



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 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 YEAR ENDED 31 DECEMBER 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**”) and cannot be traded separately.

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 2011, H-REIT’s portfolio with a total of 4,305 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Clarke Quay and Studio M Hotel (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 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 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 makes distributions to unitholders 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. 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.

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

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H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2011

SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	37,804	33,330	13.4	141,107	122,282	15.4
Net property income	35,501	31,492	12.7	135,191	115,068	17.5
Net income before revaluation	27,930	25,525	9.4	107,576	86,905	23.8
Income available for distribution to holders of Stapled Securities	31,519	28,011	12.5	118,132	100,653	17.4
Less :						
Income retained for working capital	(3,152)	(1,401)	N.M.	(11,813)	(8,665)	36.3
Income to be distributed to holders of Stapled Securities	28,367	26,610	6.6	106,319	91,988	15.6
Income available for distribution per Stapled Security (cents)						
For the period/year	3.27	2.92	12.0	12.28	11.18	9.8
Annualised	12.97	11.58	12.0	12.28	11.18	9.8
Annualised distribution yield (%) at closing market price of S\$1.71 as at 30 January 2012	7.58	6.77	12.0	7.18	6.54	9.8
Income to be distributed per Stapled Security (cents)						
For the period/year	2.94	2.78	5.8	11.05	10.20	8.3
Annualised	11.66	11.03	5.7	11.05	10.20	8.3
Annualised distribution yield (%) at closing market price of S\$1.71 as at 30 January 2012	6.82	6.45	5.7	6.46	5.96	8.4

**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 2011

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 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	37,804	33,330	13.4	141,107	122,282	15.4
Property tax	(b)	(1,634)	(1,238)	32.0	(3,400)	(4,830)	-29.6
Insurance	(c)	(216)	(209)	3.3	(767)	(854)	-10.2
Other property expenses	(d)	(453)	(391)	15.9	(1,749)	(1,530)	14.3
Net property income		35,501	31,492	12.7	135,191	115,068	17.5
H-REIT Manager's fees		(3,071)	(2,729)	12.5	(11,693)	(10,158)	15.1
H-REIT Trustee's fees		(61)	(56)	8.9	(235)	(217)	8.3
Other expenses	(e)	(1,404)	(342)	N.M.	(2,517)	(1,225)	N.M.
Finance income		870	445	95.5	1,405	3,962	-64.5
Finance costs		(3,903)	(3,285)	18.8	(14,572)	(20,524)	-29.0
Net finance costs	(f)	(3,033)	(2,840)	6.8	(13,167)	(16,562)	-20.5
Net income before revaluation		27,932	25,525	9.4	107,579	86,906	23.8
Net surplus on revaluation of investment properties	(g)	73,213	32,403	N.M.	73,213	51,391	42.5
Net income		101,145	57,928	74.6	180,792	138,297	30.7
Income tax expense	(i)	(3,747)	(1,964)	90.8	(4,500)	(2,445)	84.0
Total return for the period/year		97,398	55,964	74.0	176,292	135,852	29.8

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H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2011

		CDL Hospitality Trusts					
<u>Statements of Total Return</u>	Foot- notes	1 Oct 2011 to 31 Dec 2011	1 Oct 2010 to 31 Dec 2010	Increase/ (Decrease)	1 Jan 2011 to 31 Dec 2011	1 Jan 2010 to 31 Dec 2010	Increase/ (Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	37,804	33,330	13.4	141,107	122,282	15.4
Property tax	(b)	(1,634)	(1,238)	32.0	(3,400)	(4,830)	-29.6
Insurance	(c)	(216)	(209)	3.3	(767)	(854)	-10.2
Other property expenses	(d)	(453)	(391)	15.9	(1,749)	(1,530)	14.3
Net property income		35,501	31,492	12.7	135,191	115,068	17.5
H-REIT Manager's fees		(3,071)	(2,729)	12.5	(11,693)	(10,158)	15.1
H-REIT Trustee's fees		(61)	(56)	8.9	(235)	(217)	8.3
Other expenses	(e)	(1,406)	(342)	N.M.	(2,520)	(1,226)	N.M.
Finance income		870	445	95.5	1,405	3,962	-64.5
Finance costs		(3,903)	(3,285)	18.8	(14,572)	(20,524)	-29.0
Net finance costs	(f)	(3,033)	(2,840)	6.8	(13,167)	(16,562)	-20.5
Net income before revaluation		27,930	25,525	9.4	107,576	86,905	23.8
Net surplus on revaluation of investment properties	(g)	73,213	32,403	N.M.	73,213	51,391	42.5
Net income	(h)	101,143	57,928	74.6	180,789	138,296	30.7
Income tax expense	(i)	(3,747)	(1,964)	90.8	(4,500)	(2,445)	84.0
Total return for the period/year		97,396	55,964	74.0	176,289	135,851	29.8

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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) on page 27 of the Announcement. The results for the fourth quarter ended 31 December 2011 and full year ended 31 December 2011 include contributions from the Studio M Hotel, which was acquired on 3 May 2011.*
- (b) *In 2008, the Inland Authority of Singapore (“IRAS”) raised a one-off additional property tax assessment of about S\$3.2 million in respect of the years 2006 and 2007, which was adjusted in the Statement of Total Return that year. The assessments were raised following the implementation of the new basis of computing the annual value of hotels effective 1 January 2008. An objection was subsequently lodged against these assessments by H-REIT’s consultant, CBRE Pte. Ltd. Following the finalisation of the property tax assessments for the years 2006 to 2008, a property tax refund of S\$3.3 million was adjusted against the 2Q 2011 property tax. Excluding the property tax refund, the property tax expense for the year ended 31 December 2011 was about S\$6.7 million.*
- (c) *Insurance expenses for the year ended 31 December 2011 decreased mainly due to the reversal of an over accrual of about S\$69,000 in 1Q 2011 following the finalisation of premiums by insurers.*
- (d) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade, including impairment losses on trade receivables of S\$237,000 (31 December 2010 : S\$45,000).*
- (e) *Other expenses comprise mainly professional fees and administrative costs, including cost relating to projects and stamp duty expenses.*
- (f) *Net finance costs comprise the following :*

	H-REIT Group					
	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Interest income received / receivable from banks	200	74	N.M.	670	186	N.M.
Exchange gain ⁽ⁱ⁾	670	371	80.6	735	3,776	-80.5
Finance income	870	445	95.5	1,405	3,962	-64.5
Interest paid / payable to banks ⁽ⁱⁱ⁾	(3,734)	(3,195)	16.9	(13,961)	(13,959)	N.M.
Amortisation of transaction costs capitalised ⁽ⁱⁱⁱ⁾	(127)	(48)	N.M.	(442)	(6,398)	-93.1
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(42)	(42)	N.M.	(169)	(167)	1.2
Finance costs	(3,903)	(3,285)	18.8	(14,572)	(20,524)	-29.0
Net finance costs	(3,033)	(2,840)	6.8	(13,167)	(16,562)	-20.5

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CDL Hospitality Trusts						
	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Interest income received / receivable from banks	200	74	N.M.	670	186	N.M.
Exchange gain ⁽ⁱ⁾	670	371	80.6	735	3,776	-80.5
Finance income	870	445	95.5	1,405	3,962	-64.5
Interest paid / payable to banks ⁽ⁱⁱ⁾	(3,734)	(3,195)	16.9	(13,961)	(13,959)	N.M.
Amortisation of transaction costs capitalised ⁽ⁱⁱⁱ⁾	(127)	(48)	N.M.	(442)	(6,398)	-93.1
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(42)	(42)	N.M.	(169)	(167)	1.2
Finance costs	(3,903)	(3,285)	18.8	(14,572)	(20,524)	-29.0
Net finance costs	(3,033)	(2,840)	6.8	(13,167)	(16,562)	-20.5

- (i) The exchange gain for the year ended 31 December 2011 was mainly due to a net revaluation gain on borrowings and cash and cash equivalents denominated in New Zealand and Australian dollars.

There was a significant exchange gain recorded in the corresponding period last year. This related mainly to realised gains arising from the conversion of funds borrowed in Singapore Dollars to Australian Dollars at favorable exchange rates. These funds were utilised to finance the acquisition of the Australia Hotels in 1Q 2010. The exchange gain has no impact on the distributions of CDL Hospitality Trusts.

- (ii) Interest paid/payable to banks for the year ended 31 December 2011 remained at the same level as the previous corresponding year at around S\$14.0 million. Although there were savings from the lower overall funding costs arising from the Singapore dollar borrowings, these savings were however offset by additional interest expense incurred on borrowings drawn to fund Studio M Hotel, which was acquired on 3 May 2011 and higher interest expense incurred on the Australia dollar borrowings.
- (iii) The amortisation expense for the year ended 31 December 2010 related to the amortisation of transaction costs arising from the refinancing 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 2011. The amortisation costs for the year ended 31 December 2011 relate to the amortisation of transaction costs arising from the medium term notes issuance and revolving credit facility.

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

		H-REIT Group and CDL Hospitality Trusts			
Foot- notes		1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
	(i)	-	-	-	18,988
	(ii)	73,213	32,403	73,213	32,403
		73,213	32,403	73,213	51,391

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\$18.8 million, mainly relating to the potential tax liability that could have arisen on this acquisition. In addition to this, 85,821 units (or S\$188,000) were issuable to the H-REIT Manager as partial satisfaction of the acquisition fee payable in units in respect of this acquisition. Following the finalisation of the tax assessment for last year, both amounts were no longer required and was adjusted as a fair value adjustment in the 3Q 2010 Statements 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 Section 1(b)(i) Footnote (b)(ii) on page 11 of the Announcement.

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

		CDL Hospitality Trusts			
		1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
H-REIT		101,614	64,355	182,715	144,033
Other H-REIT group entities (including consolidation adjustments)		(469)	(6,427)	(1,923)	(5,736)
HBT		(2)	-	(3)	(1)
		101,143	57,928	180,789	138,296

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

		H-REIT Group and CDL Hospitality Trusts			
		1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
Corporate income tax		(128)	(131)	(552)	(468)
Deferred tax from tax losses, capital allowance and revaluation on investment properties		(3,612)	(1,829)	(3,919)	(1,967)
Others		(7)	(4)	(29)	(10)
		(3,747)	(1,964)	(4,500)	(2,445)

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

	H-REIT Group and CDL Hospitality Trusts			
	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
Net income of H-REIT	101,614	64,355	182,715	144,033
Add / (Less): Non tax deductible / (tax chargeable) items:				
- Amortisation of transaction costs	127	48	442	6,398
- Net surplus on revaluation of investment properties ⁽ⁱⁱ⁾	(71,738)	(36,225)	(71,738)	(55,213)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	42	42	169	167
- Exchange gain	(789)	(2,543)	(3,358)	(3,482)
- H-REIT Manager's fees paid / payable in Stapled Securities	2,457	2,183	9,354	8,126
- Other items	(194)	151	548	624
Income available for distribution to holders of Stapled Securities	31,519	28,011	118,132	100,653
Less :				
Income retained for working capital	(3,152)	(1,401)	(11,813)	(8,665)
Income to be distributed to holders of Stapled Securities ⁽ⁱⁱⁱ⁾	28,367	26,610	106,319	91,988
Comprising :				
- Taxable income	26,320	23,096	99,057	82,188
- Tax exempt income	2,047	3,514	7,262	9,800
	28,367	26,610	106,319	91,988

- (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 2011 by CBRE Pte. Ltd, an independent valuer. The valuations gave rise to a revaluation surplus of S\$71.7 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) The total distributable income for the year ended 31 December 2011 of S\$106,319,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$11,813,000 for working capital purposes) for the period from 1 January 2011 to 31 December 2011. Of this amount, distribution income of S\$51,359,000 relating to the half year ended 30 June 2011 was paid on 29 August 2011.

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

Balance Sheets	Footnotes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		31 Dec 2011 S\$'000	31 Dec 2010 S\$'000	31 Dec 2011 S\$'000	31 Dec 2010 S\$'000
ASSETS					
Non-current assets					
Investment properties	(b)	2,029,847	1,787,098	2,029,847	1,787,098
Rental deposit		76	76	76	76
		2,029,923	1,787,174	2,029,923	1,787,174
Current assets					
Trade and other receivables		18,036	14,972	18,036	14,972
Cash and cash equivalents	(c)	70,112	67,376	70,493	67,760
		88,148	82,348	88,529	82,732
Total assets		2,118,071	1,869,522	2,118,452	1,869,906
LIABILITIES					
Non-current liabilities					
Financial liabilities	(d)	534,765	381,118	534,765	381,118
Rental deposits	(e)	6,472	4,703	6,472	4,703
Deferred tax liabilities		6,001	2,042	6,001	2,042
		547,238	387,863	547,238	387,863
Current liabilities					
Trade and other payables	(f)	22,736	20,609	22,737	20,610
Provision for taxation		816	1,195	816	1,195
		23,552	21,804	23,553	21,805
Total liabilities		570,790	409,667	570,791	409,668
Net assets		1,547,281	1,459,855	1,547,661	1,460,238
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(g)	1,547,281	1,459,855	1,547,281	1,459,855
Unitholders' funds of HBT		-	-	380	383
		1,547,281	1,459,855	1,547,661	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 December 2011 are approximately S\$380,000 (31 December 2010: S\$383,000).*
- (b) *The increase in investment properties was attributed to the acquisition of Studio M Hotel in second quarter of 2011 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 3 May 2011, the H-REIT Group acquired Studio M Hotel for a cash consideration of S\$154,000,000. The total acquisition costs of S\$2,211,000 included an acquisition fee paid to the H-REIT Manager of S\$1,540,000.*
- (ii) *The investment properties were valued as at 31 December 2011 by CBRE Pte. Ltd, CBRE Pty Ltd and Bayleys Valuations Limited, independent registered valuers, as follows:*

Property	Tenure	Date of valuation	Valuation
Orchard Hotel	75 years from 19 July 2006	31 December 2011	S\$ 450,000,000
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006	31 December 2011	S\$ 350,000,000
M Hotel	75 years from 19 July 2006	31 December 2011	S\$ 232,000,000
Copthorne King's Hotel	99 years from 1 February 1968	31 December 2011	S\$ 129,000,000
Orchard Hotel Shopping Arcade	75 years from 19 July 2006	31 December 2011	S\$ 54,800,000
Novotel Clarke Quay	97 years & 30 days from 2 April 1980	31 December 2011	S\$296,000,000
Studio M Hotel	99 Years from 26 February 2007	31 December 2011	S\$163,000,000
Rendezvous Hotel Auckland	Freehold	31 December 2011	NZ\$ 90,000,000
Novotel Brisbane	Freehold	31 December 2011	A\$71,700,000
Mercure and Ibis Brisbane	Freehold	31 December 2011	A\$61,000,000
Mercure Perth	Freehold	31 December 2011	A\$43,000,000
Ibis Perth	Freehold	31 December 2011	A\$25,500,000

The valuations gave rise to a net revaluation surplus of S\$73,213,000 (31 December 2010: revaluation surplus of S\$32,403,000) 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 2011 is a net translation gain of S\$1,801,000 (31 December 2010: translation loss of S\$923,000) on its overseas properties.

- (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\$534,765,000 (31 December 2010: S\$381,118,000), which are measured at amortised cost, comprise S\$413.6 million notes issued pursuant to the Medium Term Note Programme and approximately S\$122.6 million drawn down from the RCF Facility, as explained under Section 1(b)(ii) Footnote (i) and Footnote (ii) on page 12 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 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 2011 S\$'000	31 Dec 2010 S\$'000
Amount repayable after one year			
Unsecured medium term notes	(i)	413,600	260,000
Unsecured borrowings	(ii)	122,558	122,651
Amount repayable within one year		536,158	382,651
Unsecured borrowings	(iii)	-	-
Total borrowings		536,158	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, S\$413.6 million medium term notes have been issued. These comprise:

- (a) S\$260.0 million medium term notes comprising S\$150.0 million 3-year fixed rate note and S\$110.0 million 3-year variable rate notes, which are repriced every six or twelve months. 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.
- (b) S\$153.6 million medium term notes comprising S\$70.0 million 3-year fixed rate note and S\$83.6 million 5-year floating rate note, which are re-priced every six months. These medium term notes were issued in August 2011 and proceeds from the notes issuance were on-lent to H-REIT to fully repay the outstanding borrowings under the Bridge Loan Facility and one year revolving credit facility.

ii. Unsecured borrowings, after one year

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 December 2011, A\$93.2 million (S\$122.6 million) was utilised to fund the loan relating to the Australia Hotels.

Approximately S\$77.4 million of the RCF Facility remains unutilised at balance sheet date.

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iii. Unsecured borrowings, within one year

H-REIT has in place the following unsecured facilities:

- (i) *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 draw down date.

In May 2011, S\$76.6 million was utilised to fund a portion of the acquisition of Studio M Hotel.

Subsequently in August 2011, H-REIT fully repaid S\$76.6 million of the Bridge Loan Facility through proceeds from the issuance of S\$153.6 million medium term notes.

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

- (ii) *In 2Q 2011, H-REIT secured a fresh S\$76.6 million one year revolving credit facility, which was fully drawn down to partially finance the acquisition of Studio M Hotel.*

Subsequently in August 2011, H-REIT fully repaid S\$76.6 million of the one year revolving credit facility through proceeds from the issuance of S\$153.6 million medium term notes. Following the repayment, the facility was accordingly cancelled.

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

		H-REIT Group			
Foot- notes		1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
	Operating activities				
	Net income	101,145	180,792	57,928	138,297
	Adjustments for:				
	H-REIT Manager's acquisition fee	-	1,540	-	-
	H-REIT Manager's fee paid / payable in Stapled Securities	2,457	9,354	2,183	8,126
(a)	Net finance costs	3,033	13,167	2,840	16,562
	Net surplus on revaluation of investment properties	(73,213)	(73,213)	(32,403)	(51,391)
	Operating income before working capital changes	33,422	131,640	30,548	111,594
	Changes in working capital:				
	Trade and other receivables	(2,003)	(2,875)	(1,195)	(1,661)
	Trade and other payables	3,241	3,081	3,371	6,332
	Cash used in operation	34,660	131,846	32,724	116,265
	Income tax paid	2	(727)	-	-
	Cash generated from operating activities	34,662	131,119	32,724	116,265
	Investing activities				
	Cash outflow from acquisition of investment properties	(26)	(156,083)	-	(237,894)
(b)	Security deposit from acquisition of an investment property	-	1,600	-	-
	Capital expenditure on investment properties	(4,355)	(12,356)	(2,394)	(6,682)
	Interest received	196	639	74	186
	Cash flows from investing activities	(4,185)	(166,200)	(2,320)	(244,390)
	Financing activities				
	Fixed deposit pledged	-	15	-	(15)
	Finance costs paid	(2,002)	(13,063)	(1,693)	(12,410)
	Proceeds from medium term notes	-	153,600	-	260,000
(c),(e)	Proceeds from bank loans	-	153,200	117,068	384,204
(d),(e)	Repayment of bank loans	-	(153,200)	(117,100)	(556,913)
	Payment of transaction costs related to bank loans	(9)	(450)	(650)	(992)
	Proceeds from issue of units / stapled securities	-	-	-	200,001
(e)	Payment of issue expenses	-	-	-	(3,221)
	Distribution to holders of Stapled Securities	-	(102,270)	-	(80,461)
	Cash flows from financing activities	(2,011)	37,832	(2,375)	190,193
	Net increase in cash and cash equivalents	28,466	2,751	28,029	62,068
	Cash and cash equivalents at beginning of the period/year	41,646	67,361	39,332	5,293
	Cash and cash equivalents at end of the period/year	70,112	70,112	67,361	67,361

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

		CDL Hospitality Trusts			
Foot- notes		1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
Operating activities					
	Net income	101,143	180,789	57,928	138,296
	Adjustments for:				
	H-REIT Manager's acquisition fee	-	1,540	-	-
	H-REIT Manager's fee paid / payable in Stapled Securities	2,457	9,354	2,183	8,126
(a)	Net finance costs	3,033	13,167	2,840	16,562
	Net surplus on revaluation of investment properties	(73,213)	(73,213)	(32,403)	(51,391)
	Operating income before working capital changes	33,420	131,637	30,548	111,593
	Changes in working capital:				
	Trade and other receivables	(2,003)	(2,875)	(1,195)	(1,661)
	Trade and other payables	3,240	3,081	3,371	6,329
	Cash used in operation	34,657	131,843	32,724	116,261
	Income tax paid	2	(727)	-	-
	Cash generated from operating activities	34,659	131,116	32,724	116,261
Investing activities					
	Cash outflow from acquisition of investment properties	(26)	(156,083)	-	(237,894)
(b)	Security deposit from acquisition of an investment property	-	1,600	-	-
	Capital expenditure on investment properties	(4,355)	(12,356)	(2,394)	(6,682)
	Interest received	196	639	74	186
	Cash flows from investing activities	(4,185)	(166,200)	(2,320)	(244,390)
Financing activities					
	Fixed deposit pledged	-	15	-	(15)
	Finance costs paid	(2,002)	(13,063)	(1,693)	(12,410)
(c),(e)	Proceeds from medium term notes	-	153,600	-	260,000
(d),(e)	Proceeds from bank loans	-	153,200	117,068	384,204
(d),(e)	Repayment of bank loans	-	(153,200)	(117,100)	(556,913)
	Payment of transaction costs related to bank loans	(9)	(450)	(650)	(992)
(e)	Proceeds from issue of units / stapled securities	-	-	-	200,001
	Payment of issue expenses	-	-	-	(3,221)
	Distribution to holders of Stapled Securities	-	(102,270)	-	(80,461)
	Cash flows from financing activities	(2,011)	37,832	(2,375)	190,193
	Net increase in cash and cash equivalents	28,463	2,748	28,029	62,064
	Cash and cash equivalents at beginning of the period/year	42,030	67,745	39,716	5,681
	Cash and cash equivalents at end of the period/year	70,493	70,493	67,745	67,745

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	H-REIT Group		CDL Hospitality Trusts	
	31 Dec 2011 S\$'000	31 Dec 2010 S\$'000	31 Dec 2011 S\$'000	31 Dec 2010 S\$'000
Cash and cash equivalents in consolidated balance sheets	70,112	67,376	70,493	67,760
Fixed deposit pledged to a financial institution	-	(15)	-	(15)
Cash and cash equivalents in consolidated statements of cash flows	70,112	67,361	70,493	67,745

Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 December 2011

1,584,128 (Quarter ended 31 December 2010: 1,049,280) Stapled Securities amounting to S\$2,457,000 (Quarter ended 31 December 2010 S\$2,183,000) 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 2011 on 30 January 2012.

Full year from 1 January 2011 to 31 December 2011

5,308,975 (year ended 31 December 2010: 4,199,109) Stapled Securities amounting to S\$9,354,000 (year ended 31 December 2010: S\$8,126,000) 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 2011.

- (b) For significant movements in the cashflow for FY 2011, please refer to Section 1(b)(i) Footnote (b)(i) on page 11 of the Announcement .
- (c) For explanation on significant movements in the cashflow for FY 2011, please refer to Section 1(b)(i) Footnote (d) on page 11 and Section (1)(b)(ii) Footnote (i) on page 12 of the Announcement .
- (d) For explanation on the significant movements in the cashflow, please refer to Section (1)(b)(ii) Footnote (iii) on page 13 of the Announcement .
- (e) In 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 its revolving credit facility. These funds were mainly utilised to fully re-finance its existing bank loans then. Details on the issuance of units is set out under Section 1(d)(v) Footnote (c) on page 21 of the Announcement.

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

	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
Balance as at beginning of the period/year	382	383	383	384
Net loss after tax	(2)	-	(3)	(1)
Balance as at end of the period/year	380	383	380	383

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

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 2011	1,115,646	(24,695)	(3,765)	356,026	1,443,212	1,443,594
Operations						
Increase in net assets resulting from operations	-	-	-	97,398	97,398	97,396
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	2,918	-	2,918	2,918
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	4,763	-	4,763	4,763
- Exchange differences on hedge of net investment in a foreign operation	-	-	(4,241)	-	(4,241)	(4,241)
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H- REIT Manager’s management fees	(a) 2,457	-	-	-	2,457	2,457
(ii) Issue expenses	-	774	-	-	774	774
Increase in net assets resulting from unitholders’ transactions	2,457	774	-	-	3,231	3,231
Balance as at 31 December 2011	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661

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

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 2011	1,107,209	(24,695)	(2,061)	379,402	1,459,855	1,460,238
Operations						
Increase in net assets resulting from operations	-	-	-	176,292	176,292	176,289
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(867)	-	(867)	(867)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	2,510	-	2,510	2,510
- Exchange differences on hedge of net investment in a foreign operation	-	-	93	-	93	93
Unitholders’ transactions						
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees (a)	9,354	-	-	-	9,354	9,354
(ii) Distribution to holders of Stapled Securities (b)	-	-	-	(102,270)	(102,270)	(102,270)
(iii) Stapled Securities issued and to be issued as payment of H-REIT manager’s acquisition fee	1,540	-	-	-	1,540	1,540
(iv) Issue expenses	-	774	-	-	774	774
Increase in net assets resulting from unitholders’ transactions	10,894	774	-	(102,270)	(90,602)	(90,602)
Balance as at 31 December 2011	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661

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 2010 to 31 December 2010 and from 1 January 2011 to 30 June 2011.*

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1 (d)(iv) 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 a monetary item 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)(v) 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 a monetary item 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) Issue of 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

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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”).*

Gross proceeds from Private Placement of approximately S\$200.0 million were 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 repay 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.

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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 2011 to 31 Dec 2011	1 Oct 2010 to 31 Dec 2010	1 Jan 2011 to 31 Dec 2011	1 Jan 2010 to 31 Dec 2010
Issued H-REIT units/Stapled Securities at the beginning of the period/year	961,782,408	956,730,951	958,768,077	836,575,110
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	1,471,310	987,846	3,724,847	4,183,687
- as payment of H-REIT Manager’s acquisition fee	-	-	760,794	-
Issued H-REIT units/Stapled Securities at the end of the period/year	963,253,718	957,718,797	963,253,718	957,718,797
H-REIT units/Stapled Securities to be issued:				
- as payment of H-REIT Manager’s management fees	1,584,128	1,049,280	1,584,128	1,049,280
Total issued and issuable H-REIT units / Stapled Securities at the end of the period/year	964,837,846	958,768,077	964,837,846	958,768,077

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 on 1 July 2010. Refer Section 1(d)(v) Footnote (c) on page 21 of the Announcement.
- (c) An additional 760,794 H-REIT units / Stapled securities were issued to H-REIT manager as satisfaction of acquisition of Studio M Hotel.
- (d) These represent the H-REIT units / Stapled Securities to be issued as partial satisfaction of the management fee incurred for the respective quarters.

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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 2011 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Performed 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 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.

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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 2011 to 31 Dec 2011	1 Oct 2010 to 31 Dec 2010	1 Jan 2011 to 31 Dec 2011	1 Jan 2010 to 31 Dec 2010
Weighted average number of Stapled Securities	963,270,937 ^(a)	957,730,202	961,061,959 ^(b)	898,241,051
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	10.11	5.84	18.34	15.12
Distribution per Stapled Security for the period/year based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.73	2.41	10.29	9.12
- Tax exempt income	0.21	0.37	0.76	1.08
	2.94 ^(c)	2.78	11.05	10.20

Footnotes

- (a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 December 2011 is 963,270,937. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2011 of 963,253,718; 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 2011 of 17,219.*
- (b) *The weighted average number of Stapled Securities used for computation of EPS for the year ended from 1 January 2011 to 31 December 2011 is 961,061,959. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2011 of 961,057,619; 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 2011 of 4,340.*
- (c) *The computation of DPS for the quarter ended 31 December 2011 is based on the number of Stapled Securities entitled to distribution of 964,837,846. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 December 2011 of 963,253,718; 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 2011 of 1,584,128.*

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

	H-REIT Group		CDL Hospitality Trusts	
	31 Dec 2011 S\$	31 Dec 2010 S\$	31 Dec 2011 S\$	31 Dec 2010 S\$
Net asset value per H-REIT unit / Stapled Security	1.60 ^(a)	1.52	1.60 ^(b)	1.52

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 December 2011 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,547,281,000; and*
 - *The number of issued and issuable H-REIT units of 964,837,846 (31 December 2010: 958,768,077) (Refer Section 1(e) on page 22 for details).*
- (b) *The net asset value per Stapled Security as at 31 December 2011 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 December 2011 of S\$1,547,661,000; and*
 - *The number of issued and issuable Stapled Securities of 964,837,846 (31 December 2010: 958,768,077) (Refer Section 1(e) on page 22 for details).*
- (c) *Net asset value of HBT as at 31 December 2011 is S\$380,000 (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 964,837,846 (31 December 2010: 958,768,077) comprising:*
- *HBT units in issue as at 31 December 2011 of 963,253,718 (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 December 2011 of 1,584,128 (31 December 2010: 1,049,280).*

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

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

	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	37,804	33,330	13.4	141,107	122,282	15.4
Property tax	(1,634)	(1,238)	32.0	(3,400)	(4,830)	-29.6
Insurance	(216)	(209)	3.3	(767)	(854)	-10.2
Other property expenses	(453)	(391)	15.9	(1,749)	(1,530)	14.3
Net property income	35,501	31,492	12.7	135,191	115,068	17.5
H-REIT Manager's fees	(3,071)	(2,729)	12.5	(11,693)	(10,158)	15.1
H-REIT Trustee's fees	(61)	(56)	8.9	(235)	(217)	8.3
Other trust expenses	(1,406)	(342)	N.M.	(2,520)	(1,226)	N.M.
Finance income	870	445	95.5	1,405	3,962	-64.5
Finance costs	(3,903)	(3,285)	18.8	(14,572)	(20,524)	-29.0
Net finance costs (a)	(3,033)	(2,840)	6.8	(13,167)	(16,562)	-20.5
Net income before revaluation	27,930	25,525	9.4	107,576	86,905	23.8
Net surplus on revaluation of investment properties	73,213	32,403	N.M.	73,213	51,391	42.5
Net income	101,143	57,928	74.6	180,789	138,296	30.7
Income tax expense (a)	(3,747)	(1,964)	90.8	(4,500)	(2,445)	84.0
Total return for the period/year	97,396	55,964	74.0	176,289	135,851	29.8

Footnote

(a) Please refer to Footnote (f) on page 6 for net finance costs and Footnote (i) on page 8 for income tax expense.

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8 (ii) Breakdown of Total Gross Revenue by Property

	Foot- notes	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Orchard Hotel	(a)	7,402	7,102	4.2	27,249	26,731	1.9
Grand Copthorne Waterfront Hotel		6,344	6,132	3.5	24,180	21,838	10.7
M Hotel		4,386	4,169	5.2	16,410	15,484	6.0
Copthorne King's Hotel		2,573	2,394	7.5	10,241	9,261	10.6
Orchard Hotel Shopping Arcade		1,318	1,278	3.1	5,245	4,699	11.6
Studio M Hotel	(b)	2,682	-	N.M.	7,271	-	N.M.
Rendezvous Hotel Auckland		2,300	2,202	4.5	8,992	8,599	4.6
Novotel Clarke Quay		6,319	5,668	11.5	22,818	20,626	10.6
Ibis Brisbane		532	521	2.1	2,294	1,792	28.0
Mercure Brisbane		798	781	2.2	3,310	2,672	23.9
Novotel Brisbane		1,618	1,584	2.1	6,648	5,436	22.3
Ibis Perth		607	594	2.2	2,520	2,038	23.7
Mercure Perth		925	905	2.2	3,929	3,106	26.5
Total		37,804	33,330	13.4	141,107	122,282	15.4

8 (iii) Breakdown of Net Property Income by Property

	Foot- notes	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Oct 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Orchard Hotel	(a)	6,892	6,689	3.0	26,336	25,087	5.0
Grand Copthorne Waterfront Hotel		6,029	5,806	3.8	23,347	20,544	13.6
M Hotel		4,060	3,902	4.0	15,675	14,449	8.5
Copthorne King's Hotel		2,225	2,152	3.4	9,342	8,346	11.9
Orchard Hotel Shopping Arcade		1,009	943	7.0	3,863	3,407	13.4
Studio M Hotel	(b)	2,513	-	N.M.	6,822	-	N.M.
Rendezvous Hotel Auckland		2,300	2,202	4.5	8,992	8,599	4.6
Novotel Clarke Quay		5,993	5,413	10.7	22,113	19,592	12.9
Ibis Brisbane		532	521	2.1	2,294	1,792	28.0
Mercure Brisbane		798	781	2.2	3,310	2,672	23.9
Novotel Brisbane		1,618	1,584	2.1	6,648	5,436	22.3
Ibis Perth		607	594	2.2	2,520	2,038	23.7
Mercure Perth		925	905	2.2	3,929	3,106	26.5
Total		35,501	31,492	12.7	135,191	115,068	17.5

Footnote

(a) Orchard Hotel recorded lower growth in revenue and net property income in FY 2011 primarily due to room nights taken out of its inventory during the year for refurbishment.

(b) No prior period comparatives are presented as Studio M Hotel was acquired on 3 May 2011.

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8 (iv) Review of the Performance

Fourth Quarter ended 31 December 2011

Gross revenue of S\$37.8 million for 4Q 2011 exceeded that of 4Q 2010 by S\$4.5 million or 13.4%. This was mainly attributed to improved hospitality performance across the portfolio, and contribution from Studio M Hotel (acquired in 2Q 2011), which accounted for approximately S\$2.7 million of the gross revenue increase.

Fuelled by the growth in visitor arrivals, RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased by 6.0% to S\$205 in 4Q 2011, which represents the best 4Q performance since the inception of H-REIT. The RevPAR for the Singapore Hotels (including Studio M Hotel) increased by 6.1% to S\$200 in 4Q 2011.¹ Net Property Income correspondingly improved by S\$4.0 million to S\$35.5 million during the reporting quarter.

The Group revalued its investment properties as at 31 December 2011 and recorded a net revaluation surplus of S\$73.2 million in 4Q 2011, which was largely contributed by the Group’s Singapore Hotels.

The total income available for distribution (before deducting income retained for working capital) of S\$31.5 million in 4Q 2011 exceeded 4Q 2010 by S\$3.5 million or 12.5%. In line with the improved operating results, the income available for distribution per Stapled Security for 4Q 2011 (after deducting the income retained for working capital) was 2.94 cents, a 5.8% growth over the 2.78 cents recorded in the corresponding quarter last year.

For the reporting quarter, the Singapore Hotels achieved a combined Hotel revenue of S\$86.6 million, an improvement of 13.9% over the previous corresponding quarter of S\$76.0 million. Gross operating profit in 4Q 2011 was S\$45.9 million, 16.8% higher than the S\$39.3 million recorded in 4Q 2010.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the Singapore Hotels (excluding Studio M Hotel) are set out below:

	1 Oct 2011 to 31 Dec 2011 ²	1 Oct 2010 to 31 Dec 2010 ²	Increase/ (Decrease)
Average Occupancy Rate	88.6%	90.0%	(1.4)pp
Average Daily Rate	S\$232	S\$215	7.7%
Room Revenue per Available Room (RevPAR)	S\$205	S\$194	6.0%

Net property income contributed by the Orchard Hotel Shopping Arcade for 4Q 2011 was S\$1.0 million. Average occupancy was 96.7% in 4Q 2011 with an average monthly rental rate of about S\$7.09 per sq. ft.

¹ Figures are computed on a proforma basis assuming that the Group owns Studio M Hotel for the periods mentioned.

² Excludes Studio M Hotel, which was only acquired on 3 May 2011

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Full year ended 31 December 2011

Performance for FY 2011 was robust with gross revenues of S\$141.1 million and net property income of S\$135.2 million, which exceeded the corresponding year by 15.4% and 17.5% respectively. The strong operating performance was due to organic growth across both the Singapore and overseas hotels portfolio, a one-off property tax refund of S\$3.3 million recognised in 2Q 2011 and contribution from the recently acquired Studio M Hotel. The improved performance was also partially attributed to the recording of an additional variable income of S\$0.84 million (or A\$0.65 million) recognised upon receipt in 1Q 2011 from its Australia Hotels, which was bolstered by the buoyant natural resource sector and static supply of hotel rooms.

The Singapore Hotels continued to register steady growth despite an increase in hotel room supply in Singapore and room nights taken out of the inventory of Orchard Hotel during the year for refurbishment. Average room rates and RevPAR for the Singapore Hotels (excluding Studio M Hotel) rose by 7.6% to S\$232 and 6.9% to S\$204 respectively in FY 2011. The RevPAR achieved was only slightly below the all-time high annual RevPAR of S\$207 achieved in 2008. Excluding Orchard Hotel, the RevPAR growth would have been higher at 10.2% in FY 2011 compared to a year ago.

Interest expense remained at the same level as the previous corresponding year at around S\$14.0 million. Although there were savings from the lower overall funding costs arising from the Singapore dollar borrowings, these savings were however offset by additional interest expense incurred on borrowings drawn to fund Studio M Hotel, which was acquired on 3 May 2011 and higher interest expense incurred on the Australia dollar borrowings. Overall, net finance costs in FY 2011 was lower than the year before due to lower amortisation expense and the absence of an exchange gain of approximately S\$3.0 million.

The net income for H-REIT Group for FY 2011 was S\$180.8 million, an increase of S\$42.5 million over last year. The improvement was mainly due to higher net income (before revaluation) achieved during the year and the recognition of a higher net revaluation surplus on its investment properties as at 31 December 2011.

The income available for distribution (before deducting income retained for working capital) of S\$118.1 million in FY 2011 exceeded the corresponding year by S\$17.5 million, or 17.4%. In tandem with the improved operating results, the income available for distribution per Stapled Security for FY 2011 (after deducting the income retained for working capital) was 11.05 cents, a 8.3% growth over the 10.20 cents recorded in the corresponding year.

Overall, the Singapore Hotels achieved a combined Hotel revenue of S\$317.0 million, an improvement of 12.7% over the corresponding year of S\$281.4 million. Gross operating profit in 2011 was S\$169.7 million, 15.6% higher than the S\$146.8 million recorded the year before.

Statistics on the weighted average occupancy rate, daily rate and RevPAR for the Singapore Hotels (excluding Studio M Hotel) are set out below:

	1 Jan 2011 to 31 Dec 2011	1 Jan 2010 to 31 Dec 2010	Increase/ (Decrease)
Average Occupancy Rate	88.0%	88.6%	(0.6)pp
Average Daily Rate	S\$232	S\$215	7.6%
Room Revenue per Available Room (RevPAR)	S\$204	S\$191	6.9%

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Net property income contributed by the Orchard Hotel Shopping Arcade for FY 2011 was S\$3.9 million. Average occupancy was 96.9% in YTD Dec 2011 with an average monthly rental rate of approximately S\$7.04 per sq. ft

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

In 2012, the Singapore hotel sector is expecting new inventory amounting to 1,540 rooms or 3.7% of the total inventory estimated at the end of 2011. This is slightly lower than the increase in room count of 1,944 new hotel rooms added in 2011.³ The increased room supply is expected to contribute to a more competitive environment in the Singapore hospitality market. The outcome of the European debt crisis, the depth of the recession in some European countries and the health of the US economy may have an impact on Asian economies which may affect visitor arrivals and the hospitality sector. There are indications in the market that some companies are exercising caution about travel budgets in view of the economic uncertainty.

On the other hand, the range of new attractions, new tourism infrastructure and the stronger events calendar in 2012 could continue to draw visitors to Singapore. Some of the new attractions that Singapore is expected to continue to benefit from, include the recently launched Maritime Experiential Museum and Aquarium at Resorts World Sentosa and the Transformers, a new ride in Universal Studios Singapore, which was launched six months ahead of Universal Studios Hollywood. In 2012, notable upcoming attractions in Singapore that will continue to broaden and enrich the experience of visitors include the Marine Life Park at Resorts World Sentosa, Phase 1 (Bay South) of the 101-hectare Gardens by the Bay to be opened by June 2012 and the River Safari featuring the Giant Pandas in third quarter of 2012.⁴ On the tourism infrastructure front, the commencement of operations of the new Singapore International Cruise Terminal in the second quarter of next year, will see Singapore doubling its berth capacity as well as accommodate the new generation of larger cruise liners.⁵ This would also benefit Singapore as an additional engine of growth for the tourism sector. Plans by Jetstar to increase 40 weekly flights in 2012 from Singapore to existing destinations as well as new destinations like Beijing, Ningbo and Hanoi, coupled with the commencement of operations of Singapore's latest low cost carrier, Scoot, in the middle of the year will further facilitate visitor arrivals to Singapore.⁶

CDL Hospitality Trusts' gearing as at 31 December 2011 is maintained at a healthy level of 25.3%, leaving it well-positioned to withstand the effects of any potential adverse economic conditions in 2012 while giving it capacity for acquisitions in the hospitality sector in the next 12 months.

³ According to Horwath HTL report issued as at January 2012

⁴ RWS Press Release, 5 Sep 11, "Resorts World Sentosa unveils the Maritime Experiential Museum & Aquarium", The Straits Times, 2 Nov 11, "Dining by the bay; Food and flora at Gardens by the Bay" and The Straits Times, 1 Jan 12, "Coming attractions"

⁵ The Business Times, 23 Dec 11, "SATS, Spanish partner bag deal as ICT operators" and Channel News Asia, 16 Nov 11, "S'pore investing heavily in cruise infrastructure"

⁶ The Business Times, 16 Jul 11, "Jetstar to base seven more jets in S'pore" and The Business Times, 2 Dec 11, "Scoot selects Sydney as first stop in its network"

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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 2011 to 31 December 2011
i. Distribution type	Taxable income
Distribution rate	5.33 cents per unit
Tax rate	<p><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.</p> <p>Qualifying foreign non-individual investors received their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors received their distributions after deduction of tax at the rate of 17%.</p>
ii. Distribution type	Tax Exempt Income
Distribution rate	0.38 cents per unit
Tax rate	<p><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.</p>

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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 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 distribution 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 (c) Book closure date

5.00 p.m. on 7 February 2012

11 (d) Date payable

29 February 2012

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

Not applicable

13 General mandate relating to Interested Person Transactions

CDL Hospitality Trusts has not obtained a general mandate from unitholders for Interested Person Transactions.

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14 Segmented revenue and results for operating segments (of CDL Hospitality Trusts)

14 (a) Operating segments for the year ended 31 December 2011

	Singapore Hotels	New Zealand Hotel	Australia Hotels	Other Segment	Total
	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
Gross Revenue	108,169	8,992	18,701	5,245	141,107
Segment net property income	103,635	8,992	18,701	3,863	135,191
H-REIT Manager's fees					(11,693)
H-REIT Trustee's fees					(235)
Other charges					(2,520)
Finance income					1,405
Finance costs					(14,572)
Net income before revaluation					107,576
Net surplus on revaluation of investment properties	71,323	(10,396)	11,871	415	73,213
Net income					180,789

14 (b) Operating segments for the year ended 31 December 2010

	Singapore Hotels	New Zealand Hotel	Australia Hotels	Other Segment	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	1 Jan 2010 to 31 Dec 2010 S\$'000
Gross Revenue	93,940	8,599	15,044	4,699	122,282
Segment net property income	88,018	8,599	15,044	3,407	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	55,205	(9,430)	5,608	8	51,391
Net income					138,296

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 2011

- 15 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.

- 16 Breakdown of sales**

CDL Hospitality Trusts			
	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	66,870	57,318	16.7
Total return for first half year	52,109	42,048	23.9
Gross revenue reported for second half year	74,237	64,964	14.3
Total return for second half year	124,180	93,803	32.4

- 17 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2011**

H-REIT Group and CDL Hospitality Trusts		
	1 Jan 2011 to 31 Dec 2011 S\$'000	1 Jan 2010 to 31 Dec 2010 S\$'000
1 July 2009 to 31 December 2009	-	39,451
1 January 2010 to 30 June 2010	-	41,010
1 July 2010 to 31 December 2010	50,911	-
1 January 2011 to 30 June 2011	51,359	-

- 18. Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the H-REIT Manager and the HBT Trustee-Manager confirm that there are no persons occupying managerial positions in the H-REIT Manager and its principal subsidiary, the HBT Trustee-Manager, who are related to a director or chief executive officer or substantial shareholder of the H-REIT Manager or of the HBT Trustee-Manager respectively.

**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 2011**

Disclaimer

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

By Order of the Board

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

30 January 2012

By Order of the Board

Enid Ling Peek Fong
Company Secretary
M&C Business Trust Management Limited
(Company Registration No. 200607118H)
(as Trustee-Manager of CDL Hospitality Business Trust)

30 January 2012



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

30 January 2012

Dear Sirs

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

Introduction

We have reviewed the accompanying interim financial information (the "Financial Information") of CDL Hospitality Real Estate Investment Trust ("H-REIT") and its subsidiaries (the "H-REIT Group") and CDL Hospitality Trusts for the quarter ended 31 December 2011. CDL Hospitality Trusts comprise the H-REIT Group and CDL Hospitality Business Trust. The Financial Information consists of the following:-

- Statements of Financial Position of H-REIT Group and CDL Hospitality Trusts as at 31 December 2011;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 31 December 2011;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 December 2011 and year ended 31 December 2011;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the year ended 31 December 2011;
- Distribution Statements of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 December 2011 and year ended 31 December 2011;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the year ended 31 December 2011; and
- Certain explanatory notes to the above Financial Information.



The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") *7 Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore ("ICPAS"). Our responsibility is to express a conclusion on this Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of financial information consists of making 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, in all material respects, in accordance with the recommendations of RAP *7 Reporting Framework for Unit Trusts* issued by the ICPAS.

Restriction on use

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

Yours faithfully

KPMG LLP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
30 January 2012