



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 2011**

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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 2011

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 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 2011, 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 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	32,301	26,605	21.4
Net property income	30,120	24,719	21.8
Net income	23,565	21,413	10.0
Income available for distribution to holders of Stapled Securities	25,347	21,598	17.4
Less:			
Income retained for working capital	(2,535)	(2,160)	17.4
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	22,812	19,438	17.4
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)			
For the period	2.64	2.58	2.3
Annualised	10.71	10.46	2.4
Annualised distribution yield (%) at closing market price of S\$2.05 as at 25 April 2011	5.22%	5.10%	2.4
Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)			
For the period	2.38	2.32	2.6
Annualised	9.65	9.41	2.6
Annualised distribution yield (%) at closing market price of S\$2.05 as at 25 April 2011	4.71%	4.59%	2.6

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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 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	32,301	26,605	21.4	32,301	26,605	21.4
Property tax		(1,617)	(1,332)	21.4	(1,617)	(1,332)	21.4
Insurance	(b)	(132)	(220)	-40.0	(132)	(220)	-40.0
Other property expenses	(c)	(432)	(334)	29.3	(432)	(334)	29.3
Net property income		30,120	24,719	21.8	30,120	24,719	21.8
H-REIT Manager's fees		(2,643)	(2,271)	16.4	(2,643)	(2,271)	16.4
H-REIT Trustee's fees		(55)	(52)	5.8	(55)	(52)	5.8
Other trust expenses	(d)	(268)	(283)	-5.3	(268)	(283)	-5.3
Finance income		109	3,305	-96.7	109	3,305	-96.7
Finance costs		(3,698)	(4,005)	-7.7	(3,698)	(4,005)	-7.7
Net finance costs	(e)	(3,589)	(700)	N.M.	(3,589)	(700)	N.M.
Net income	(f)	23,565	21,413	10.0	23,565	21,413	10.0
Income tax expense	(g)	(483)	-	N.M.	(483)	-	N.M.
Total return for the period		23,082	21,413	7.8	23,082	21,413	7.8

Footnotes

N.M – Not Meaningful

- (a) *Gross revenue comprises rental income from H-REIT's investment properties. Please refer to paragraph 8(ii), page 20 of the announcement. The results for the quarter ended 31 March 2011 includes a full quarter contribution from the Australia Hotels. These hotels were acquired on 18 February 2010.*
- (b) *The decrease in insurance expenses was mainly due to the reversal of an over accrual of about S\$69,000 following the finalisation of premiums by insurers.*
- (c) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade. Expenses were higher for the quarter ended 31 March 2011 as it included an impairment loss for trade receivables of S\$69,000.*
- (d) *Other trust expenses comprise mainly professional fees and administrative costs.*

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(e) Net finance costs comprise the following:

	H-REIT Group			CDL Hospitality Trusts		
	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	109	13	N.M.	109	13	N.M.
Exchange gain ⁽ⁱ⁾	-	3,292	N.M.	-	3,292	N.M.
Finance income	109	3,305	N.M.	109	3,305	N.M.
Exchange loss ⁽ⁱⁱ⁾	(389)	-	N.M.	(389)	-	N.M.
Interest paid/payable to banks ⁽ⁱⁱⁱ⁾	(3,167)	(3,283)	-3.5	(3,167)	(3,283)	-3.5
Amortisation of transaction costs capitalised ^(iv)	(99)	(680)	-85.4	(99)	(680)	-85.4
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(43)	(42)	2.4	(43)	(42)	2.4
Finance costs	(3,698)	(4,005)	-7.7	(3,698)	(4,005)	-7.7
Net finance costs	(3,589)	(700)	N.M.	(3,589)	(700)	N.M.

- (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 2011 was mainly due to a revaluation loss on borrowings denominated in New Zealand and Australian dollars.
- (iii) The decrease in interest paid/payable to banks in the first quarter ended 31 March 2011 was mainly due to lower funding costs.
- (iv) The amortisation expense in 1Q 2010 relates to the amortisation of transaction costs arising from the re-financing of the S\$350 million secured term loan and revolving credit facility in April 2009. These facilities were repaid and cancelled in 3Q 2010. In the absence of these costs, amortisation expense was correspondingly lower in 1Q 2011. The amortisation costs in 1Q 2011 relates to the amortisation of transaction costs arising from the medium term note issuance and revolving credit facility.

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

	CDL Hospitality Trusts		
	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
H-REIT	18,347	22,208	-17.4
Other H-REIT group entities (including consolidation adjustments)	5,218	(795)	N.M.
HBT	-	-	N.M.
	23,565	21,413	10.0

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

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000
Corporate income tax	(174)	-
Deferred tax	(304)	-
Others	(5)	-
	(483)	-

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

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000
Net income of H-REIT	18,347	22,208
Add / (Less): Non tax deductible / (tax chargeable) items:		
- Amortisation of transaction costs	99	680
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	43	42
- Exchange loss/(gain)	4,567	(3,309)
- H-REIT Manager's fees paid / payable in Stapled Securities	2,114	1,816
- Other items	177	161
Income available for distribution to holders of Stapled Securities (before deducting income retained for working capital)	25,347	21,598
Less :		
Income retained for working capital	(2,535)	(2,160)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital) ⁽ⁱⁱ⁾	22,812	19,438
Comprising :		
- Taxable income	20,892	17,709
- Tax exempt income	1,920	1,729
	22,812	19,438

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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 2011 of S\$22,812,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$2,535,000 for working capital purposes) for the period from 1 January 2011 to 31 March 2011.

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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 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
		S\$'000	S\$'000	S\$'000	S\$'000
Balance Sheets					
ASSETS					
Non-current assets					
Investment properties		1,784,404	1,787,098	1,784,404	1,787,098
Rental deposit		76	76	76	76
		1,784,480	1,787,174	1,784,480	1,787,174
Current assets					
Trade and other receivables		16,944	14,972	16,944	14,972
Cash and cash equivalents	(b)	36,003	67,376	36,387	67,760
		52,947	82,348	53,331	82,732
Total assets		1,837,427	1,869,522	1,837,811	1,869,906
LIABILITIES					
Non-current liabilities					
Financial liabilities	(c)	379,612	381,118	379,612	381,118
Rental deposits	(d)	4,746	4,703	4,746	4,703
Deferred tax liabilities		2,325	2,042	2,325	2,042
		386,683	387,863	386,683	387,863
Current liabilities					
Trade and other payables	(e)	21,104	20,609	21,105	20,610
Provision for taxation		643	1,195	643	1,195
		21,747	21,804	21,748	21,805
Total liabilities		408,430	409,667	408,431	409,668
Net assets		1,428,997	1,459,855	1,429,380	1,460,238
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(f)	1,428,997	1,459,855	1,428,997	1,459,855
Unitholders' funds of HBT		-	-	383	383
		1,428,997	1,459,855	1,429,380	1,460,238

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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 2011 are approximately S\$383,000 (31 December 2010: S\$383,000).*
- (b) *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.*
- (c) *Financial liabilities of S\$379,612,000 (31 December 2010: S\$381,118,000) comprise S\$260.0 million notes issued pursuant to the Medium Term Note Programme and approximately S\$120.0 million drawn down from the RCF Facility, as explained under Footnote (i) and Footnote (ii) on page 11 of the Announcement respectively.*
- (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) *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 Mar 2011	31 Dec 2010
		S\$'000	S\$'000
Amount repayable after one year			
Unsecured medium term notes	(i)	260,000	260,000
Unsecured borrowings	(ii)	121,020	122,651
Total borrowings		381,020	382,651

Footnotes

i. Unsecured medium term notes

In July 2010, H-REIT’s wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “Issuer”) established a S\$1.0 billion Multi-currency Medium Term Note Programme (the “Programme”). As at balance sheet date, \$150.0 million 3-year fixed rate notes and \$110.0 million 3-year variable rate notes, which are re-priced every six or twelve months, have been issued. The holders of the variable rate notes have the option to put the notes back to the Issuer at each interest re-pricing date. The Issuer has a 3-year committed arrangement with the banks to purchase any variable rate notes which are put back to the Issuer. Proceeds from the notes issuance were on-lent to H-REIT to mainly repay outstanding borrowings.

ii. Unsecured borrowings

H-REIT has in place the following unsecured facilities:

- (i) *In 2010, H-REIT secured a S\$100.0 million committed bilateral multi-currency revolving credit facility each from two banks (collectively S\$200.0 million) for a 3-year term (the “RCF Facility”).*

As at 31 March 2011, A\$93.2 million (S\$121.0 million) was utilised to fund the loan relating to the Australia Hotels.

Approximately S\$79.0 million of the RCF Facility remains unutilised at balance sheet date.

- (ii) *A S\$300.0 million uncommitted multi-currency bridge loan facility with a bank (the “Bridge Loan Facility”) to fund acquisitions, capital expenditure and working capital requirements.*

The Bridge Loan Facility can be drawn in multiple tranches and each tranche is to be repaid within a maximum period of one year from each drawn down date.

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

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1 (c) Cash flow statements

Foot- notes	H-REIT Group		CDL Hospitality Trusts	
	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000
Operating activities				
Net income	23,565	21,413	23,565	21,413
Adjustments for:				
H-REIT Manager's fee paid/payable in Stapled Securities	(a) 2,114	1,816	2,114	1,816
Net finance costs	3,589	700	3,589	700
Operating income before working capital changes	29,268	23,929	29,268	23,929
Changes in working capital:				
Trade and other receivables	2,778	1,567	2,778	1,567
Trade and other payables	(5,045)	1,770	(5,045)	1,770
Cash used in operation	27,001	27,266	27,001	27,266
Income tax paid	(727)	-	(727)	-
Cash generated from operating activities	26,274	27,266	26,274	27,266
Investing activities				
Cash outflow from acquisition of investment properties	(b) -	(233,338)	-	(233,338)
Capital expenditure on investment properties	(3,044)	(558)	(3,044)	(558)
Interest received	85	5	85	5
Cash flows from investing activities	(2,959)	(233,891)	(2,959)	(233,891)
Financing activities				
Proceeds from bank loans	(b) -	265,867	-	265,867
Repayment of bank loans	-	(11,500)	-	(11,500)
Finance costs paid	(3,777)	(1,963)	(3,777)	(1,963)
Distribution to holders of Stapled Securities	(50,911)	(39,452)	(50,911)	(39,452)
Cash flows from financing activities	(54,688)	212,952	(54,688)	212,952
Net (decrease)/increase in cash and cash equivalents	(31,373)	6,327	(31,373)	6,327
Cash and cash equivalents at beginning of the period	67,361	5,293	67,745	5,681
Cash and cash equivalents at end of the period	35,988	11,620	36,372	12,008

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	H-REIT Group		CDL Hospitality Trusts	
	31 Mar 2011 S\$'000	31 Mar 2010 S\$'000	31 Mar 2011 S\$'000	31 Mar 2010 S\$'000
Cash and cash equivalents in consolidated balance sheets	36,003	11,620	36,387	12,008
Fixed deposit pledged to a financial institution	(15)	-	(15)	-
Cash and cash equivalents in consolidated statements of cash flows	35,988	11,620	36,372	12,008

Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 March 2011

1,066,744 (Quarter ended 31 March 2010: 1,031,219) Stapled Securities amounting to S\$2,114,075 (Quarter ended 31 March 2010: S\$1,816,000) 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 2011 on 26 April 2011.

(b) *This relates to H-REIT's acquisition of the Australia Properties on 18 February 2010, which was initially funded by a Bridge Loan Facility.*

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

	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000
Balance as at beginning of the period	383	384
Net loss after tax	-	-
Balance as at end of the period	383	384

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 January 2011 to 31 March 2011

Footnotes	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 2011	1,107,209	(24,695)	(2,061)	379,402	1,459,855	1,460,238
Operations						
Increase in net assets resulting from operations	-	-	-	23,082	23,082	23,082
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(723)	-	(723)	(723)
- Exchange differences on hedge of net investment in a foreign operation	-	-	1,631	-	1,631	1,631
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(6,051)	-	(6,051)	(6,051)
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	2,114	-	-	-	2,114	2,114
(ii) Distribution to holders of Stapled Securities	-	-	-	(50,911)	(50,911)	(50,911)
Decrease in net assets resulting from unitholders’ transactions	2,114	-	-	(50,911)	(48,797)	(48,797)
Balance as at 31 March 2011	1,109,323	(24,695)	(7,204)	351,573	1,428,997	1,429,380

Footnotes

- (a) For the quarter ended 31 March 2011, 1,066,744 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 2010 to 31 December 2010.

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

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

		H-REIT Group and <----- CDL Hospitality Trusts ----->	
Footnotes		1 Jan 2011 to 31 Mar 2011	1 Jan 2010 to 31 Mar 2010
Issued H-REIT units / Stapled Securities at the beginning of the period		957,718,797	836,575,110
Issue of new H-REIT units / Stapled Securities ^(a)			
- as payment of H-REIT Manager's management fees		1,049,280	1,033,858
Issued H-REIT units / Stapled Securities at the end of the period		958,768,077	837,608,968
H-REIT units/ Stapled Securities to be issued:			
- as payment of H-REIT Manager's management fees		1,066,744	1,031,219
- as payment of H-REIT Manager's acquisition fees		-	85,821
Total issued and issuable H-REIT units / Stapled Securities at the end of the period		959,834,821	838,726,008

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) *Following the finalisation of the income tax affairs in 2010, the H-REIT Manager's fee of 85,821 units payable on acquisition of Novotel Clarke Quay was written back.*

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 2011 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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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 2010.

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 2011 to 31 Mar 2011	1 Jan 2010 to 31 Mar 2010
Weighted average number of Stapled Securities	958,779,930 ^(a)	837,706,247
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)		
- basic and diluted	2.41	2.56
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	2.18	2.11
- Tax exempt income	0.20	0.21
	2.38 ^(b)	2.32

Footnotes

(a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 March 2011 is 958,779,930. This comprises:*

(i) *The weighted average number of Stapled Securities in issue as at 31 March 2011 of 958,768,077;*

(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 March 2011 of 11,853.*

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- (b) *The computation of DPS for the quarter ended 31 March 2011 is based on the number of Stapled Securities entitled to distribution of 959,834,821. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 March 2011 of 958,768,077; 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 2011 of 1,066,744.*

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 2011 S\$	31 Dec 2010 S\$	31 Mar 2011 S\$	31 Dec 2010 S\$
Net asset value per H-REIT unit / Stapled Security	1.49 ^(a)	1.52	1.49 ^(b)	1.52

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 March 2011 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,428,997,000; and*
 - *The number of issued and issuable H-REIT units of 959,834,821 (31 December 2010: 958,768,077) (see paragraph 1(e) on page 16 for details).*
- (b) *The net asset value per Stapled Security as at 31 March 2011 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 March 2011 of S\$1,429,380,000; and*
 - *The number of issued and issuable Stapled Securities of 959,834,821 (31 December 2010: 958,768,077) (see paragraph 1(e) on page 16 for details).*
- (c) *Net asset value of HBT as at 31 March 2011 is S\$383,000 (31 December 2010: S\$383,000). The net asset value per HBT unit is 0.04 cents (31 December 2010: 0.04 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 959,834,821 (31 December 2010: 958,768,077) comprising:*
- *HBT units in issue as at 31 March 2011 of 958,768,077 (31 December 2010: 957,718,797); and*
 - *HBT units to be issued to the H-REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 March 2011 of 1,066,744 (31 December 2010: 1,049,280).*

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8 Review of the performance for the quarter ended 31 March 2011

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

	Footnotes	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Gross revenue		32,301	26,605	21.4
Property tax		(1,617)	(1,332)	21.4
Insurance		(132)	(220)	-40.0
Other property expenses		(432)	(334)	29.3
Net property income		30,120	24,719	21.8
H-REIT Manager's fees		(2,643)	(2,271)	16.4
H-REIT Trustee's fees		(55)	(52)	5.8
Other trust expenses		(268)	(283)	-5.3
Finance income		109	3,305	-96.7
Finance costs		(3,698)	(4,005)	-7.7
Net finance costs	(a)	(3,589)	(700)	N.M.
Net income		23,565	21,413	10.0
Income tax expense	(a)	(483)	-	N.M.
Total return for the period		23,082	21,413	7.8

Footnotes

(a) Please refer to footnote (e) on page 6 for net finance costs and footnote (g) on page 7 for income tax expense under paragraph 1(a).

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8 (ii) Breakdown of Total Gross Revenue by Property

	Footnotes	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Orchard Hotel	(a)	6,683	6,415	4.2
Grand Copthorne Waterfront Hotel		5,631	4,722	19.3
M Hotel		3,974	3,459	14.9
Copthorne King's Hotel		2,457	2,189	12.2
Orchard Hotel Shopping Arcade		1,283	1,098	16.8
Rendezvous Hotel Auckland		2,166	2,150	0.7
Novotel Clarke Quay	(a)	4,837	4,598	5.2
Ibis Brisbane	(b)	647	234	N.M.
Mercure Brisbane	(b)	970	352	N.M.
Novotel Brisbane	(b)	1,797	713	N.M.
Ibis Perth	(b)	700	267	N.M.
Mercure Perth	(b)	1,156	408	N.M.
Total		32,301	26,605	21.4

8 (iii) Breakdown of Net Property Income by Property

	Footnotes	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2010 to 31 Mar 2010 S\$'000	Increase/ (Decrease) %
Orchard Hotel	(a)	6,182	5,939	4.1
Grand Copthorne Waterfront Hotel		5,233	4,357	20.1
M Hotel		3,654	3,197	14.3
Copthorne King's Hotel		2,175	1,962	10.9
Orchard Hotel Shopping Arcade		907	825	9.9
Rendezvous Hotel Auckland		2,166	2,150	0.7
Novotel Clarke Quay	(a)	4,533	4,315	5.1
Ibis Brisbane	(b)	647	234	N.M.
Mercure Brisbane	(b)	970	352	N.M.
Novotel Brisbane	(b)	1,797	713	N.M.
Ibis Perth	(b)	700	267	N.M.
Mercure Perth	(b)	1,156	408	N.M.
Total		30,120	24,719	21.8

Footnotes

- (a) *Orchard Hotel and Novotel Clarke Quay Hotel reflected a lower growth in gross revenue and net property income due to the refurbishment of its hotel rooms, which saw 3,344 and 3,608 room nights taken out of its inventory for 1Q 2011 respectively.*
- (b) *Total Revenue and net property income for 1Q 2011 was higher due to the recording of a full quarter's contribution and the recognition of S\$0.8 million (or A\$0.6 million) of variable income. The Australia Hotels were acquired on 18 February 2010.*

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8 (iv) Review of the Performance

First Quarter ended 31 March 2011

Gross revenue of S\$32.3 million for 1Q 2011 exceeded that of 1Q 2010 by S\$5.7 million or 21.4%. The increase was attributed to improved hospitality performance in Singapore and the recognition of a full quarter’s contribution from its Australia Hotels, as compared to only 41 days in 1Q 2010. The results were also boosted by the recording of an additional variable income of S\$ 0.84 million (or A\$0.65 million) from its Australia Hotels, which was recognised upon receipt. Together with the recognition of the variable rental on a receipt basis, the Australia Hotels accounted for approximately 58% of the increase in the gross revenue.

RevPAR for the Singapore Hotels increased by 12.1% to \$195 in 1Q 2011. All the Singapore Hotels reflected a double digit growth in gross revenue and net property income over 1Q 2010, with the exception of Orchard Hotel and Novotel Clarke Quay Hotel. The growth for these two hotels was lower due to the ongoing refurbishment works.

In tandem with the higher gross revenue, net property income in 1Q 2011 increased by S\$5.4 million or 21.8% over the corresponding period last year.

Finance costs were lower by S\$0.3 million in 1Q 2011 partially due to lower funding costs. Despite this, net finance costs for 1Q 2011 were higher in the absence of a realized exchange gain of S\$3.3 million recorded in the same period last year. The exchange gain arose from the conversion of Singapore dollar borrowings (which were drawn to partially fund the purchase the Australia Hotels) into Australian dollars at favorable exchange rates.

The total income available for distribution (before deducting income retained for working capital) of S\$25.3 million in 1Q 2011 exceeded 1Q 2010 by S\$3.7 million or 17.4%. In line with the improved operating results, the income available for distribution per Stapled Security for 1Q 2011 (after deducting the income retained for working capital) was 2.38 cents, a 2.6% growth over the 2.32 cents recorded in the corresponding quarter last year.

For the reporting quarter, the Singapore Hotels achieved a combined Hotel revenue of S\$71.3 million, an improvement of 10.0% over the previous corresponding quarter of S\$64.9 million. Gross operating profit for the Singapore Hotels in 1Q 2011 was a healthy S\$37.2 million, 13.1% higher than the S\$32.9 million recorded in 1Q 2010.

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

	1 Jan 2011 to 31 Mar 2011	1 Jan 2010 to 31 Mar 2010	Increase
Average Occupancy Rate	85.7%	84.3%	1.4pp
Average Daily Rate	S\$228	S\$207	10.2%
Room Revenue per Available Room (RevPAR)	S\$195	S\$174	12.1%

Net property income contributed by the Orchard Hotel Shopping Arcade for 1Q 2011 was S\$0.9 million. Average occupancy was 96.5% in 1Q 2011 with an average monthly rental rate of about S\$6.92 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

The Singapore Tourism Board recently projected that visitor arrivals will increase from 11.6 million visitors in 2010 to 12.0 – 13.0 million visitors in 2011¹. This implies a year-on-year growth rate of 3.4 – 12.1% in visitor arrivals, in tandem with its earlier guidance of 7.9% average annual growth rate to achieve 17.0 million visitor arrivals in 2015². In terms of new inventory, a net supply of 2,315 rooms or 5.9% of existing room supply is expected to be added in Singapore (according to Horwath HTL)³.

Over the next 12 months, Resorts World Sentosa would be opening the Maritime Xperiential Museum and two of its much awaited new rides - Journey to Madagascar and Transformers - in Universal Studios Singapore, while Marina Bay Sands would be launching two leading US night clubs - Avalon and Pangaea.

Whilst the catastrophic events in New Zealand and Japan did not have a material impact on the revenue of CDLHT in 1Q 2011, the effects of the fallout from the disaster in Japan will have to be continuously assessed. The implications of any prolonged economic downturn in Japan, the world's third largest economy (after the United States of America and China), may reverberate across global economies and result in a decline in Japanese outbound travel. In addition, the uncertainties in the Middle East and the attendant impact on oil prices may also affect global hospitality markets in 2011.

With respect to the asset enhancement works on Orchard Hotel and Novotel Clarke Quay, management will continue to work closely with the respective master lessees to minimise the impact on business interruptions for the remaining 163 rooms at Novotel Clarke Quay and 299 rooms at Orchard Hotel, which are to be renovated. The renovation of Orchard Hotel is expected to continue until 3Q 2011 while Novotel Clarke Quay will have two weeks of renovation around the Easter period with the balance of the works commencing at year end. Upon completion of the refurbishments, CDLHT is poised to benefit from the improved product.

CDLHT's Australia Hotels continue to perform in line with expectations, notwithstanding the flood events which hit Brisbane City in January 2011. The performance of the Brisbane hotels remained resilient, supported by activities to re-build the city. Perth hotels continued to perform strongly in a market bolstered by the buoyant natural resource sector and static supply of hotel rooms.

¹ According to Senior Minister of State for Trade and Industry, S Iswaran at 22 March 2011 Tourism Conference.

² The Straits Times, “Tourist arrivals ‘may rise 16% or more this year’”, 12 February 2011.

³ The net new room supply estimate in 2011 is 1,028 rooms higher than previously disclosed in the Circular to Security Holders dated 5 April 2011 mainly due to the rescheduled completion of a 888-room hotel located outside the city centre which was brought forward from 2012 to the current year.

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On 1 March 2011, H-REIT entered into a conditional sale and purchase agreement with Republic Iconic Hotel Pte. Ltd. (“Vendor”), an indirect wholly-owned subsidiary of Millennium & Copthorne Hotels plc, to acquire Studio M Hotel at a purchase price consideration of S\$154.0 million (the “Acquisition”). H-REIT also proposed to grant a Master Lease of Studio M Hotel to the Vendor as master lessee immediately upon the completion of the Acquisition (both the Acquisition and the Master Lease to be collectively referred to as the “Transactions”). The Transactions are accretive, providing an incremental 0.57 cents or 5.1% in distribution per Stapled Security on a pro forma basis⁴ and will be subject to Security Holders’ approval at the upcoming extraordinary general meeting to be held on 29 April 2011. The Transactions will allow CDLHT to increase its total number of rooms in the attractive Singapore hospitality market from 2,351 rooms to 2,711 rooms. CDLHT’s gearing will be maintained at a healthy level of 26.9%⁵ after the acquisition, leaving it well-positioned for further expansion in the Asian hospitality sector in 2011.

⁴ Based on pro forma distributable income of CDLHT (before deducting income retained for working capital) after the Transactions for FY 2010, as if Studio M Hotel had been acquired on 1 January 2011 and leased out and operated to 31 December 2011. Please refer to Circular to Security Holders dated 5 April 2011 for further details.

⁵ Based on CDLHT’s Aggregate Leverage of 20.7% as at 31 March 2011, assuming additional borrowings of S\$154.7 million taken to finance the Acquisition.

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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 2011 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

26 April 2011

**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)

26 April 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 April 2011



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

26 April 2011

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 2011, and the related consolidated statements of total return, statements of movements in unitholders' funds and cash flow statements for the 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' 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
26 April 2011