



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 2012**

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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 2012

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 March 2012, H-REIT’s portfolio with a total of 4,307 hotel rooms, comprises Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore 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 (which has been re-branded Rendezvous Grand Hotel Auckland with effect from 1 April 2012), 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.

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SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS

	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Gross revenue	38,423	32,301	19.0
Net property income	36,030	30,120	19.6
Net income	28,948	23,565	22.8
Income available for distribution to holders of Stapled Securities	29,839	25,347	17.7
Less:			
Income retained for working capital	(2,984)	(2,535)	17.7
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,855	22,812	17.7
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)			
For the period	3.09	2.64	17.0
Annualised	12.43	10.71	16.1
Annualised distribution yield (%) at closing market price of S\$1.87 as at 25 April 2012	6.65%	5.73%	16.1
Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)			
For the period	2.78	2.38	16.8
Annualised	11.18	9.65	15.9
Annualised distribution yield (%) at closing market price of S\$1.87 as at 25 April 2012	5.98%	5.16%	15.9

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

<u>Statements of Total Return</u>	Foot-notes	H-REIT Group			CDL Hospitality Trusts		
		1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	38,423	32,301	19.0	38,423	32,301	19.0
Property tax	(b)	(1,883)	(1,617)	16.5	(1,883)	(1,617)	16.5
Insurance	(c)	(298)	(132)	N.M.	(298)	(132)	N.M.
Other property expenses	(d)	(212)	(432)	-50.9	(212)	(432)	-50.9
Net property income		36,030	30,120	19.6	36,030	30,120	19.6
H-REIT Manager's fees		(3,111)	(2,643)	17.7	(3,111)	(2,643)	17.7
H-REIT Trustee's fees		(61)	(55)	10.9	(61)	(55)	10.9
Other trust expenses	(e)	(365)	(268)	36.2	(365)	(268)	36.2
Finance income		328	109	N.M.	328	109	N.M.
Finance costs		(3,873)	(3,698)	4.7	(3,873)	(3,698)	4.7
Net finance costs	(f)	(3,545)	(3,589)	-1.2	(3,545)	(3,589)	-1.2
Net income	(g)	28,948	23,565	22.8	28,948	23,565	22.8
Income tax expense	(h)	(366)	(483)	-24.2	(366)	(483)	-24.2
Total return for the period		28,582	23,082	23.8	28,582	23,082	23.8

Footnotes

N.M – Not Meaningful

- (a) *Gross revenue comprises rental income from H-REIT's investment properties. Please refer to paragraph 8(ii), page 19 of the announcement.*
- (b) *Property tax was higher for the quarter ended 31 March 2012 due to the inclusion of property tax of Studio M Hotel (which was not included in the quarter ended 31 March 2011 since Studio M Hotel was only acquired on 3 May 2011).*
- (c) *The increase in insurance expenses for the quarter ended 31 March 2012 was mainly due to the inclusion of insurance costs for Studio M Hotel (which was acquired on 3 May 2011) and an additional accrual of S\$66,000 following the annual finalisation of premiums by insurers in respect of prior years. In addition, there was a reversal of an over accrual of S\$69,000 in the corresponding period last year which further attributed to the higher variance.*
- (d) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade. Expenses were lower for the quarter ended 31 March 2012 as it included a reversal of impairment loss for trade receivables of S\$181,000.*
- (e) *Other trust expenses comprise mainly professional fees and administrative costs.*

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

	H-REIT Group			CDL Hospitality Trusts		
	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	239	109	N.M.	239	109	N.M.
Exchange gain	89	-	N.M.	89	-	N.M.
Finance income	328	109	N.M.	328	109	N.M.
Exchange loss ⁽ⁱ⁾	-	(389)	N.M.	-	(389)	N.M.
Interest paid/payable to banks ⁽ⁱⁱ⁾	(3,703)	(3,167)	16.9	(3,703)	(3,167)	16.9
Amortisation of transaction costs capitalised ⁽ⁱⁱⁱ⁾	(127)	(99)	28.3	(127)	(99)	28.3
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(43)	(43)	N.M.	(43)	(43)	N.M.
Finance costs	(3,873)	(3,698)	4.7	(3,873)	(3,698)	4.7
Net finance costs	(3,545)	(3,589)	-1.2	(3,545)	(3,589)	-1.2

- (i) 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.
- (ii) Interest paid/payable to banks for quarter ended 31 March 2012 increased mainly due to the additional interest expense incurred on borrowings drawn in May last year to finance the acquisition of Studio M Hotel.
- (iii) The amortisation costs for the quarter ended 31 March relates to the amortisation of transaction costs arising from the medium term note issuance and revolving credit facility.

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

	<i>CDL Hospitality Trusts</i>	
	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000
H-REIT	30,354	18,347
Other H-REIT group entities (including consolidation adjustments)	(1,406)	5,218
HBT	-	-
	28,948	23,565

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

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000
Corporate income tax	-	(174)
Deferred tax	(357)	(304)
Others	(9)	(5)
	(366)	(483)

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

	H-REIT Group and CDL Hospitality Trusts	
	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000
Net income of H-REIT	30,354	18,347
Add/(Less): Non tax deductible/(tax chargeable) items:		
- Amortisation of transaction costs	127	99
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	43	43
- Exchange loss/(gain)	(3,292)	4,567
- H-REIT Manager's fees paid/payable in Stapled Securities	2,488	2,114
- Other items	119	177
Income available for distribution to holders of Stapled Securities (before deducting income retained for working capital)	29,839	25,347
Less :		
Income retained for working capital	(2,984)	(2,535)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital) ⁽ⁱⁱ⁾	26,855	22,812
Comprising :		
- Taxable income	24,996	20,892
- Tax exempt income	1,859	1,920
	26,855	22,812

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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 2012 of S\$26,855,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$2,984,000 for working capital purposes) for the period from 1 January 2012 to 31 March 2012.

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1 (b)(i) Statements of Financial Position together with a comparative statement at the end of the immediately preceding financial year

<u>Statements of Financial Position</u>	Foot- notes	H-REIT Group		CDL Hospitality Trusts ^(a)	
		31 Mar 2012 S\$'000	31 Dec 2011 S\$'000	31 Mar 2012 S\$'000	31 Dec 2011 S\$'000
ASSETS					
Non-current assets					
Investment properties		2,033,417	2,029,847	2,033,417	2,029,847
Rental deposit		76	76	76	76
		2,033,493	2,029,923	2,033,493	2,029,923
Current assets					
Trade and other receivables		22,980	18,036	22,980	18,036
Cash and cash equivalents	(b)	37,499	70,112	37,881	70,493
		60,479	88,148	60,861	88,529
Total assets		2,093,972	2,118,071	2,094,354	2,118,452
LIABILITIES					
Non-current liabilities					
Financial liabilities	(c)	534,628	534,765	534,628	534,765
Rental deposits	(d)	6,515	6,472	6,515	6,472
Deferred tax liabilities		6,341	6,001	6,341	6,001
		547,484	547,238	547,484	547,238
Current liabilities					
Trade and other payables	(e)	20,138	22,736	20,140	22,737
Provision for taxation		816	816	816	816
		20,954	23,552	20,956	23,553
Total liabilities		568,438	570,790	568,440	570,791
Net assets		1,525,534	1,547,281	1,525,914	1,547,661
Represented by:					
Unitholders' funds					
Unitholders' funds of H-REIT Group	(f)	1,525,534	1,547,281	1,525,534	1,547,281
Unitholders' funds of HBT		-	-	380	380
		1,525,534	1,547,281	1,525,914	1,547,661

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Footnotes

- (a) *The statement of financial position of CDL Hospitality Trusts comprises the statements of financial position of H-REIT Group and HBT. No separate statement of financial position of HBT has been presented as its net assets as at 31 March 2012 are approximately S\$380,000 (31 December 2011: S\$380,000).*
- (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\$534,628,000 (31 December 2011: S\$534,765,000), which are measured at amortised cost, comprise S\$413.6 million notes issued pursuant to the Medium Term Note Programme and approximately S\$122.3 million drawn down from the RCF Facility, as explained under Section 1 (b)(ii) Footnote (i) and Footnote (ii) on page 10 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

		<i>H-REIT Group and CDL Hospitality Trusts</i>	
		31 Mar 2012	31 Dec 2011
		S\$'000	S\$'000
Amount repayable after one year			
Unsecured medium term notes	(i)	413,600	413,600
Unsecured borrowings	(ii)	122,278	122,558
		535,878	536,158
Amount repayable within one year			
Unsecured borrowings	(iii)	-	-
Total borrowings		535,878	536,158

Footnotes

i. Unsecured medium term notes

H-REIT’s wholly-owned subsidiary, CDLHT MTN Pte. Ltd. (the “Issuer”) has in place a S\$1.0 billion Multi-currency Medium Term Note Programme (the “Programme”). As at reporting date, S\$413.6 million medium term notes has been issued by this subsidiary. 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.*

ii. Unsecured borrowings, after one year

H-REIT has in place 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 2012, A\$93.2 million (S\$122.3 million) was utilised to fund the loan relating to the Australia Hotels.

Approximately S\$77.7 million of the RCF Facility remains unutilised at reporting date.

iii. Unsecured borrowings, within one year

H-REIT has in place the following unsecured facility:

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.

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

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1 (c) Statements of Cash Flows

Foot- notes	H-REIT Group		CDL Hospitality Trusts	
	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000
Operating activities				
Net income	28,948	23,565	28,948	23,565
Adjustments for:				
H-REIT Manager’s fee paid/payable in Stapled Securities	(a) 2,488	2,114	2,488	2,114
Net finance costs	3,545	3,589	3,545	3,589
Operating income before working capital changes	34,981	29,268	34,981	29,268
Changes in working capital:				
Trade and other receivables	(5,185)	2,778	(5,185)	2,778
Trade and other payables	(1,900)	(5,045)	(1,899)	(5,045)
Cash used in operation	27,896	27,001	27,897	27,001
Income tax paid	-	(727)	-	(727)
Cash generated from operating activities	27,896	26,274	27,897	26,274
Investing activities				
Capital expenditure on investment properties	(491)	(3,044)	(491)	(3,044)
Interest received	236	85	236	85
Cash flows from investing activities	(255)	(2,959)	(255)	(2,959)
Financing activities				
Payment of transaction costs related to bank loans	(18)	-	(18)	-
Finance costs paid	(5,144)	(3,777)	(5,144)	(3,777)
Distribution to holders of Stapled Securities	(55,092)	(50,911)	(55,092)	(50,911)
Cash flows from financing activities	(60,254)	(54,688)	(60,254)	(54,688)
Net decrease in cash and cash equivalents	(32,613)	(31,373)	(32,612)	(31,373)
Cash and cash equivalents at beginning of the period	70,112	67,361	70,493	67,745
Cash and cash equivalents at end of the period	37,499	35,988	37,881	36,372

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	H-REIT Group		CDL Hospitality Trusts	
	31 Mar 2012 S\$'000	31 Mar 2011 S\$'000	31 Mar 2012 S\$'000	31 Mar 2011 S\$'000
Cash and cash equivalents in statements of financial position	37,499	36,003	37,881	36,387
Fixed deposit pledged to a financial institution	-	(15)	-	(15)
Cash and cash equivalents in statements of cash flows	37,499	35,988	37,881	36,372

Footnotes

(a) *Significant non-cash transactions*

Quarter ended 31 March 2012

1,411,751 (Quarter ended 31 March 2011: 1,066,744) Stapled Securities amounting to S\$2,488,495 (Quarter ended 31 March 2011: S\$2,114,075) 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 2012 on 26 April 2012.

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

	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000
Balance as at beginning of the period	380	383
Net loss after tax	-	-
Balance as at end of the period	380	383

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1 (d)(ii) Statement of movements in unitholders’ funds for the period from 1 January 2012 to 31 March 2012

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 2012	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661
Operations						
Increase in net assets resulting from operations	-	-	-	28,582	28,582	28,582
Movements in foreign currency translation reserve:						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(968)	-	(968)	(968)
- Exchange differences on hedge of net investment in a foreign operation	-	-	280	-	280	280
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	2,963	-	2,963	2,963
Unitholders’ transactions						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 2,488	-	-	-	2,488	2,488
(ii) Distribution to holders of Stapled Securities	(b) -	-	-	(55,092)	(55,092)	(55,092)
Decrease in net assets resulting from unitholders’ transactions	2,488	-	-	(55,092)	(52,604)	(52,604)
Balance as at 31 March 2012	1,120,591	(23,921)	1,950	426,914	1,525,534	1,525,914

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

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1 (d)(iii) 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 (a)	2,114	-	-	-	2,114	2,114
(ii) Distribution to holders of Stapled Securities (c)	-	-	-	(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) *These represent the Stapled Securities 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 2011 to 31 December 2011.*
- (c) *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 (e) Details of any changes in the H-REIT units/Stapled Securities

		H-REIT Group and <----- CDL Hospitality Trusts ----->	
Footnotes		1 Jan 2012 to 31 Mar 2012	1 Jan 2011 to 31 Mar 2011
Issued H-REIT unit/Stapled Securities at the beginning of the period		963,253,718	957,718,797
Issue of new H-REIT units/Stapled Securities ^(a)			
- as payment of H-REIT Manager's management fees		1,584,128	1,049,280
Issued H-REIT units/Stapled Securities at the end of the period		964,837,846	958,768,077
H-REIT units/Stapled Securities to be issued:			
- as payment of H-REIT Manager's management fees		1,411,751	1,066,744
(b)			
Total issued and issuable H-REIT units/Stapled Securities at the end of the period		966,249,597	959,834,821

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.

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 2012 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 2011.

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 2012 to 31 Mar 2012	1 Jan 2011 to 31 Mar 2011
Weighted average number of Stapled Securities	964,853,360 ^(a)	958,779,930
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)		
- basic and diluted	2.96	2.41
Distribution per Stapled Security for the period based on the total number of Stapled Securities entitled to the distribution (cents)		
- Taxable income	2.59	2.18
- Tax exempt income	0.19	0.20
	2.78 ^(b)	2.38

Footnotes

(a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 March 2012 is 964,853,360. This comprises:*

(i) *The weighted average number of Stapled Securities in issue as at 31 March 2012 of 964,837,846; 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 March 2012 of 15,514.*

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- (b) *The computation of DPS for the quarter ended 31 March 2012 is based on the number of Stapled Securities entitled to distribution of 966,249,597. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 March 2012 of 964,837,846; 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 2012 of 1,411,751.*

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 2012 S\$	31 Dec 2011 S\$	31 Mar 2012 S\$	31 Mar 2011 S\$
Net asset value per H-REIT unit/ Stapled Security	1.58 ^(a)	1.60	1.58 ^(b)	1.60

Footnotes

- (a) *The net asset value per H-REIT unit as at 31 March 2012 is computed based on:*
- *Unitholders’ funds of H-REIT Group of S\$1,525,534,000; and*
 - *The number of issued and issuable H-REIT units of 966,249,597 (31 December 2011: 964,837,846) (see paragraph 1(e) on page 15 for details).*
- (b) *The net asset value per Stapled Security as at 31 March 2012 is computed based on:*
- *Unitholders’ funds of CDL Hospitality Trusts as at 31 March 2012 of S\$1,525,914,000; and*
 - *The number of issued and issuable Stapled Securities of 966,249,597 (31 December 2011: 964,837,846) (see paragraph 1(e) on page 15 for details).*
- (c) *Net asset value of HBT as at 31 March 2012 is S\$380,000 (31 December 2011: S\$380,000). The net asset value per HBT unit is 0.04 cents (31 December 2011: 0.04 cents). The number of HBT units used for computation of the actual net asset value per HBT unit is 966,249,597 (31 December 2011: 964,837,846) comprising:*
- *HBT units in issue as at 31 March 2012 of 964,837,846 (31 December 2011: 963,253,718); 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 2012 of 1,411,751 (31 December 2011: 1,584,128).*

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8 Review of the performance for the quarter ended 31 March 2012

8 (i) Statement of total return of CDL Hospitality Trusts

	Footnotes	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Gross revenue		38,423	32,301	19.0
Property tax		(1,883)	(1,617)	16.5
Insurance		(298)	(132)	N.M.
Other property expenses		(212)	(432)	-50.9
Net property income		36,030	30,120	19.6
H-REIT Manager's fees		(3,111)	(2,643)	17.7
H-REIT Trustee's fees		(61)	(55)	10.9
Other trust expenses		(365)	(268)	36.2
Finance income		328	109	N.M.
Finance costs		(3,873)	(3,698)	4.7
Net finance costs	(a)	(3,545)	(3,589)	-1.2
Net income		28,948	23,565	22.8
Income tax expense	(a)	(366)	(483)	-24.2
Total return for the period		28,582	23,082	23.8

Footnotes

(a) Please refer to footnote (f) on page 5 for net finance costs and footnote (h) on page 6 for income tax expense under paragraph 1(a).

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8 (ii) Breakdown of Total Gross Revenue by Property

	Footnotes	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Orchard Hotel		7,326	6,683	9.6
Grand Copthorne Waterfront Hotel		6,064	5,631	7.7
M Hotel		4,115	3,974	3.5
Copthorne King's Hotel		2,693	2,457	9.6
Orchard Hotel Shopping Arcade		1,330	1,283	3.7
Studio M Hotel	(a)	2,708	-	N.M.
Rendezvous Grand Hotel Auckland	(b)	2,367	2,166	9.3
Novotel Singapore Clarke Quay		5,515	4,837	14.0
Ibis Brisbane		749	647	15.8
Mercure Brisbane		1,123	970	15.8
Novotel Brisbane		2,279	1,797	26.8
Ibis Perth		853	700	21.9
Mercure Perth		1,301	1,156	12.5
Total		38,423	32,301	19.0

8 (iii) Breakdown of Net Property Income by Property

	Footnotes	1 Jan 2012 to 31 Mar 2012 S\$'000	1 Jan 2011 to 31 Mar 2011 S\$'000	Increase/ (Decrease) %
Orchard Hotel		6,762	6,182	9.4
Grand Copthorne Waterfront Hotel		5,573	5,233	6.5
M Hotel		3,749	3,654	2.6
Copthorne King's Hotel		2,306	2,175	6.0
Orchard Hotel Shopping Arcade		1,239	907	36.6
Studio M Hotel	(a)	2,543	-	N.M.
Rendezvous Grand Hotel Auckland	(b)	2,367	2,166	9.3
Novotel Singapore Clarke Quay		5,186	4,533	14.4
Ibis Brisbane		749	647	15.8
Mercure Brisbane		1,123	970	15.8
Novotel Brisbane		2,279	1,797	26.8
Ibis Perth		853	700	21.9
Mercure Perth		1,301	1,156	12.5
Total		36,030	30,120	19.6

Footnotes

- (a) No prior period comparatives are presented as Studio M Hotel was acquired on 3 May 2011.
- (b) With effect from 1 April 2012, Rendezvous Hotel Auckland was re-branded as Rendezvous Grand Hotel Auckland.

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8 (iv) Review of the Performance

First Quarter ended 31 March 2012

Gross revenue of S\$38.4 million for 1Q 2012 exceeded that of 1Q 2011 by S\$6.1 million or 19.0%. In addition to the organic growth from the Singapore and overseas properties, H-REIT’s results were also bolstered by a S\$2.7 million revenue boost from Studio M Hotel, which was acquired on 3 May 2011. Due to the strength of the resource sector and the receipt of a full year’s variable income of S\$1.8 million (or A\$1.3 million) as compared to S\$0.84 million (or A\$0.65 million) recognised for an 8-month period in 1Q 2011, the gross revenue contribution from the Australia Hotels in 1Q 2012 was much higher than the corresponding quarter last year.

Fuelled by the growth in visitor arrivals and the return of the bi-annual Singapore Airshow in February 2012, RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased by 9.3% to S\$213 in 1Q 2012, which represents the highest 1Q occupancy and highest 1Q RevPAR performance since the inception of H-REIT. The RevPAR for the Singapore Hotels (including Studio M Hotel) increased by 8.9% to S\$207 in 1Q 2012.¹ In tandem with the higher gross revenue, net property income has correspondingly improved by S\$5.9 million to S\$36.0 million during the reporting quarter.

The total income available for distribution (before deducting income retained for working capital) of S\$29.8 million in 1Q 2012 exceeded 1Q 2011 by S\$4.5 million or 17.7%. In line with the improved operating results, the income available for distribution per Stapled Security for 1Q 2012 (after deducting the income retained for working capital) was 2.78 cents, a 16.8% growth over the 2.38 cents recorded in the corresponding quarter last year.

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 2012 to 31 Mar 2012 ²	1 Jan 2011 to 31 Mar 2011 ²	Increase
Average Occupancy Rate	88.5%	85.8%	2.7pp
Average Daily Rate	S\$241	S\$227	6.2%
Room Revenue per Available Room (RevPAR)	S\$213	S\$195	9.3%

Net property income contributed by the Orchard Hotel Shopping Arcade for 1Q 2012 was S\$1.2 million. Average occupancy was 96.0% in 1Q 2012 with an average monthly rental rate of about S\$7.20 per sq. ft.

¹ Figures are computed on a proforma basis assuming that the Group owns Studio M Hotel for the period mentioned.
² Excludes Studio M Hotel, which was only acquired on 3 May 2011

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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

A stronger events calendar in 2012 as well as upcoming new attractions and tourism infrastructure planned for opening in the course of the year could draw visitors to Singapore. Notable attractions that will continue to broaden and enrich the experience of visitors to Singapore in 2012 include the expected opening of Phase 1 (Bay South) of the 101-hectare Gardens by the Bay, the River Safari featuring the Giant Pandas, and the Marine Life Park at Resorts World Sentosa.³ In parallel, Singapore's tourism infrastructure has been enhanced with the new Singapore International Cruise Terminal which is expected to double Singapore's berth capacity and accommodate the new generation of larger cruise liners⁴. In addition, the continued increase in low cost carrier flights to Singapore should further facilitate visitor arrivals to Singapore. For 1Q 2012, Singapore registered visitor arrival growth of 13.9% for the period between January - February compared to the corresponding period a year ago which is on track to meet or exceed the Singapore Tourism Board's forecast of 13.5m to 14.5m visitor arrivals, increase of 2.5% to 10.1%.

The supply of new hotel rooms, estimated at 1,530 rooms⁵ in 2012 or 3.1% compared to the room supply as at 31 December 2011, is expected to contribute to a more competitive environment in the Singapore hospitality market. The uncertainty in the Eurozone debt markets and the depth of the recession in some European countries could have an influence on accommodation demand in the next 12 months. Many companies globally are continuing to exercise caution about travel budgets in view of the economic uncertainty. These factors may have an impact on the hospitality sector.

The buoyancy in the natural resource sector in Australia is expected to keep hotel room demand high in Brisbane and Perth, where there is also a static supply of new inventory.

CDL Hospitality Trusts' gearing as at 31 March 2012 is maintained at a healthy level of 25.6%. With a healthy gearing, CDL Hospitality Trusts is well-positioned for further expansion in the hospitality sector in the next 12 months.

³ Channel NewsAsia, 3 Apr 12, "Bay South Garden to open on June 29"; The Straits Times, 10 Mar 12, "Controlled chaos' at Amazon section of River Safari"; and RWS Press Release, 5 Sep 11, "Resorts World Sentosa unveils the Maritime Experiential Museum & Aquarium".

⁴ The Straits Times, 5 Mar 12, "New cruise terminal awaits bigger ships".

⁵ Horwath HTL report issued as at January 2012

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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/recommendeded, 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 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 2012 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 2012

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

26 April 2012



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 2012

Dear Sirs

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

Introduction

We have reviewed the accompanying interim financial information (the "Interim 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 March 2012. CDL Hospitality Trusts comprise the H-REIT Group and CDL Hospitality Business Trust. The Interim Financial Information consists of the following:-

- Statements of Financial Position of H-REIT Group and CDL Hospitality Trusts as at 31 March 2012;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 31 March 2012;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 March 2012;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the period ended 31 March 2012;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the period ended 31 March 2012; and
- Certain explanatory notes to the above Interim Financial Information.

The management of M&C REIT Management Limited (the "Manager" of H-REIT) is responsible for the preparation and presentation of this Interim 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 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, 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
26 April 2012