands Integrated Resort. However, Knight Frank also notes that the Marina Bay Sands Integrated Resort is likely to be completed in phases from late 2009 to 2010.

The earlier Chinese New Year season in January 2009 contributed to a RevPAR decline of approximately 29% compared to January 2008. In addition, the absence of the bi-annual Singapore Airshow event in February 2009 is expected to result in a significantly lower 1st Quarter 2009 operating performance compared to 1st Quarter 2008 which had enjoyed an exceptionally strong growth in RevPAR of 38% compared to the same period in 2007.

In the medium to long term, however, Singapore’s tourism outlook is expected to remain positive, supported by annual world-class/signature events like the Formula One™ Grand Prix as well as a strong line-up of new products and attractions scheduled to come on line by 2010. Among the new developments include the two integrated resorts in Marina Bay and Sentosa (the latter to include Universal Studios), doubling of the cruise capacity over the next two years and the Youth Olympic Games in 2010. Moreover, Singapore continues to draw major international meetings and conferences including the APEC conference in 2009. Voted as the “Top International Meeting City for 2007” by the Union of International Associations in August 2008, Singapore’s strong branding in the international MICE sector and the completion of the new large world-class convention facilities in the two integrated resorts will enhance Singapore’s ability to attract a wide range of international events and conferences to be held in Singapore. In fact, the Singapore Tourism Board, in an article published in November 2008, expressed confidence of a recovery by 2010 at the latest.

As one of the market leaders in Singapore’s hospitality sector, CDL Hospitality Trusts would be able to take advantage of its economies of scale in broadening its revenue base and streamline costs. On the financing front, CDL Hospitality Trusts currently has a healthy balance sheet with a total asset base of S\$1.5 billion, a low gearing of 18.2% and strong operating cash flows of S\$102.8 million for 2008 which translates to an interest cover of 11.1 times. S\$273 million of debt as at 31 December 2008 is due for refinancing in July 2009 and our discussions with bankers on various refinancing options are in progress. More information of the refinancing plan will be made known as soon as the details are finalised.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current period?	Yes
Name of distribution	Distribution for the period from 1 July 2008 to 31 December 2008
i. Distribution type	Taxable income
Distribution rate	4.38 cents per unit
Tax rate	<p><u>Taxable income distribution</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.</p> <p>Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 18%.</p>

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ii.	Distribution type	Tax Exempt income
	Distribution rate	0.35 cents per unit
		Distribution for the period from 1 July 2008 to 31 December 2008
	Tax rate	<u>Tax exempt income distribution</u> These distributions are made of H-REIT's tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

11 (b) Corresponding period of the preceding financial period

	Any distributions declared for the corresponding period of the immediately preceding financial period?	Yes
	Name of distribution	Distribution for the period from 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 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 received 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 18%.

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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.

11 (c) Book closure date

5.00 p.m. on 9 February 2009

11 (d) Date payable

27 February 2009

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)

13(a) Geographical Segments for the year ended 31 December 2008

	Singapore 1 Jan 2008 to 31 Dec 2008 S\$'000	New Zealand 1 Jan 2008 to 31 Dec 2008 S\$'000	Total 1 Jan 2008 to 31 Dec 2008 S\$'000
Gross Revenue	105,489	9,170	114,659
Segment net property income	93,600	9,170	102,770
Finance income			217
Finance costs			(13,335)
Unallocated expenses			(11,247)
Net income before revaluation			78,405
Net deficit on revaluation of investment properties	(121,193)	(2,028)	(123,221)
Net income			(44,816)
Income tax expense			(728)
Total return for the year			(45,544)

Assets and liabilities

Segment assets	1,399,851	94,974	1,494,825
Unallocated assets :			
- Cash and cash equivalents			7,116
Total assets			1,501,941

Segment liabilities	16,270	482	16,752
Unallocated liabilities :			
- Trade and other payables			13,820
- Financial liabilities			274,825
- Provision for taxation			19,528
Total liabilities			324,925

Other segmental information

Investment properties			
- Capital expenditure	7,893	-	7,893
Allowance for doubtful receivables	14	-	14

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2008

13(b) Geographical Segments for the year ended 31 December 2007

	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 costs			(16,647)
Unallocated expenses			(9,866)
Net income before revaluation			60,028
Net surplus on revaluation of investment properties	296,246	512	296,758
Net income			356,786
Income tax expense			-
Total return for the year			356,786

Assets and liabilities

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			13,145
- Financial liabilities			291,383
- Provision for taxation			18,800
Total liabilities			331,441

Other segmental information

Investment properties			
- Capital expenditure	225,854	28	225,882
Allowance for doubtful receivables	4	-	4

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 8(iv) for the review of the actual performance

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2008

15 Breakdown of sales

CDL Hospitality Trusts

	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000	Increase /(Decrease) %
Gross revenue reported for first half year	57,429	38,724	48.3
Total return for first half year	39,248	30,307	29.5
Gross revenue reported for second half year	57,230	51,930	10.2
Total return for second half year	(84,792)	326,479	N.M.

16 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2008

H-REIT Group and CDL Hospitality Trusts

	Actual 1 Jan 2008 to 31 Dec 2008 S\$'000	Actual 1 Jan 2007 to 31 Dec 2007 S\$'000
12 June 2006 to 31 December 2006	-	20,240
1 January 2007 to 18 July 2007	-	30,671
19 July 2007 to 31 December 2007	37,988	-
1 January 2008 to 30 June 2008	48,658	-

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND
H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2008**

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 2009

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 2009



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

30 January 2009

Dear Sirs

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

Introduction

We have reviewed the accompanying consolidated balance sheets and portfolio statements of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts as at 31 December 2008, and the related consolidated statements of total return, distribution statements, statements of movements in unitholders' funds and cash flow statements for the year then ended and certain explanatory notes (collectively, the "Financial Information"). CDL Hospitality Trusts comprises the H-REIT Group and CDL Hospitality Business Trust.

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



Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Information is not presented fairly, in all material respects, in accordance with the provisions of RAP 7 *Reporting Framework for Unit Trusts* relevant to financial information, issued by the Institute of Certified Public Accountants of Singapore.

Restriction on use

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

Yours faithfully

KPMG LLP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
30 January 2009