



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 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 YEAR ENDED 31 DECEMBER 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, the Second Supplemental Deed dated 26 March 2010 and the Third Supplemental Deed dated 20 July 2010 (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 Appendix (Appendix 2 of 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 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 Board at its sole discretion.

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H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2010

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	33,330	26,148	27.5	122,282	91,757	33.3
Net property income	31,492	24,734	27.3	115,068	85,921	33.9
Net income before revaluation	25,525	19,205	32.9	86,905	65,584	32.5
Income available for distribution to holders of Stapled Securities	28,011	21,660	29.3	100,653	75,841	32.7
(Less)/Add:						
Income retained for working capital	(1,401)	-	N.M.	(8,665)	(4,091)	N.M.
Distribution of income retained in previous quarter	-	788	N.M.	-	-	-
Income to be distributed to holders of Stapled Securities	26,610	22,448	18.5	91,988	71,750	28.2
Income available for distribution per Stapled Security (cents)						
For the period/year	2.92	2.58	13.2	11.18	9.05	23.5
Annualised	11.58	10.24	13.1	11.18	9.05	23.5
Annualised distribution yield (%) at closing market price of S\$2.09 as at 25 January 2011	5.54%	4.90%	13.1	5.35%	4.33%	23.6
Income to be distributed per Stapled Security (cents)						
For the period/year	2.78	2.67	4.1	10.20	8.57	19.0
Annualised	11.03	10.59	4.2	10.20	8.57	19.0
Annualised distribution yield (%) at closing market price of S\$2.09 as at 25 January 2011	5.28%	5.07%	4.1	4.88%	4.10%	19.0

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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					
		1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	33,330	26,148	27.5	122,282	91,757	33.3
Property tax	(b)	(1,238)	(882)	40.4	(4,830)	(3,516)	37.4
Insurance		(209)	(229)	(8.7)	(854)	(883)	(3.3)
Other property expenses	(c)	(391)	(303)	29.0	(1,530)	(1,437)	6.5
Net property income		31,492	24,734	27.3	115,068	85,921	33.9
H-REIT Manager's fees		(2,729)	(2,194)	24.4	(10,158)	(8,070)	25.9
H-REIT Trustee's fees		(56)	(50)	12.0	(217)	(196)	10.7
Other expenses	(d)	(342)	(114)	N.M.	(1,225)	(588)	N.M.
Finance income		445	4	N.M.	3,962	22	N.M.
Finance costs		(3,285)	(3,174)	3.5	(20,524)	(11,513)	78.3
Net finance costs	(e)	(2,840)	(3,170)	(10.4)	(16,562)	(11,491)	44.1
Net income before revaluation		25,525	19,206	32.9	86,906	65,576	32.5
Net surplus on revaluation of investment properties	(f)	32,403	489	N.M.	51,391	489	N.M.
Net income	(g)	57,928	19,695	N.M.	138,297	66,065	N.M.
Income tax expense	(h)	(1,964)	830	N.M.	(2,445)	-	N.M.
Total return for the period/year		55,964	20,525	N.M.	135,852	66,065	N.M.

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CDL Hospitality Trusts							
<u>Statements of Total Return</u>	Foot- notes	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	33,330	26,148	27.5	122,282	91,757	33.3
Property tax	(b)	(1,238)	(882)	40.4	(4,830)	(3,516)	37.4
Insurance		(209)	(229)	(8.7)	(854)	(883)	(3.3)
Other property expenses	(c)	(391)	(303)	29.0	(1,530)	(1,437)	6.5
Net property income		31,492	24,734	27.3	115,068	85,921	33.9
H-REIT Manager's fees		(2,729)	(2,194)	24.4	(10,158)	(8,070)	25.9
H-REIT Trustee's fees		(56)	(50)	12.0	(217)	(196)	10.7
Other expenses	(d)	(342)	(115)	N.M.	(1,226)	(580)	N.M.
Finance income		445	4	N.M.	3,962	22	N.M.
Finance costs		(3,285)	(3,174)	3.5	(20,524)	(11,513)	78.3
Net finance costs	(e)	(2,840)	(3,170)	(10.4)	(16,562)	(11,491)	44.1
Net income before revaluation		25,525	19,205	32.9	86,905	65,584	32.5
Net surplus on revaluation of investment properties	(f)	32,403	489	N.M.	51,391	489	N.M.
Net income	(g)	57,928	19,694	N.M.	138,296	66,073	N.M.
Income tax expense	(h)	(1,964)	830	N.M.	(2,445)	-	N.M.
Total return for the period/year		55,964	20,524	N.M.	135,851	66,073	N.M.

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Footnotes

N.M. – Not Meaningful

- (a) *Gross revenue comprises rental income from H-REIT’s investment properties. Please refer to Section 8(ii), page 27 of the Announcement. The results for the fourth quarter ended 31 December 2010 and full year ended 31 December 2010 include contributions from the Australia Hotels, which were acquired on 18 February 2010.*
- (b) *A one-off 40% property tax rebate amounting to S\$2.1 million was granted by the Inland Revenue of Singapore (“IRAS”) in the year ended 31 December 2009.*
- (c) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade, including impairment losses on trade receivables of S\$45,000 (31 December 2009: S\$113,000) and higher repair and maintenance expense for 2010.*
- (d) *Other expenses comprise mainly professional fees and administrative costs.*
- (e) *Net finance costs comprise the following:*

	H-REIT Group					
	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Interest income received / receivable	74	4	N.M.	186	22	N.M.
Exchange gain ⁽ⁱ⁾	371	-	N.M.	3,776	-	N.M.
Finance income	445	4	N.M.	3,962	22	N.M.
Exchange loss ⁽ⁱⁱ⁾	-	(50)	N.M.	-	(2,271)	N.M.
Interest paid/ payable to banks ⁽ⁱⁱⁱ⁾	(3,195)	(2,400)	33.1	(13,959)	(7,809)	78.8
Amortisation of transaction costs capitalised ^(iv)	(48)	(684)	N.M.	(6,398)	(1,272)	N.M.
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(42)	(40)	5.0	(167)	(161)	3.7
Finance costs	(3,285)	(3,174)	3.5	(20,524)	(11,513)	78.3
Net finance costs	(2,840)	(3,170)	(10.4)	(16,562)	(11,491)	44.1

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CDL Hospitality Trusts

	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Interest income received / receivable	74	4	N.M.	186	22	N.M.
Exchange gain ⁽ⁱ⁾	371	-	N.M.	3,776	-	N.M.
Finance income	445	4	N.M.	3,962	22	N.M.
Exchange loss ⁽ⁱⁱ⁾	-	(50)	N.M.	-	(2,271)	N.M.
Interest paid/ payable to banks ⁽ⁱⁱⁱ⁾	(3,195)	(2,400)	33.1	(13,959)	(7,809)	78.8
Amortisation of transaction costs capitalised ^(iv)	(48)	(684)	N.M.	(6,398)	(1,272)	N.M.
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(42)	(40)	5.0	(167)	(161)	3.7
Finance costs	(3,285)	(3,174)	3.5	(20,524)	(11,513)	78.3
Net finance costs	(2,840)	(3,170)	(10.4)	(16,562)	(11,491)	44.1

- (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 year ended 31 December 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 distributions of CDL Hospitality Trusts.
- (ii) The exchange loss recognised for the year ended 31 December 2009 was mainly due to revaluation loss on a foreign currency bank loan, denominated in New Zealand Dollar. No such foreign currency translation differences were recorded for the year ended 31 December 2010 as the New Zealand Dollar loan was fully repaid in July 2009.
- (iii) Interest paid/payable to banks for the year ended 31 December 2010 increased mainly due to higher funding costs and additional interest expense incurred on borrowings relating to the acquisition of the Australia Hotels.
- (iv) The increase in amortisation is mainly due to the recognition of the remaining unamortised transaction costs of about S\$4.9 million incurred on the S\$350.0 million secured term loan and revolving credit facilities, following the repayment and subsequent cancellation of these facilities in August 2010. The amortisation cost expenses have no impact on the income available for distribution to holders of Stapled Securities.

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(f) *Net surplus on revaluation of investment properties comprise the following:*

		H-REIT Group and CDL Hospitality Trusts			
Foot- notes		1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
	Fair value adjustment	-	-	18,988	-
	Surplus on revaluation of investment properties	32,403	489	32,403	489
		32,403	489	51,391	489

Footnotes

(i) *On acquisition of Novotel Clarke Quay in 2007, the H-REIT Group had recognised acquisition costs (included as part of investment properties) of approximately S\$18.9 million, mainly relating to the potential tax liability that could have arisen on this acquisition. Following the finalisation of the tax assessment for the relevant year, this amount is no longer required and is reflected in the current year as a fair value adjustment in the Statement of Total Return. This adjustment has no impact on the distribution of CDL Hospitality Trusts.*

(ii) *Details on the surplus on revaluation of investment properties is set out under Footnote (b) on page 12 of the Announcement.*

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

		CDL Hospitality Trusts			
		1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
	H-REIT	64,355	18,813	144,033	86,631
	Other H-REIT group entities (including consolidation adjustments)	(6,427)	882	(5,736)	(20,566)
	HBT	-	(1)	(1)	8
		57,928	19,694	138,296	66,073

(h) *This relates to current and deferred tax in respect of the Australia properties.*

		H-REIT Group and CDL Hospitality Trusts			
		1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
	Corporate income tax	(131)	830	(468)	-
	Deferred tax from tax losses, capital allowance and revaluation on investment properties	(1,829)	-	(1,967)	-
	Others	(4)	-	(10)	-
		(1,964)	830	(2,445)	-

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

	H-REIT Group and CDL Hospitality Trusts			
	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
Net income of H-REIT	64,355	18,813	144,033	86,631
Add / (Less): Non tax deductible / (tax chargeable) items:				
- Amortisation of transaction costs	48	684	6,398	1,272
- Net surplus on revaluation of investment properties ⁽ⁱⁱ⁾	(36,225)	(2,323)	(55,213)	(2,323)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	42	40	167	161
- Exchange (gain) / loss	(2,543)	2,589	(3,482)	(16,660)
- H-REIT Manager's fees paid / payable in Stapled Securities	2,183	1,755	8,126	6,456
- Other items	151	102	624	304
Income available for distribution to holders of Stapled Securities	28,011	21,660	100,653	75,841
(Less) / Add :				
Income retained for working capital	(1,401)	-	(8,665)	(4,091)
Distribution of income retained in previous quarters ⁽ⁱⁱⁱ⁾	-	788	-	-
Income to be distributed to holders of Stapled Securities ^(iv)	26,610	22,448	91,988	71,750
Comprising :				
- Taxable income	23,096	24,497	82,188	68,408
- Tax exempt income	3,514	(2,049)	9,800	3,342
	26,610	22,448	91,988	71,750

- (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 2010 by CB Richard Ellis (Pte) Ltd, an independent valuer. The valuations gave rise to a revaluation surplus of S\$36.2 million, which has been recognised in the Statement of Total Return of H-REIT. This revaluation surplus has no impact on the income available for distribution to holders of Stapled Securities.
- (iii) In December 2009, IRAS clarified that H-REIT is only required to distribute 90% of its taxable income in order to enjoy tax transparency. Accordingly, in December 2009, H-REIT decided to retain 100% of the tax exempt income of S\$4.1 million for the period from 1 July 2009 to 31 December 2009 and release for distribution S\$4.9 million of its taxable income which was retained in previous quarters. This resulted in a net additional distribution of S\$788,000 for 4Q 2009.
- (iv) The total distributable income for the year ended 31 December 2010 of S\$91,988,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$8,665,000 for working capital purposes) for the period from 1 January 2010 to 31 December 2010. Of this amount, distribution income of S\$41,009,505 relating to the half year ended 30 June 2010 has already been distributed on 27 August 2010.

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

	Footnotes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		31 Dec 2010 S\$'000	31 Dec 2009 S\$'000	31 Dec 2010 S\$'000	31 Dec 2009 S\$'000
Balance Sheets					
ASSETS					
Non-current assets					
Investment properties	(b)	1,787,098	1,501,615	1,787,098	1,501,615
Rental deposit		76	76	76	76
		1,787,174	1,501,691	1,787,174	1,501,691
Current assets					
Trade and other receivables		14,972	14,157	14,972	14,157
Cash and cash equivalents	(c)	67,376	5,293	67,760	5,681
		82,348	19,450	82,732	19,838
Total assets		1,869,522	1,521,141	1,869,906	1,521,529
LIABILITIES					
Non-current liabilities					
Financial liabilities	(d)	381,118	284,662	381,118	284,662
Rental deposits	(e)	4,703	4,536	4,703	4,536
Deferred tax liabilities		2,042	-	2,042	-
		387,863	289,198	387,863	289,198
Current liabilities					
Trade and other payables	(f)	20,609	14,905	20,610	14,909
Provision for taxation	(g)	1,195	19,528	1,195	19,528
		21,804	34,433	21,805	34,437
Total liabilities		409,667	323,631	409,668	323,635
Net assets		1,459,855	1,197,510	1,460,238	1,197,894
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(h)	1,459,855	1,197,510	1,459,855	1,197,510
Unitholders' funds of HBT		-	-	383	384
		1,459,855	1,197,510	1,460,238	1,197,894

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

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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 2010 are approximately S\$383,000 (31 December 2009: S\$384,000).*
- (b) *The increase in investment properties was attributed to the acquisition of five Australia hotels in first quarter of 2010 and the recognition of surplus from the revaluation of H-REIT Group investment properties at the end of the financial year. The details are as follows:*
- (i) *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 paid to the H-REIT Manager of S\$2,222,000 (A\$1,750,000).*
- (ii) *The investment properties were valued as at 31 December 2010 by CB Richard Ellis (Pte) Ltd, CB Richard Ellis Pty Ltd and Bower Valuations Limited, independent registered valuers, as follows:*

Property	Tenure	Date of valuation	Valuation
Orchard Hotel	75 years from 19 July 2006	31 December 2010	S\$429,000,000
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006	31 December 2010	S\$322,000,000
M Hotel	75 years from 19 July 2006	31 December 2010	S\$229,000,000
Copthorne King’s Hotel	99 years from 1 February 1968	31 December 2010	S\$125,000,000
Orchard Hotel Shopping Arcade	75 years from 19 July 2006	31 December 2010	S\$54,300,000
Rendezvous Hotel Auckland	Freehold	31 December 2010	NZ\$100,400,000
Novotel Clarke Quay	97 years & 30 days from 2 April 1980	31 December 2010	S\$276,000,000
Novotel Brisbane	Freehold	31 December 2010	A\$68,800,000
Mercure and Ibis Brisbane	Freehold	31 December 2010	A\$57,700,000
Mercure Perth	Freehold	31 December 2010	A\$41,400,000
Ibis Perth	Freehold	31 December 2010	A\$24,200,000

The valuations gave rise to a net revaluation surplus of S\$32,403,000 (31 December 2009: revaluation surplus of S\$489,000) which has been recognised in the Statement of Total Return. This revaluation surplus has no impact on the taxable income or income available for distribution to holders of Stapled Securities.

Included in investment properties as at 31 December 2010 is a net translation loss of S\$923,000 (31 December 2009: translation gain of S\$18,266,000 relating to Rendezvous Hotel Auckland) relating to Rendezvous Hotel Auckland and Australia Hotels.

- (c) *Cash and cash equivalents comprise mainly rental income from H-REIT’s investment properties, which are reserved for distribution to unitholders at the next Scheduled Distribution.*
- (d) *Financial liabilities of S\$381,118,000 (31 December 2009: S\$284,662,000) comprise S\$260.0 million notes issued pursuant to the Medium Term Note Programme and approximately S\$117.0 million drawn down from the DBS Bank and Standard Chartered Bank committed bilateral multi-currency Revolving Credit Facility, as explained under Footnote (ii) and Footnote (iii) on page 13 and 14 of the Announcement respectively.*
- (e) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*
- (f) *Trade and other payables relates mainly to loan interest payable, rental deposits of Orchard Hotel Shopping Arcade and accrual for property tax.*
- (g) *The 31 December 2009 balance sheet includes a provision for taxation amounting 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. Following the finalisation of the tax assessment for the relevant year, this amount is no longer required and is reflected as a fair value adjustment in the Statement of Total Return.*
- (h) *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

		H-REIT Group and CDL Hospitality Trusts	
		31 Dec 2010	31 Dec 2009
		S\$'000	S\$'000
Amount repayable after one year			
Secured borrowings	(i)	-	291,000
Unsecured medium term notes	(ii)	260,000	-
Unsecured borrowings	(iii)	122,651	-
Total borrowings		382,651	291,000

Footnotes

i. Secured borrowings

In 2009, H-REIT was granted 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”).

In 2010, the above Facilities were fully re-financed through a combination of net proceeds from a S\$200.0 million private placement and the issuance of S\$260.0 million medium term notes. For further details on the proportion of private placement and medium term notes issued to fund the repayment, please refer to Footnote (ii) and Footnote (iii) on pages 13 and 14 of the Announcement respectively.

Following the full repayment of the Facilities, the existing security created over Orchard Hotel, Orchard Hotel Shopping Arcade, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel and Novotel Clarke Quay to secure such borrowings were fully discharged and the Facilities were accordingly cancelled.

ii. Unsecured medium term notes

On 23 July 2010, H-REIT, through a newly incorporated wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “Issuer”), established a S\$1.0 billion Multi-currency Medium Term Note Programme (the “Programme”).

On 19 August 2010, the Issuer issued S\$260.0 million medium term notes, the proceeds of which were on-lent to H-REIT.

For further details on the Programme and issuance of the notes, please refer to the announcements released on the SGXNET on 23 July 2010 and 19 August 2010.

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iii. Unsecured borrowings

H-REIT has in place the following unsecured facilities:

- (i) *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.*

In February 2010, approximately S\$234.3 million comprising S\$116.3 million and A\$93.2 million was drawn down under this facility to finance the acquisition of the Australia hotels.

On 1 July 2010, H-REIT fully repaid S\$116.3 million of the Singapore dollar portion of the bridging loan facility through net proceeds raised from the private placement. The remaining A\$93.2 million (or S\$122.7 million as at 31 December 2010) was re-financed through a fresh S\$200.0 million committed bilateral multi-currency Revolving Credit Facility. For further details on this facility, please refer to the footnote below.

As at balance sheet date, no amount was drawn down under this facility.

- (ii) *On 17 December 2010, H-REIT secured a S\$100.0 million committed bilateral multi-currency Revolving Credit Facility from DBS Bank Limited and Standard Chartered Bank each (collectively S\$200.0 million) for a 3-year term (the “RCF Facility”).*

As at 31 December 2010, approximately S\$77.3 million of the RCF Facility remains unutilised.

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

		H-REIT Group			
Foot- notes	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	
Operating activities					
	57,928	138,297	19,695	66,065	
Net income					
Adjustments for:					
	2,183	8,126	1,755	6,456	
(a)	2,840	16,562	3,170	11,491	
H-REIT Manager's fee paid / payable in Stapled Securities					
Net finance costs					
Net surplus on revaluation of investment properties	(32,403)	(51,391)	(489)	(489)	
Operating income before working capital changes					
	30,548	111,594	24,131	83,523	
Changes in working capital:					
	(1,195)	(1,661)	(2,645)	(646)	
Trade and other receivables					
Trade and other payables	3,371	6,332	(1,042)	(7,235)	
Cash generated from operating activities					
	32,724	116,265	20,444	75,642	
Investing activities					
	-	(237,894)	-	-	
(b)	(2,394)	(6,682)	(2,602)	(4,434)	
Cash outflow from acquisition of investment properties					
Capital expenditure on investment properties					
Interest received	74	186	5	23	
Cash flows from investing activities					
	(2,320)	(244,390)	(2,597)	(4,411)	
Financing activities					
	-	(15)	-	-	
	(1,693)	(12,410)	(2,475)	(9,102)	
(c),(d)	117,068	384,204	-	341,500	
(c),(d)	(117,100)	(556,913)	(16,000)	(326,055)	
(d)	-	260,000	-	-	
Fixed deposit pledged to bank					
Finance costs paid					
Proceeds from bank loans					
Repayment of bank loans					
Proceeds from medium term notes					
Payment of transaction costs related to borrowings	(650)	(992)	(153)	(7,480)	
Proceeds from issue of units / stapled securities	-	200,001	-	-	
(d)	-	(3,221)	-	-	
Payment of issue expenses					
Distribution to holders of Stapled Securities	-	(80,461)	-	(71,529)	
Cash flows from financing activities					
	(2,375)	190,193	(18,628)	(72,666)	
Net increase/(decrease) in cash and cash equivalents					
	28,029	62,068	(781)	(1,435)	
Cash and cash equivalents at beginning of the period/year					
	39,332	5,293	6,074	6,728	
Cash and cash equivalents at end of the period/year					
	67,361	67,361	5,293	5,293	

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

		CDL Hospitality Trusts			
Foot- notes		1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
Operating activities					
	Net income	57,928	138,296	19,694	66,073
	Adjustments for:				
	H-REIT Manager's fee paid / payable in Stapled Securities	(a) 2,183	8,126	1,755	6,456
	Net finance costs	2,840	16,562	3,170	11,491
	Net surplus on revaluation of investment properties	(32,403)	(51,391)	(489)	(489)
	Operating income before working capital changes	30,548	111,593	24,130	83,531
	Changes in working capital:				
	Trade and other receivables	(1,195)	(1,661)	(2,645)	(646)
	Trade and other payables	3,371	6,329	(1,041)	(7,243)
	Cash generated from operating activities	32,724	116,261	20,444	75,642
Investing activities					
	Cash outflow from acquisition of investment properties	(b) -	(237,894)	-	-
	Capital expenditure on investment properties	(2,394)	(6,682)	(2,602)	(4,434)
	Interest received	74	186	5	23
	Cash flows from investing activities	(2,320)	(244,390)	(2,597)	(4,411)
Financing activities					
	Fixed deposit pledged to bank	-	(15)	-	-
	Finance costs paid	(1,693)	(12,410)	(2,475)	(9,102)
	Proceeds from bank loans	(c),(d) 117,068	384,204	-	341,500
	Repayment of bank loans	(c),(d) (117,100)	(556,913)	(16,000)	(326,055)
	Proceeds from medium term notes	(d) -	260,000	-	-
	Payment of transaction costs related to bank loans	(650)	(992)	(153)	(7,480)
	Proceeds from issue of units / stapled securities	(d) -	200,001	-	-
	Payment of issue expenses	-	(3,221)	-	-
	Distribution to holders of Stapled Securities	-	(80,461)	-	(71,529)
	Cash flows from financing activities	(2,375)	190,193	(18,628)	(72,666)
	Net increase/(decrease) in cash and cash equivalents	28,029	62,064	(781)	(1,435)
	Cash and cash equivalents at beginning of the period/year	39,716	5,681	6,462	7,116
	Cash and cash equivalents at end of the period/year	67,745	67,745	5,681	5,681

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	H-REIT Group		CDL Hospitality Trusts	
	31 Dec 2010 S\$'000	31 Dec 2009 S\$'000	31 Dec 2010 S\$'000	31 Dec 2009 S\$'000
Cash and cash equivalents in consolidated balance sheets	67,376	5,293	67,760	5,681
Fixed deposit pledged to a financial institution	(15)	-	(15)	-
Cash and cash equivalents in consolidated statements of cash flows	67,361	5,293	67,745	5,681

Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 December 2010

1,049,280 (Quarter ended 31 December 2009: 1,033,858) Stapled Securities amounting to S\$2,183,000 (Quarter ended 31 December 2009: S\$1,755,000) will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the quarter ended 31 December 2010 on 26 January 2011.

Full year from 1 January 2010 to 31 December 2010

4,199,109 (year ended 31 December 2009: 7,176,280) Stapled Securities amounting to S\$8,126,000 (year ended 31 December 2009: S\$6,456,000) were issued or will be issued to the H-REIT Manager as satisfaction of asset management fees payable in units in respect of the year ended 31 December 2010.

- (b) *This relates to H-REIT's acquisition of the Australian Properties on 18 February 2010, which was initially funded by the DBS Bank Bridging Loan Facility.*
- (c) *In December 2010, A\$93.2 million was drawn down from the RCF Facility to fully repay the remaining amount under the DBS Bank Bridging Loan Facility. For further details, please refer to Footnote (iii) on page 14 of the Announcement.*
- (d) *During 2010, H-REIT raised funds through the issuance of S\$260.0 million medium term notes, a S\$200.0 million private placement and utilised A\$93.2 million from the new RCF Facility. These funds were mainly utilised to fully re-finance the DBS Bank Bridging Loan Facility and the Facilities. For further details, please refer to Footnote (ii) and (iii) on pages 13 and 14 of the Announcement.*

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

	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
Balance as at beginning of the period/year	383	385	384	376
Net (loss) / profit after tax	-	(1)	(1)	8
Balance as at end of the period/year	383	384	383	384

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 October 2010 to 31 December 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 October 2010	1,105,026	(24,695)	(7,141)	323,438	1,396,628	1,397,011
Operations						
Increase in net assets resulting from operations	-	-	-	55,964	55,964	55,964
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	2,707	-	2,707	2,707
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	5,914	-	5,914	5,914
- Exchange differences on hedge of net investment in a foreign operation	-	-	(3,541)	-	(3,541)	(3,541)
Unitholders' transactions						
- Stapled Securities to be issued as payment of H-REIT Manager's management fees (a)	2,183	-	-	-	2,183	2,183
Increase in net assets resulting from unitholders' transactions	2,183	-	-	-	2,183	2,183
Balance as at 31 December 2010	1,107,209	(24,695)	(2,061)	379,402	1,459,855	1,460,238

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1 (d)(iii) Statement of movements in unitholders’ funds for the period from 1 January 2010 to 31 December 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	-	-	-	135,852	135,852	135,851
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	3,171	-	3,171	3,171
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	4,226	-	4,226	4,226
- Exchange differences on hedge of net investment in a foreign operation	-	-	(4,361)	-	(4,361)	(4,361)
Unitholders’ transactions						
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees	(a) 8,126	-	-	-	8,126	8,126
(ii) Distribution to holders of Stapled Securities	(b) -	-	-	(80,461)	(80,461)	(80,461)
(iii) Reversal of units / Stapled Securities to be issued as payment of H-REIT Manager’s acquisition fees no longer required	(188)	-	-	-	(188)	(188)
(iv) Private placement units / Stapled Securities	(c) 200,001	-	-	-	200,001	200,001
(v) Issue expenses	-	(4,021)	-	-	(4,021)	(4,021)
Increase in net assets resulting from unitholders’ transactions	207,939	(4,021)	-	(80,461)	123,457	123,457
Balance as at 31 December 2010	1,107,209	(24,695)	(2,061)	379,402	1,459,855	1,460,238

Footnotes

- (a) *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.*
- (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 and from 1 January 2010 to 30 June 2010.*
- (c) *CDL Hospitality Trust issued 116,960,000 of new stapled securities (“New Stapled Securities”) on 1 July 2010 at an issue price of S\$1.71 per New Stapled Security by way of a private placement (the “Private Placement”).*

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Gross proceeds from the Private Placement of approximately S\$200.0 million was utilised in the following manner:

- (i) S\$116.3 million was used to fully repay the Singapore dollar portion of the bridging facility which was used to finance the acquisition of properties located in Australia comprising Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth; and
- (ii) S\$80.2 million was used to prepay part of the Facilities.

The balance of the gross proceeds from the Private Placement was used to pay fees and expenses incurred in connection with the Private Placement.

1 (d)(iv) Statement of movements in unitholders’ funds for the period from 1 October 2009 to 31 December 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 October 2009	897,515	(20,674)	-	(2,280)	303,486	1,178,047	1,178,432
Operations							
Increase in net assets resulting from operations	-	-	-	-	20,525	20,525	20,524
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(86)	-	(86)	(86)
- Exchange differences on a monetary item forming part of net investment in a foreign operation	(b) -	-	-	(2,731)	-	(2,731)	(2,731)
Unitholders’ transactions							
- Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(c) 1,755	-	-	-	-	1,755	1,755
Increase in net assets resulting from unitholders’ transactions	1,755	-	-	-	-	1,755	1,755
Balance as at 31 December 2009	899,270	(20,674)	-	(5,097)	324,011	1,197,510	1,197,894

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1 (d)(v) Statement of movements in unitholders’ funds for the period from 1 January 2009 to 31 December 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	-	-	-	-	66,065	66,065	66,073
Movement in hedging reserve:							
- Effective portion of change in fair value of cash flow hedge (a)	-	-	1,813	-	-	1,813	1,813
Movements in foreign currency translation reserve:							
- Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(655)	-	(655)	(655)
- Exchange differences on a monetary item forming part of net investment in a foreign operation (b)	-	-	-	18,720	-	18,720	18,720
Unitholders’ transactions							
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees (c)	6,456	-	-	-	-	6,456	6,456
(ii) Distribution to holders of Stapled Securities (d)	-	-	-	-	(71,529)	(71,529)	(71,529)
Decrease in net assets resulting from unitholders’ transactions	6,456	-	-	-	(71,529)	(65,073)	(65,073)
Balance as at 31 December 2009	899,270	(20,674)	-	(5,097)	324,011	1,197,510	1,197,894

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) *These represent the exchange differences arising from the translation on the NZD loan between H-REIT and its subsidiary. The loan is treated as H-REIT’s net investment in the subsidiary with effect from 1 July 2008. Accordingly, the exchange differences on the loan to subsidiary are recognised in the unitholders’ funds in the consolidated financial statements from 1 July 2008.*
- (c) *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.*
- (d) *Distribution to holders of Stapled Securities relates to the distribution made in respect of the period from 1 July 2008 to 31 December 2008 and from 1 January 2009 to 30 June 2009.*

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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	1 Oct 2010 to 31 Dec 2010	1 Oct 2009 to 31 Dec 2009	1 Jan 2010 to 31 Dec 2010	1 Jan 2009 to 31 Dec 2009
Issued H-REIT units/Stapled Securities at the beginning of the period/year	956,730,951	835,477,638	836,575,110	828,022,666
Issue of new H-REIT units/ Stapled Securities ^(a)				
- equity fund raising through the private placement	-	-	116,960,000	-
- as payment of H-REIT Manager’s management fees	987,846	1,097,472	4,183,687	8,552,444
Issued H-REIT units/Stapled Securities at the end of the period/year	957,718,797	836,575,110	957,718,797	836,575,110
H-REIT units/Stapled Securities to be issued:				
- as payment of H-REIT Manager’s management fees	1,049,280	1,033,858	1,049,280	1,033,858
- 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/year	958,768,077	837,694,789	958,768,077	837,694,789

Footnotes

- (a) Each Stapled Security comprises one H-REIT unit and one HBT unit.
- (b) CDL Hospitality Trusts issued 116,960,000 of new stapled securities (“New Stapled Securities”) at S\$1.71 per Stapled Security. The proceeds were used to partially repay the H-REIT Group’s borrowings (see Section 1(b)(ii) on page 13 and page 14 of the Announcement) on 1 July 2010. For further details on the private placement and on the use of proceeds, please refer to the announcement released on the SGXNET on 1 July 2010.
- (c) These represent the H-REIT units/Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters.
- (d) Following the finalisation of the income tax affairs (see Footnote (f) on page 9 of the Announcement) the H-REIT manager’s fee of 85,821 units payable on acquisition of Novotel Clarke Quay was written back.

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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 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.

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.

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

	1 Oct 2010 to 31 Dec 2010	1 Oct 2009 to 31 Dec 2009	1 Jan 2010 to 31 Dec 2010	1 Jan 2009 to 31 Dec 2009
Weighted average number of Stapled Securities	957,730,202 ^(a)	836,672,168	898,241,051 ^(b)	834,139,511
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	5.84	2.45	15.12	7.92
Distribution per Stapled Security for the period/year based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.41	2.92	9.12	8.17
- Tax exempt income	0.37	(0.25)	1.08	0.40
	2.78 ^(c)	2.67	10.20	8.57

Footnotes

- (a) The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 December 2010 is 957,730,202. This comprises:
- (i) The weighted average number of Stapled Securities in issue as at 31 December 2010 of 957,718,797; and
 - (ii) 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 2010 of 11,405.
- (b) The weighted average number of Stapled Securities used for computation of EPS for the year ended from 1 January 2010 to 31 December 2010 is 898,241,051. This comprises:
- (i) The weighted average number of Stapled Securities in issue as at 31 December 2010 of 898,238,176; and
 - (ii) 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 2010 of 2,875.

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- (c) *The computation of DPS for the quarter ended 31 December 2010 is based on the number of Stapled Securities entitled to distribution of 958,768,077. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 December 2010 of 957,718,797; 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 2010 of 1,049,280.*

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 Dec 2010 S\$	31 Dec 2009 S\$	31 Dec 2010 S\$	31 Dec 2009 S\$
Net asset value per H-REIT unit / Stapled Security	1.52 ^(a)	1.43	1.52 ^(b)	1.43

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 December 2010 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,459,855,000; and*
 - *The number of issued and issuable H-REIT units of 958,768,077 (31 December 2009: 837,694,789) (see Section 1(e) on page 22 for details).*
- (b) *The net asset value per Stapled Security as at 31 December 2010 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 December 2010 of S\$1,460,238,000; and*
 - *The number of issued and issuable Stapled Securities of 958,768,077 (31 December 2009: 837,694,789) (see Section 1(e) on page 22 for details).*
- (c) *Net asset value of HBT as at 31 December 2010 is S\$383,000 (31 December 2009: S\$384,000). The net asset value per HBT unit is 0.04 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 958,768,077 (31 December 2009: 837,694,789) comprising:*
- *HBT units in issue as at 31 December 2010 of 957,718,797 (31 December 2009: 836,575,110); and*
 - *HBT units to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 December 2010 of 1,049,280 (31 December 2009: 1,033,858).*

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

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

	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Gross revenue	33,330	26,148	27.5	122,282	91,757	33.3
Property tax	(1,238)	(882)	40.4	(4,830)	(3,516)	37.4
Insurance	(209)	(229)	(8.7)	(854)	(883)	(3.3)
Other property expenses	(391)	(303)	29.0	(1,530)	(1,437)	6.5
Net property income	31,492	24,734	27.3	115,068	85,921	33.9
H-REIT Manager's fees	(2,729)	(2,194)	24.4	(10,158)	(8,070)	25.9
H-REIT Trustee's fees	(56)	(50)	12.0	(217)	(196)	10.7
Other trust expenses	(342)	(115)	N.M.	(1,226)	(580)	N.M.
Finance income	445	4	N.M.	3,962	22	N.M.
Finance costs	(3,285)	(3,174)	3.5	(20,524)	(11,513)	78.3
Net finance costs	(2,840)	(3,170)	(10.4)	(16,562)	(11,491)	44.1
Net income before revaluation	25,525	19,205	32.9	86,905	65,584	32.5
Net surplus on revaluation of investment properties	32,403	489	N.M.	51,391	489	N.M.
Net income	57,928	19,694	N.M.	138,296	66,073	N.M.
Income tax expense	(1,964)	830	N.M.	(2,445)	-	N.M.
Total return for the period/year	55,964	20,524	N.M.	135,851	66,073	N.M.

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8 (ii) Breakdown of Total Gross Revenue by Property

	Foot- notes	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Orchard Hotel		7,102	6,307	12.6	26,731	22,014	21.4
Grand Copthorne Waterfront Hotel		6,132	5,273	16.3	21,838	18,124	20.5
M Hotel		4,169	3,520	18.4	15,484	12,159	27.3
Copthorne King's Hotel		2,394	2,065	15.9	9,261	7,439	24.5
Orchard Hotel Shopping Arcade		1,278	1,060	20.6	4,699	4,269	10.1
Rendezvous Hotel Auckland		2,202	2,266	(2.8)	8,599	8,347	3.0
Novotel Clarke Quay		5,668	5,657	0.2	20,626	19,405	6.3
Ibis Brisbane	(a)	521	-	N.M.	1,792	-	N.M.
Mercure Brisbane	(a)	781	-	N.M.	2,672	-	N.M.
Novotel Brisbane	(a)	1,584	-	N.M.	5,436	-	N.M.
Ibis Perth	(a)	594	-	N.M.	2,038	-	N.M.
Mercure Perth	(a)	905	-	N.M.	3,106	-	N.M.
Total		33,330	26,148	27.5	122,282	91,757	33.3

Footnote

(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

	Foot- notes	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Oct 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Orchard Hotel		6,689	5,973	11.9	25,087	20,746	20.9
Grand Copthorne Waterfront Hotel		5,806	5,028	15.5	20,544	17,152	19.8
M Hotel		3,902	3,361	16.1	14,449	11,362	27.2
Copthorne King's Hotel		2,152	1,853	16.1	8,346	6,519	28.0
Orchard Hotel Shopping Arcade		943	848	11.2	3,407	3,202	6.4
Rendezvous Hotel Auckland		2,202	2,266	(2.8)	8,599	8,347	3.0
Novotel Clarke Quay		5,413	5,405	0.1	19,592	18,593	5.4
Ibis Brisbane	(a)	521	-	N.M.	1,792	-	N.M.
Mercure Brisbane	(a)	781	-	N.M.	2,672	-	N.M.
Novotel Brisbane	(a)	1,584	-	N.M.	5,436	-	N.M.
Ibis Perth	(a)	594	-	N.M.	2,038	-	N.M.
Mercure Perth	(a)	905	-	N.M.	3,106	-	N.M.
Total		31,492	24,734	27.32	115,068	85,921	33.9

Footnote

(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

Fourth Quarter ended 31 December 2010

Gross revenue of S\$33.3 million for 4Q 2010 exceeded that of 4Q 2009 by S\$7.2 million or 27.5%. The recovery was due to improved hospitality performance in Singapore and contribution from the Australia Hotels acquired in 1Q 2010, which accounted for approximately S\$4.4 million of the gross revenue increase. RevPAR for the Singapore Hotels increased by 20.6% to S\$194 in 4Q 2010. Net property income correspondingly improved by S\$6.8 million or 27.3% to S\$31.5 million during the reporting quarter.

The Group revalued its investment properties as at 31 December 2010 and recorded a net revaluation surplus of S\$32.4 million in 4Q 2010. This is an improvement compared to the revaluation surplus of S\$0.5 million recorded on its investment properties in 4Q 2009.

The total income available for distribution (before deducting income retained for working capital) of S\$28.0 million in 4Q 2010 exceeded 4Q 2009 by S\$6.4 million or 29.3%. In line with the improved operating results, the income available for distribution per Stapled Security for 4Q 2010 (after deducting the income retained for working capital) was 2.78 cents, a 4.1% growth over the 2.67 cents recorded in the corresponding quarter last year.

For the reporting quarter, the Singapore Hotels achieved a combined Hotel revenue of S\$76.0 million, an improvement of 14.0% over the previous corresponding quarter of S\$66.7 million. Gross operating profit in 4Q 2010 was S\$39.3 million, 15.4% higher than the S\$34.1 million recorded in 4Q 2009.

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

	1 Oct 2010 to 31 Dec 2010	1 Oct 2009 to 31 Dec 2009	Increase
Average Occupancy Rate	90.0%	88.9%	1.1pp
Average Daily Rate	S\$215	S\$181	19.0%
Room Revenue per Available Room (RevPAR)	S\$194	S\$161	20.6%

Net property income contributed by the Orchard Hotel Shopping Arcade for 4Q 2010 was S\$0.9 million. Average occupancy was 96.5% in 4Q 2010 with an average monthly rental rate of about S\$6.89 per sq. ft.

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Full year ended 31 December 2010

Performance for FY 2010 was robust with gross revenues of S\$122.3 million and net property income of S\$115.1 million, which exceeded the corresponding year by 33.3% and 33.9% respectively. The strong operating performance was due to both organic growth across the Singapore portfolio, and contribution from the Australia Hotels acquired in 1Q 2010 which accounted for approximately S\$15.0 million of the gross revenue increase. Fuelled by twelve straight months of record high monthly visitor arrivals to Singapore from December 2009 to November 2010, occupancy for the reporting year surged by 7.2 percentage points to 88.6% in FY 2010. Bolstered by higher average room rates which increased by 17.5% to S\$215 in FY 2010, RevPAR for the Singapore Hotels rose steadily to S\$191, a 28.0% increase over the previous year.

Net finance costs, which increased by S\$5.1 million over last year, comprise mainly interest costs and amortisation of transaction costs capitalised. Interest costs were higher in 2010 mainly due to higher funding costs, additional interest expense incurred on loan drawn down to finance the acquisition of the Australia hotels and higher amortisation expense. Amortisation costs in the current reporting year increased due to the recognition of the remaining unamortised transaction costs of about S\$6.4 million following the repayment and subsequent cancellation of the Facilities in August 2010.

The net income for H-REIT Group for FY 2010 was S\$138.3 million, an increase of S\$72.2 million over last year. The improvement was mainly due to higher net income (before revaluation) achieved during the year and the recognition of a net revaluation surplus of S\$51.4 million on its investment properties as at 31 December 2010, of which S\$18.9 million relates to one-time adjustment referred to on page 9, Footnote (f) of this Announcement.

The income available for distribution (before deducting income retained for working capital) of S\$100.6 million in FY 2010 exceeded S\$75.8 million in FY 2009 by S\$24.8 million, or 32.7%. In line with the improved operating results, the income available for distribution per Stapled Security for FY 2010 (after deducting the income retained for working capital) was 10.20 cents, a 19.0% growth over the 8.57 cents recorded in the corresponding year.

Overall, the Singapore Hotels achieved a combined Hotel revenue of S\$281.4 million, an improvement of 19.1% as compared to the corresponding year of S\$236.3 million. Gross operating profit in 2010 was S\$146.8 million, 23.8% higher than the S\$118.6 million recorded 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 Dec 2010	1 Jan 2009 to 31 Dec 2009	Increase
Average Occupancy Rate	88.6%	81.4%	7.2 pp
Average Daily Rate	S\$215	S\$183	17.5%
Room Revenue per Available Room (RevPAR)	S\$191	S\$149	28.0%

Net property income contributed by the Orchard Hotel Shopping Arcade for FY 2010 was S\$3.4 million. Average occupancy was 87.9% in YTD Dec 2010 with an average monthly rental rate of approximately S\$7.30 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

CDLHT's Singapore Hotels registered the highest ever quarterly occupancies for 2Q (88.5%), 3Q (91.6%) and 4Q (90%) since the inception of the CDLHT in June 2006 due to the strong growth in visitor arrivals to Singapore in 2010, notwithstanding new inventory addition of 5,468 rooms in 2010. This is evidence of the structural boost in accommodation demand brought about by the Integrated Resorts (“IRs”) in 2010 as rising leisure demand for accommodation during the weekend and festive holiday periods augmented overall occupancies while robust corporate demand was sustained during the weekdays.

This structural boost in accommodation demand, which was highlighted by management since 4Q 2009, is expected to continue into 2011 with the opening of more attractions at the IRs and the completion of the International Cruise Terminal in 2011. During the first half of 2011, it is expected that two more high capacity rides at Universal Studios in Resorts World Sentosa will be opened. By March 2011, the ArtScience Museum will be opened and the Lion King musical will make its South-East Asian debut at the Marina Bay Sands, which will enrich the entertainment offerings in Singapore. In terms of new inventory, a net supply of 1,287 rooms or 3.3% of existing room supply is expected to be added in Singapore (according to Horwath HTL).

Given rising revenue potential, certain asset enhancement initiatives were undertaken at some of CDLHT's Singapore Hotels during the course of 2010, of which some will be completed in 2011. The Grand Copthorne Waterfront Hotel completed the refurbishment of 177 rooms recently whilst the Novotel Clarke Quay and Orchard Hotel have been progressively upgrading existing rooms since December 2010. Although there will be some business interruption in 2011, the upgrading works will be done during periods of lower expected occupancy such that the impact of the disruption is significantly reduced. Once completed, the refreshed room product will enable these hotels to increase their quality of offering and pricing power.

With respect to the Australia Hotels, the performance in FY2010 was broadly in line with expectations. In early January 2011, Queensland, Australia was affected by flood events as a result of severe weather. The flood levels in Brisbane City have since receded. CDLHT's three Brisbane-based hotel properties (namely Novotel Brisbane, Mercure Brisbane and Ibis Brisbane) have not been physically affected and are still fully operational. Although there has been some short term disruptions to business activity in Queensland, CDLHT's Brisbane properties (as well as the Perth properties) are expected to continue to be a beneficiary of the buoyant natural resource sector in Australia. Overall, CDLHT does not expect any material adverse impact on the annual gross rent it is entitled to receive from the lessee as the leases are underpinned largely by fixed rents.

With the completion of financing initiatives which have significantly strengthened CDLHT's balance sheet and broadened its access to alternative funding sources, CDLHT will continue to opportunistically pursue acquisitions while maintaining a disciplined approach to investment activities to enhance its portfolio.

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11 Distributions

11 (a) Current financial period

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2010 to 31 December 2010 ^(a)
i. Distribution type	Taxable income
Distribution rate	4.71 cents per unit
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who held their units through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%. All other investors received their distributions after deduction of tax at the rate of 17%.
ii. Distribution type	Tax Exempt Income
Distribution rate	0.60 cents per unit
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.

Footnotes

(a) This distribution comprises H-REIT's distributable income (after deducting income retained for working capital) for the period from 1 July 2010, being the day the New Stapled Securities are issued pursuant to the Private Placement, to 31 December 2010.

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11 (b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediately preceding financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2009 to 31 December 2009
i. Distribution type	Taxable income
Distribution rate	4.71 cents per unit
Tax rate	<u>Taxable income distribution</u> Qualifying investors and individuals (other than those who held their units through a partnership) would generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10% provided the Singapore Government extends the 10% tax rate concession to distributions made after 17 February 2010. If the tax concession period is not extended, qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 17%. All other investors received their distributions after deduction of tax at the rate of 17%.

11 (c) Book closure date

5.00 p.m. on 7 February 2011

11 (d) Date payable

28 February 2011

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 operating segments (of CDL Hospitality Trusts)

13 (a) Operating segments for the year ended 31 December 2010

	Singapore Hotels	New Zealand Hotel	Australia Hotels	Total
	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
Gross Revenue	98,639	8,599	15,044	122,282
Segment net property income	91,425	8,599	15,044	115,068
H-REIT Manager's fees				(10,158)
H-REIT Trustee's fees				(217)
Other charges				(1,226)
Finance income				3,962
Finance costs				(20,524)
Net income before revaluation				86,905
Net surplus on revaluation of investment properties	55,213	(9,430)	5,608	51,391
Net income				138,296

13 (b) Operating segments for the year ended 31 December 2009

	Singapore Hotels	New Zealand Hotel	Other segments	Total
	1 Jan 2009 to 31 Dec 2009 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
Gross Revenue	79,141	8,347	4,269	91,757
Segment net property income	74,372	8,347	3,202	85,921
H-REIT Manager's fees				(8,070)
H-REIT Trustee's fees				(196)
Other charges				(580)
Finance income				22
Finance costs				(11,513)
Net income before revaluation				65,584
Net surplus on revaluation of investment properties	(8,664)	(1,834)	10,987	489
Net income				66,073

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

Please refer to Section 8(iv) for the review of the actual performance.

15 Breakdown of sales

CDL Hospitality Trusts		
1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	57,318	42,750 34.1
Total return for first half year	42,048	29,290 43.6
Gross revenue reported for second half year	64,964	49,007 32.6
Total return for second half year	93,803	36,783 N.M.

16 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2010

H-REIT Group and CDL Hospitality Trusts	
1 Jan 2010 to 31 Dec 2010 S\$'000	1 Jan 2009 to 31 Dec 2009 S\$'000
1 July 2008 to 31 December 2008	-
1 January 2009 to 30 June 2009	39,279
1 July 2009 to 31 December 2009	-
1 January 2010 to 30 June 2010	32,250
	39,451
	-
	41,010
	-

**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 2010**

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)

26 January 2011

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)

26 January 2011



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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

26 January 2011

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 2010, and the related consolidated statements of total return, statements of movements in unitholders' funds and cash flow statements for the year then ended and certain explanatory notes (the 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 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 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 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' 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 UP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
26 January 2011