



CDL HOSPITALITY TRUSTS

**CDL HOSPITALITY TRUSTS
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND
H-REIT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2010**

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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 QUARTER ENDED 31 MARCH 2010

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 March 2010, H-REIT's portfolio with a total of 3,942 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; the Mercure Brisbane, Ibis Brisbane, Novotel Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Australia Hotels**”), hotels well-located in key gateway cities of Brisbane and Perth, Australia; 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 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**”). Distributions, when paid, will be in Singapore Dollars.

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.

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SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	26,605	22,531	18.1
Net property income	24,719	20,551	20.3
Net income	21,413	15,410	39.0
Income available for distribution to holders of Stapled Securities	21,598	18,171	18.9
Less:			
Income retained for working capital	(2,160)	(1,662)	30.0
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	19,438	16,509	17.7
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)			
For the period	2.58	2.18	18.3
Annualised	10.46	8.84	18.3
Annualised distribution yield (%) at closing market price of S\$1.90 as at 29 April 2010	5.51%	4.65%	18.5
Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)			
For the period	2.32	1.97	17.8
Annualised	9.41	7.99	17.8
Annualised distribution yield (%) at closing market price of S\$1.90 as at 29 April 2010	4.95%	4.20%	17.9

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

<u>Statements of Total Return</u>	Foot- notes	H-REIT Group			CDL Hospitality Trusts		
		1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	26,605	22,531	18.1	26,605	22,531	18.1
Property tax		(1,332)	(1,399)	(4.8)	(1,332)	(1,399)	(4.8)
Insurance		(220)	(221)	(0.5)	(220)	(221)	(0.5)
Other property expenses	(b)	(334)	(360)	(7.2)	(334)	(360)	(7.2)
Net property income		24,719	20,551	20.3	24,719	20,551	20.3
H-REIT Manager's fees		(2,271)	(1,950)	16.5	(2,271)	(1,950)	16.5
H-REIT Trustee's fees		(52)	(48)	8.3	(52)	(48)	8.3
Other trust expenses	(c)	(283)	(196)	44.4	(283)	(197)	43.7
Finance income		3,305	11	N.M.	3,305	11	N.M.
Finance costs		(4,005)	(2,957)	35.4	(4,005)	(2,957)	35.4
Net finance costs	(d)	(700)	(2,946)	(76.2)	(700)	(2,946)	(76.2)
Net income	(e)	21,413	15,411	38.9	21,413	15,410	39.0
Income tax expense	(f)	-	(283)	(100.0)	-	(283)	(100.0)
Total return for the period		21,413	15,128	41.5	21,413	15,127	41.6

Footnotes

N.M – Not Meaningful

- (a) *Gross revenue comprises rental income from H-REIT's investment properties. Please refer to paragraph 8(ii). The results for the quarter ended 31 March 2010 includes contributions from the Australia Hotels, which were acquired on 18 February 2010.*
- (b) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade. Expenses were higher for the quarter ended 31 March 2009 as it included an allowance for doubtful debts of S\$33,000.*
- (c) *Other trust expenses comprise mainly professional fees and administrative costs.*

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(d) *Net finance costs comprise the following:*

	H-REIT Group			CDL Hospitality Trusts		
	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	13	11	18.2	13	11	18.2
Exchange gain ⁽ⁱ⁾	3,292	-	N.M.	3,292	-	N.M.
Finance income	3,305	11	N.M.	3,305	11	N.M.
Exchange loss ⁽ⁱⁱ⁾	-	(1,045)	(100.0)	-	(1,045)	(100.0)
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(3,283)	(1,815)	80.9	(3,283)	(1,815)	80.9
Amortisation of transaction costs capitalised ^(iv)	(680)	(57)	N.M.	(680)	(57)	N.M.
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(42)	(40)	5.0	(42)	(40)	5.0
Finance costs	(4,005)	(2,957)	35.4	(4,005)	(2,957)	35.4
Net finance costs	(700)	(2,946)	(76.2)	(700)	(2,946)	(76.2)

- (i) The Australia Hotels, which were acquired on 18 February 2010, were funded by a combination of Australian and Singapore debt. The exchange gain for the quarter ended 31 March 2010 relates mainly to realised gains arising from the conversion of funds borrowed in Singapore dollars to Australian dollars at favorable exchange rates. The exchange gain has no impact on the distribution of CDL Hospitality Trusts.
- (ii) The exchange loss for the quarter ended 31 March 2009 was mainly due to the revaluation loss on a foreign currency bank loan, denominated in New Zealand Dollar. No such foreign currency translation differences were recorded in 1Q 2010 as the New Zealand Dollar loan was fully repaid in July 2009.
- (iii) Interest paid/payable to banks in the quarter ended 31 March 2010 increased mainly due to higher funding costs and the additional loan drawn down to finance the acquisition of the Australia Hotels.
- (iv) Higher amortisation of transaction costs was recorded in 1Q 2010 following the re-financing of the S\$350 million secured term loan and revolving credit facility in April 2009.

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

	CDL Hospitality Trusts		
	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
H-REIT	22,208	19,988	11.1
Other H-REIT group entities (including consolidation adjustments)	(795)	(4,577)	(82.6)
HBT	-	(1)	(100.0)
	21,413	15,410	39.0

(f) *Income tax expense for the quarter ended 31 March 2009 relates to the tax payable on 10% of the taxable income for the period from 1 January 2009 to 31 March 2009 that had not been distributed to holders of Stapled Securities.*

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

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000
Net income of H-REIT	22,208	19,988
Add / (Less): Non tax deductible / (tax chargeable) items:		
- Amortisation of transaction costs	680	57
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	42	40
- Exchange gain	(3,309)	(3,557)
- H-REIT Manager's fees paid / payable in Stapled Securities	1,816	1,560
- Other items	161	83
Income available for distribution to holders of Stapled Securities (before deducting income retained for working capital)	21,598	18,171
Less :		
Income retained for working capital	(2,160)	(1,662)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital) ⁽ⁱⁱ⁾	19,438	16,509
Comprising :		
- Taxable income	17,709	14,967
- Tax exempt income	1,729	1,542
	19,438	16,509

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- (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 total distributable income for the quarter ended 31 March 2010 of S\$19,438,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$2,160,000 for working capital purposes) for the period from 1 January 2010 to 31 March 2010.

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

	Foot- notes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
		S\$'000	S\$'000	S\$'000	S\$'000
Balance Sheets					
ASSETS					
Non-current assets					
Investment properties	(b)	1,741,691	1,501,615	1,741,691	1,501,615
Rental deposit		76	76	76	76
		1,741,767	1,501,691	1,741,767	1,501,691
Current assets					
Trade and other receivables		15,600	14,157	15,600	14,157
Cash and cash equivalents		11,620	5,293	12,008	5,681
		27,220	19,450	27,608	19,838
Total assets		1,768,987	1,521,141	1,769,375	1,521,529
LIABILITIES					
Non-current liabilities					
Financial liabilities	(c)	306,342	284,662	306,342	284,662
Rental deposits	(d)	4,578	4,536	4,578	4,536
		310,920	289,198	310,920	289,198
Current liabilities					
Financial liabilities	(c)	234,270	-	234,270	-
Trade and other payables	(e)	22,941	14,905	22,945	14,909
Provision for taxation	(f)	19,528	19,528	19,528	19,528
		276,739	34,433	276,743	34,437
Total liabilities		587,659	323,631	587,663	323,635
Net assets		1,181,328	1,197,510	1,181,712	1,197,894
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(g)	1,181,328	1,197,510	1,181,328	1,197,510
Unitholders' funds of HBT		-	-	384	384
		1,181,328	1,197,510	1,181,712	1,197,894

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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 March 2010 are approximately S\$384,000 (31 December 2009: S\$384,000).*
- (b) *On 18 February 2010, the H-REIT Group acquired Mercure Brisbane, Ibis Brisbane, Novotel Brisbane, Ibis Perth and Mercure Perth (collectively, the “Australia Hotels”) for a cash consideration of S\$222,163,000 (A\$175,000,000). The total acquisition costs of S\$16,040,000 (A\$12,635,000) included an acquisition fee payable to the H-REIT Manager of S\$2,222,000 (A\$1,750,000).*
- (c) *Financial liabilities comprise bank borrowings of S\$540,612,000 (31 December 2009: S\$284,662,000), including S\$234,270,000 loans drawn down to fund the acquisition of the Australia Hotels, as explained under Note (b) above and page 12 of the Announcement.*
- (d) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (e) *Trade and other payables relates mainly to loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (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 accrued on the portion of the taxable income 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	
Footnotes		31 Mar 2010	31 Dec 2009
		S\$'000	S\$'000
Amount repayable after one year			
Secured borrowings	(i)	312,000	291,000
		312,000	291,000
Amount repayable within one year			
Unsecured borrowings	(ii)	234,270	-
		234,270	-
Total borrowings		546,270	291,000

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\$270.0 million committed secured term loan facility and a S\$80.0 million committed revolving credit facility by DBS Bank Limited for a 3-year term (the “Facilities”) at a floating interest rate of the Singapore 3-month swap offer rate plus a margin of 2.6% per annum.

The Facilities are secured on the following:

- A first legal mortgage on the Singapore investment properties;
- 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;
- An assignment of H-REIT’s rights, title and interests in the guarantee provided in relation to the lease agreement of 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;
- 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; 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.

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ii. Unsecured borrowings

*H-REIT has in place a S\$300.0 million uncommitted multi-currency unsecured bridging loan facility (the “**DBS Bank Bridging Loan Facility**”) with DBS Bank Limited to fund acquisitions, capital expenditure and working capital requirements.*

The DBS Bank Bridging Loan Facility can be drawn down in multiple tranches and is to be repaid within a maximum period of one year from the drawn down date or one year from the first drawn down date (where the amount is drawn in multiple tranches).

As at the balance sheet date, approximately S\$234.3 million (comprising S\$116.3 million and A\$92.2 million) was drawn down under this facility to finance the acquisition of the Australia Hotels.

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1 (c) Cash flow statements

Foot- notes	H-REIT Group		CDL Hospitality Trusts	
	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000
Operating activities				
Net income	21,413	15,411	21,413	15,410
Adjustments for:				
H-REIT Manager’s fee paid/payable in Stapled Securities	(a) 1,816	1,560	1,816	1,560
Net finance costs	700	2,946	700	2,946
Operating income before working capital changes	23,929	19,917	23,929	19,916
Changes in working capital:				
Trade and other receivables	1,567	69	1,567	69
Trade and other payables	1,770	(2,054)	1,770	(2,053)
Cash generated from operating activities	27,266	17,932	27,266	17,932
Investing activities				
Cash outflow from acquisition of investment properties	(b) (233,338)	-	(233,338)	-
Capital expenditure on investment properties	(558)	(380)	(558)	(380)
Interest received	5	11	5	11
Cash flows from investing activities	(233,891)	(369)	(233,891)	(369)
Financing activities				
Proceeds from bank loans	(b) 265,867	29,000	265,867	29,000
Repayment of bank loans	(11,500)	(6,000)	(11,500)	(6,000)
Finance costs paid	(1,963)	(1,886)	(1,963)	(1,886)
Distribution to holders of Stapled Securities	(39,452)	(39,279)	(39,452)	(39,279)
Cash flows from financing activities	212,952	(18,165)	212,952	(18,165)
Net increase/(decrease) in cash and cash equivalents	6,327	(602)	6,327	(602)
Cash and cash equivalents at beginning of the period	5,293	6,728	5,681	7,116
Cash and cash equivalents at end of the period	11,620	6,126	12,008	6,514

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Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 March 2010

1,031,219 (Quarter ended 31 March 2009: 3,134,636) Stapled Securities amounting to S\$1,816,000 (Quarter ended 31 March 2009: S\$1,560,000) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 31 March 2010 on 30 April 2010.

(b) *For explanation on the significant movements in the cashflow, please refer to Footnote (c) on page 10 and page 12 of the Announcement.*

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

	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000
Balance as at beginning of the period	384	376
Net loss after tax	-	(1)
Balance as at end of the period	384	375

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CDL HOSPITALITY BUSINESS TRUST (“HBT”)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2010

1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 January 2010 to 31 March 2010

Foot-notes	Unitholders’ funds of H-REIT Group					Stapled Group
	Units in issue S\$’000	Issue Expenses S\$’000	Foreign Currency Translation Reserve S\$’000	Accumulated Profits S\$’000	Total S\$’000	Total S\$’000
Balance as at 1 January 2010	899,270	(20,674)	(5,097)	324,011	1,197,510	1,197,894
Operations						
Increase in net assets resulting from operations	-	-	-	21,413	21,413	21,413
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	20	-	20	20
- Exchange differences on hedge of net investment in a foreign operation	-	-	(902)	-	(902)	(902)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	923	-	923	923
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	1,816	-	-	-	1,816	1,816
(ii) Distribution to holders of Stapled Securities	-	-	-	(39,452)	(39,452)	(39,452)
Increase in net assets resulting from unitholders’ transactions	1,816	-	-	(39,452)	(37,636)	(37,636)
Balance as at 31 March 2010	901,086	(20,674)	(5,056)	305,972	1,181,328	1,181,712

Footnotes

- (a) For the quarter ended 31 March 2010, 1,031,219 Stapled Securities are to be issued to H-REIT Manager as partial satisfaction of the management fee.
- (b) Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2009 to 31 December 2009.

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1 (d)(iii) Statement of movements in unitholders’ funds for the period from 1 January 2009 to 31 March 2009

Foot- notes	Unitholders' funds of H-REIT Group					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
Balance as at 1 January 2009	892,814	(20,674)	(1,813)	(23,162)	329,475	1,176,640	1,177,016
Operations							
Increase in net assets resulting from operations	-	-	-	-	15,128	15,128	15,127
Movement in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge (a)	-	-	994	-	-	994	994
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(121)	-	(121)	(121)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	4,609	-	4,609	4,609
Unitholders' transactions							
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager's management fees (b)	1,560	-	-	-	-	1,560	1,560
(ii) Distribution to holders of Stapled Securities (c)	-	-	-	-	(39,279)	(39,279)	(39,279)
Decrease in net assets resulting from unitholders' transactions	1,560	-	-	-	(39,279)	(37,719)	(37,719)
Balance as at 31 March 2009	894,374	(20,674)	(819)	(18,674)	305,324	1,159,531	1,159,906

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\$220.0 million of the Facilities, which expired on 31 July 2009.*
- (b) *For the quarter ended 31 March 2009, 3,134,636 Stapled Securities were issued to H-REIT Manager as partial satisfaction of the management fee.*
- (c) *Distribution to holders of Stapled Securities related to the distribution made in respect of the period from 1 July 2008 to 31 December 2008.*

**CDL HOSPITALITY TRUSTS
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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2010

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

		H-REIT Group and <----- CDL Hospitality Trusts ----->	
Foot-notes		1 Jan 2010 to 31 Mar 2010	1 Jan 2009 to 31 Mar 2009
Issued H-REIT units / Stapled Securities at the beginning of the period		836,575,110	828,022,666
Issue of new H-REIT units / Stapled Securities ^(a)			
- as payment of H-REIT Manager's management fees		1,033,858	2,410,022
Issued H-REIT units / Stapled Securities at the end of the period		837,608,968	830,432,688
H-REIT units/ Stapled Securities to be issued:			
- as payment of H-REIT Manager's management fees		1,031,219	3,134,636
- as payment of H-REIT Manager's acquisition fees		85,821	85,821
Total issued and issuable H-REIT units / Stapled Securities at the end of the period		838,726,008	833,653,145

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 materialise.*

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 three months ended 31 March 2010 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.

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CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)
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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 31 MARCH 2010

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2009.

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

There has been no change in the accounting policies and methods of computation adopted by the H-REIT Group and CDL Hospitality Trusts.

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

	1 Jan 2010 to 31 Mar 2010	1 Jan 2009 to 31 Mar 2009
Weighted average number of Stapled Securities	837,706,247 ^(a)	830,553,338
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)		
- basic and diluted	2.56	1.82
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	2.11	1.79
- Tax exempt income	0.21	0.18
	2.32 ^(b)	1.97

Footnotes

(a) The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 March 2010 is 837,706,247. This comprises:

- (i) The weighted average number of Stapled Securities in issue as at 31 March 2010 of 837,608,968;
- (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 March 2010 of 11,458.

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- (b) *The computation of DPS for the quarter ended 31 March 2010 is based on the number of Stapled Securities entitled to distribution of 838,640,187. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 March 2010 of 837,608,968; 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 March 2010 of 1,031,219.*

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	
	31 Mar 2010 S\$	31 Dec 2009 S\$	31 Mar 2010 S\$	31 Dec 2009 S\$
Net asset value per H-REIT unit / Stapled Security	1.41 ^(a)	1.43	1.41 ^(b)	1.43

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 March 2010 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,181,328,000; and*
 - *The number of issued and issuable H-REIT units of 838,726,008 (31 December 2009: 837,694,789) (see paragraph 1(e) for details).*
- (b) *The net asset value per Stapled Security as at 31 March 2010 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 March 2010 of S\$1,181,712,000; and*
 - *The number of issued and issuable Stapled Securities of 838,726,008 (31 December 2009: 837,694,789) (see paragraph 1(e) for details).*
- (c) *Net asset value of HBT as at 31 March 2010 is S\$384,000 (31 December 2009: S\$384,000). The net asset value per HBT unit is 0.05 cents (31 December 2009: 0.04 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 838,726,008 (31 December 2009: 837,694,789) comprising:*
- *HBT units in issue as at 31 March 2010 of 837,608,968 (31 December 2009: 836,575,110);*
 - *HBT units to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 March 2010 of 1,031,219 (31 December 2009: 1,033,858); 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 (31 December 2009: 85,821).*

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8 Review of the performance for the quarter ended 31 March 2010

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

	Foot-notes	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Gross revenue		26,605	22,531	18.1
Property tax		(1,332)	(1,399)	(4.8)
Insurance		(220)	(221)	(0.5)
Other property expenses		(334)	(360)	(7.2)
Net property income		24,719	20,551	20.3
H-REIT Manager's fees		(2,271)	(1,950)	16.5
H-REIT Trustee's fees		(52)	(48)	8.3
Other trust expenses		(283)	(197)	43.7
Finance income		3,305	11	N.M.
Finance costs		(4,005)	(2,957)	35.4
Net finance costs	(a)	(700)	(2,946)	(76.2)
Net income		21,413	15,410	39.0
Income tax expense	(a)	-	(283)	(100.0)
Total return for the period		21,413	15,127	41.6

Footnotes

(a) Please refer to footnote (d) for net finance costs and footnote (f) for income tax expense under paragraph 1(a).

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8 (ii) Breakdown of Total Gross Revenue by Property

	Footnotes	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Orchard Hotel		6,415	5,530	16.0
Grand Copthorne Waterfront Hotel		4,722	4,596	2.7
M Hotel		3,459	2,959	16.9
Copthorne King's Hotel		2,189	1,855	18.0
Orchard Hotel Shopping Arcade		1,098	1,108	(0.9)
Rendezvous Hotel Auckland		2,150	1,862	15.5
Novotel Clarke Quay		4,598	4,621	(0.5)
Ibis Brisbane	(a)	234	-	N.M.
Mercure Brisbane	(a)	352	-	N.M.
Novotel Brisbane	(a)	713	-	N.M.
Ibis Perth	(a)	267	-	N.M.
Mercure Perth	(a)	408	-	N.M.
Total		26,605	22,531	18.1

Footnotes

(a) No prior period comparatives are presented as the Australia Hotels were acquired on 18 February 2010.

8 (iii) Breakdown of Net Property Income by Property

	Footnotes	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2009 to 31 Mar 2009 S\$'000	Increase/ (Decrease) %
Orchard Hotel		5,939	5,064	17.3
Grand Copthorne Waterfront Hotel		4,357	4,249	2.5
M Hotel		3,197	2,655	20.4
Copthorne King's Hotel		1,962	1,563	25.5
Orchard Hotel Shopping Arcade		825	816	1.1
Rendezvous Hotel Auckland		2,150	1,862	15.5
Novotel Clarke Quay		4,315	4,342	(0.6)
Ibis Brisbane	(a)	234	-	N.M.
Mercure Brisbane	(a)	352	-	N.M.
Novotel Brisbane	(a)	713	-	N.M.
Ibis Perth	(a)	267	-	N.M.
Mercure Perth	(a)	408	-	N.M.
Total		24,719	20,551	20.3

Footnotes

(a) No prior period comparatives are presented as the Australia Hotels were acquired on 18 February 2010.

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8 (iv) Review of the Performance

First Quarter ended 31 March 2010

Gross revenue of S\$26.6 million for 1Q 2010 exceeded that of 1Q 2009 by S\$4.1 million or 18.1%. The recovery was due to improved hospitality performance across the portfolio and contribution from the recently acquired Australia Hotels, which accounted for approximately S\$2.0 million of the gross revenue increase. Revpar for the Singapore Hotels increased by 15.8% to S\$174 in 1Q 2010. Fuelled by increased visitor arrivals, the return of events such as the bi-annual Singapore Airshow in February 2010 and the International Furniture Fair in March 2010, occupancy for the reporting quarter surged by 9.5 percentage points to 84.3% in 1Q 2010. Net property income correspondingly improved by S\$4.2 million or 20.3% to S\$24.7 million in 1Q 2010.

The total return for the quarter was boosted by lower net finance costs, which reduced by S\$2.2 million or 76.2% over 1Q 2009. This was mainly due to a realised foreign exchange gain of S\$3.3 million, arising from the conversion of Singapore borrowings (which were drawn down to partially fund the purchase of the Australia Hotels) into Australian Dollars at favorable exchange rates. This gain was partially offset by higher interest costs of S\$1.5 million, which increased due to higher funding costs and additional borrowings drawn down to finance the acquisition of the Australia Hotels in 1Q 2010.

The income available for distribution before deducting income retained for working capital of S\$21.6 million in 1Q 2010 exceeded 1Q 2009 of S\$18.2 million by 18.9%. In line with the improved operating results, the income available for distribution per Stapled Security for 1Q 2010, after deducting the income retained for working capital was 2.32 cents, a 17.8% growth over the 1.97 cents recorded in the corresponding quarter last year. This represents an annualised distribution yield (after deducting the income retained for working capital) of 4.95%, based on the closing price of S\$1.90 per unit as at 29 April 2010.

Overall, the Singapore Hotels achieved a combined Hotel revenue of S\$64.9 million, an improvement of 10.3% as compared to the corresponding quarter last year of S\$58.8 million. Gross operating profit in 1Q 2010 was S\$32.9 million, 12.7% higher than the S\$29.2 million recorded in the same period last year.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the Singapore Hotels are set out below:

	1 Jan 2010 to 31 Mar 2010	1 Jan 2009 to 31 Mar 2009	Increase
Average Occupancy Rate	84.3%	74.8%	9.5pp
Average Daily Rate	S\$207	S\$201	3.0%
Room Revenue per Available Room (RevPAR)	S\$174	S\$150	15.8%

Net property income contributed by the Orchard Hotel Shopping Arcade for 1Q 2010 was maintained at S\$0.8 million. Average occupancy was 81.5% in Q1 2010 with an average monthly rental rate of approximately S\$7.64 per sq. ft.

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

Not applicable.

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

Since the acquisition, the Group’s Australian Hotels have performed broadly in line with expectations, buttressed by the strength in the Australian economy which is experiencing a significant boost from the robust demand for natural resources.

Overall, the performance of CDLHT is underpinned by the largely stable lease rents from its overseas properties, while the performance of the Singapore Hotels contributes approximately 98% of the total portfolio variable rent.

The outlook for the Singapore hospitality sector has improved significantly since December 2009. With the recovery of the global economy and the soft opening of the Resorts World Sentosa Integrated Resort in February 2010, Singapore saw the fourth consecutive month of record high visitor arrivals since December 2009. In particular, visitor numbers from neighbouring countries of Indonesia and Malaysia registered year-on-year growth in excess of 40%. The Singapore Tourism Board recently forecasted that it expects 11.5 – 12.5 million visitors to Singapore in 2010, a 19% - 29% increase from 2009. The structural boost in business and leisure demand, augmented by the healthier economic outlook and opening of the Integrated Resorts, is expected to lead to increased visitor arrivals and extended lengths of stay in Singapore.

In terms of new supply to the Singapore market in 2010, Horwath HTL estimated that there will be an additional 5,823 new rooms, representing 17.1% of the existing number of gazetted rooms in 2009. About 3,028 of these new rooms are already operational, including 1,350 rooms from Resorts World Sentosa and 963 rooms from The Marina Bay Sands Integrated Resort, which opened partially on 27 April 2010. The increase in hotel room supply in Singapore is testament to operators’ confidence in the prospects of the Singapore hospitality market.

In light of improved economic and tourism conditions, occupancies of CDLHT Singapore Hotels in 1Q 2010 remained robust at a high of 84.3%, significantly exceeding occupancy of 74.8% for 1Q 2009, and matching previous 1Q peaks since the inception of CDLHT in 2006. The strong demand also led to Average Daily Rates rebounding year-on-year for the first time. As a result, 1Q 2010 marked the first reversion to growth in year-on-year RevPAR since 2009, recording a 15.8% increase compared to the same period a year ago.

Riding on this trend of growth, CDLHT’s strong performance in 1Q 2010 has continued into the second quarter, with April registering year-on-year RevPAR increase of approximately 38% for the Singapore Hotels. Barring unforeseen circumstances, Average Room Rates are expected to continue registering healthy increases compared to last year, as the rate adjustment process continues and yield management is actively pursued.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?

No

11 (b) Corresponding period of the preceding financial period

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

No

11 (c) Book closure date

Not applicable

11 (d) Date payable

Not applicable

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

Not applicable

13 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, on behalf of the directors of M&C REIT Management Limited (as Manager of CDL Hospitality Real Estate Investment Trust) (“**H-REIT Manager**”) and M&C Business Trust Management Limited (as Trustee-Manager of CDL Hospitality Business Trust) (“**HBT Trustee-Manager**”), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of H-REIT Manager and HBT Trustee-Manager which may render the unaudited financial results of CDL Hospitality Trusts for the quarter ended 31 March 2010 to be false or misleading in any material respect.

On behalf of the Board of Directors

WONG HONG REN
Chairman

YEO WEE ENG VINCENT
Chief Executive Officer

30 April 2010

**CDL HOSPITALITY TRUSTS
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Disclaimer

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

By Order of the Board

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

30 April 2010

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 April 2010



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 April 2010

Dear Sirs

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

Introduction

We have reviewed the accompanying consolidated balance sheets and portfolio statements of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts as at 31 March 2010, and the related consolidated statements of total return, statements of movements in unitholders' funds and cash flow statements for the three-month period then ended and certain explanatory notes (the Interim Financial Information). CDL Hospitality Trusts comprise 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 fair presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



Scope of review

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

Conclusion

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

Restriction on use

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

Yours faithfully

KPMG LLP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
30 April 2010