



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 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 YEAR ENDED 31 DECEMBER 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 December 2012, H-REIT owns 12 hotels with a total of 4,307 hotel rooms, comprising 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 Grand 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 regard 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 (“CDLHT”)  
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 2012**

**SUMMARY OF CDL HOSPITALITY TRUSTS’ RESULTS**

	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Gross revenue	38,335	37,804	1.4	149,535	141,107	6.0
Net property income <sup>(a)</sup>	35,562	35,501	0.2	139,293	135,191	3.0
Net income before revaluation	28,174	27,930	0.9	109,548	107,576	1.8
Income available for distribution to holders of Stapled Securities	31,236	31,519	-0.9	121,658	118,132	3.0
Less:						
Income retained for working capital	(3,124)	(3,152)	-0.9	(12,166)	(11,813)	3.0
Income to be distributed to holders of Stapled Securities	28,112	28,367	-0.9	109,492	106,319	3.0
<b>Income available for distribution per Stapled Security (cents)</b>						
For the period/year	3.22	3.27	-1.5	12.57	12.28	2.4
Annualised	12.81	12.97	-1.2	12.57	12.28	2.4
Annualised distribution yield (%) at closing market price of S\$1.99 as at 28 Jan 2013	6.44	6.52	-1.2	6.32	6.17	2.4
<b>Income to be distributed per Stapled Security (cents)</b>						
For the period/year	2.90	2.94	-1.4	11.32	11.05	2.4
Annualised	11.54	11.66	-1.0	11.32	11.05	2.4
Annualised distribution yield (%) at closing market price of S\$1.99 as at 28 Jan 2013	5.80	5.86	-1.0	5.69	5.55	2.5

**Footnote**

- (a) *Included in the net property income for the year ended 31 December 2011 is a one-off property tax refund of S\$3.3 million. To assess the impact to CDLHT’s year ended 31 December 2011 results excluding this one-off property tax refund, please refer to page 4 of the Announcement.*

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND  
H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

**Footnote (continued)**

- (a) The property tax refund of S\$3.3 million arose from revised property tax assessments issued by the Inland Revenue Authority of Singapore (“IRAS”) in respect of years 2006 to 2008. For further details on this property tax refund, please refer to Footnote (b) on page 7 of the Announcement. CDLHT’s results excluding this non-recurring property tax refund of S\$3.3 million from the year ended 31 December 2011 results, is as follows:

	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 30 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
<i>Net property income</i>	35,562	35,501	0.2	139,293	131,807	5.7
<i>Income available for distribution to holders of Stapled Securities</i>	31,236	31,519	-0.9	121,658	114,782	6.0
<i>Income to be distributed to holders of Stapled Securities</i>	28,112	28,367	-0.9	109,492	103,304	6.0
<i>Income available for distribution per Stapled Security (cents)</i>	3.22	3.27	-1.5	12.57	11.94	5.3
<i>Income to be distributed per Stapled Security (cents)</i>	2.90	2.94	-1.4	11.32	10.74	5.4

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

**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 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	38,335	37,804	1.4	149,535	141,107	6.0
Property tax	(b)	(1,949)	(1,634)	19.3	(7,594)	(3,400)	N.M.
Insurance	(c)	(237)	(216)	9.7	(989)	(767)	28.9
Other property expenses	(d)	(587)	(453)	29.6	(1,659)	(1,749)	-5.1
Net property income		35,562	35,501	0.2	139,293	135,191	3.0
H-REIT Manager's fees		(3,104)	(3,071)	1.1	(12,221)	(11,693)	4.5
H-REIT Trustee's fees		(62)	(61)	1.6	(246)	(235)	4.7
Other trust expenses	(e)	(389)	(1,404)	-72.3	(1,568)	(2,517)	-37.7
Finance income		146	870	-83.2	671	1,405	-52.2
Finance costs		(3,979)	(3,903)	1.9	(16,380)	(14,572)	12.4
Net finance costs	(f)	(3,833)	(3,033)	26.4	(15,709)	(13,167)	19.3
Net income before revaluation		28,174	27,932	0.9	109,549	107,579	1.8
Net surplus on revaluation of investment properties		14,982	73,213	-79.5	14,982	73,213	-79.5
Net income		43,156	101,145	-57.3	124,531	180,792	-31.1
Income tax expense	(h)	(1,884)	(3,747)	-49.7	(2,363)	(4,500)	-47.5
Total return for the period		41,272	97,398	-57.6	122,168	176,292	-30.7

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		CDL Hospitality Trusts					
<u>Statements of Total Return</u>	Foot- notes	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Gross revenue	(a)	38,335	37,804	1.4	149,535	141,107	6.0
Property tax	(b)	(1,949)	(1,634)	19.3	(7,594)	(3,400)	N.M.
Insurance	(c)	(237)	(216)	9.7	(989)	(767)	28.9
Other property expenses	(d)	(587)	(453)	29.6	(1,659)	(1,749)	-5.1
Net property income		35,562	35,501	0.2	139,293	135,191	3.0
H-REIT Manager's fees		(3,104)	(3,071)	1.1	(12,221)	(11,693)	4.5
H-REIT Trustee's fees		(62)	(61)	1.6	(246)	(235)	4.7
Other trust expenses	(e)	(390)	(1,406)	-72.3	(1,570)	(2,520)	-37.7
Finance income		147	870	-83.1	672	1,405	-52.2
Finance costs		(3,979)	(3,903)	1.9	(16,380)	(14,572)	12.4
Net finance costs	(f)	(3,832)	(3,033)	26.3	(15,708)	(13,167)	19.3
Net income before revaluation		28,174	27,930	0.9	109,548	107,576	1.8
Net surplus on revaluation of investment properties		14,982	73,213	-79.5	14,982	73,213	-79.5
Net income	(g)	43,156	101,143	-57.3	124,530	180,789	-31.1
Income tax expense	(h)	(1,884)	(3,747)	-49.7	(2,363)	(4,500)	-47.5
Total return for the period		41,272	97,396	-57.6	122,167	176,289	-30.7

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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 28 of the Announcement.*
- (b) *In 2008, the Inland Revenue 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. In 4Q 2012, there was an additional property tax expense of S\$0.3 million, based on assessment raised by IRAS on the Singapore hotels for the year 2012.*
- (c) *The increase in insurance expenses for the year ended 31 December 2012 was mainly due to higher insurance costs and an additional premium of S\$58,000 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 1Q 2011 which further attributed to the higher variance.*
- (d) *Other property expenses comprise mainly direct operating expenses of the Orchard Hotel Shopping Arcade. Expenses were higher for 4Q 2012 as it included an impairment loss on trade receivables of S\$149,000 (4Q 2011: S\$49,000) and higher marketing expenses.*
- (e) *Other trust expenses comprise mainly professional fees and administrative costs, including cost relating to projects and stamp duty expenses.*

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(f) Net finance costs comprise the following:

	H-REIT Group					
	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	146	200	-27.0	671	670	0.1
Exchange gain <sup>(i)</sup>	-	670	N.M.	-	735	N.M.
Finance income	146	870	-83.2	671	1,405	-52.2
Exchange loss <sup>(i)</sup>	(74)	-	N.M.	(935)	-	N.M.
Interest paid/payable to banks <sup>(ii)</sup>	(3,474)	(3,734)	-7.0	(14,490)	(13,961)	3.8
Amortisation of transaction costs capitalised <sup>(iii)</sup>	(388)	(127)	N.M.	(782)	(442)	76.9
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(43)	(42)	2.4	(173)	(169)	2.4
Finance costs	(3,979)	(3,903)	1.9	(16,380)	(14,572)	12.4
Net finance costs	(3,833)	(3,033)	26.4	(15,709)	(13,167)	19.3



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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

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

	CDL Hospitality Trusts					
	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Interest income received/receivable from banks	147	200	-26.5	672	670	0.3
Exchange gain <sup>(i)</sup>	-	670	N.M.	-	735	N.M.
Finance income	147	870	-83.1	672	1,405	-52.2
Exchange loss <sup>(i)</sup>	(74)	-	N.M.	(935)	-	N.M.
Interest paid/payable to banks <sup>(ii)</sup>	(3,474)	(3,734)	-7.0	(14,490)	(13,961)	3.8
Amortisation of transaction costs capitalised <sup>(iii)</sup>	(388)	(127)	N.M.	(782)	(442)	76.9
Financial expense arising from remeasuring non-current rental deposits at amortised cost	(43)	(42)	2.4	(173)	(169)	2.4
Finance costs	(3,979)	(3,903)	1.9	(16,380)	(14,572)	12.4
Net finance costs	(3,832)	(3,033)	26.3	(15,708)	(13,167)	19.3

- (i) The exchange gain/(loss) for the year ended 31 December 2011 and 31 December 2012 was mainly due to revaluation fluctuations on borrowings and cash and cash equivalents denominated in New Zealand and Australian dollars.
- (ii) The decrease in interest paid/payable to banks for the fourth quarter ended 31 December 2012 was mainly due to the lower funding cost from Australian borrowings. Interest paid/payable to banks for the year ended 31 December 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 year ended 31 December 2012 relates to the amortisation of transaction costs arising from the medium term note issuance and revolving credit facility. The increase in amortisation costs is mainly due to the recognition of the remaining unamortised transaction costs of about S\$0.3 million incurred on the S\$200 million revolving credit facility, following the extension of this facility in December 2012 for another 3-year term. This amortisation expense does not affect distributable income.

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

CDL Hospitality Trusts				
	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
H-REIT	37,807	101,614	118,254	182,715
Other H-REIT group entities (including consolidation adjustments)	5,349	(469)	6,277	(1,923)
HBT	-	(2)	(1)	(3)
	43,156	101,143	124,530	180,789

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

H-REIT Group and CDL Hospitality Trusts				
	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
Corporate income tax	-	(128)	-	(552)
Deferred tax from tax losses, capital allowance and revaluation on investment properties	(1,879)	(3,612)	(2,342)	(3,919)
Others	(5)	(7)	(21)	(29)
	(1,884)	(3,747)	(2,363)	(4,500)

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(i) *Income available for distribution<sup>(i)</sup>*

	H-REIT Group and CDL Hospitality Trusts			
	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
Net income of H-REIT	37,807	101,614	118,254	182,715
Add/(Less): Non tax deductible/(tax chargeable) items:				
- Amortisation of transaction costs	388	127	782	442
- Net surplus on revaluation of investment properties <sup>(ii)</sup>	(10,799)	(71,738)	(10,799)	(71,738)
- Financial expense arising from remeasuring non-current rental deposits at amortised cost	43	42	173	169
- Exchange loss/(gain)	934	(789)	2,584	(3,358)
- H-REIT Manager's fees paid/payable in Stapled Securities	2,483	2,457	9,776	9,354
- Other items	380	(194)	888	548
Income available for distribution to holders of Stapled Securities	31,236	31,519	121,658	118,132
Less :				
Income retained for working capital	(3,124)	(3,152)	(12,166)	(11,813)
Income to be distributed to holders of Stapled Securities <sup>(iii)</sup>	28,112	28,367	109,492	106,319
Comprising :				
- Taxable income	26,363	26,320	100,608	99,057
- Tax exempt income	1,749	2,047	8,884	7,262
	28,112	28,367	109,492	106,319

- (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 year is contributed solely by H-REIT as HBT was dormant during the year. 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 2012 by Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer. The valuation gave rise to a revaluation surplus of S\$10.8 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 income to be distributed for the year ended 31 December 2012 of S\$109,492,000 comprises all of H-REIT's taxable income and net tax exempt income (after retaining an amount of S\$12,166,000 for working capital purposes) for the period from 1 January 2012 to 31 December 2012. Of this amount, the distributable income of S\$55,149,000 for the half year ended 30 June 2012 was paid on 29 August 2012.

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

**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>	Footnotes	H-REIT Group		CDL Hospitality Trusts <sup>(a)</sup>	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	(b)	2,044,925	2,029,847	2,044,925	2,029,847
Rental deposit		76	76	76	76
		<b>2,045,001</b>	<b>2,029,923</b>	<b>2,045,001</b>	<b>2,029,923</b>
<b>Current assets</b>					
Trade and other receivables		13,583	18,036	13,583	18,036
Cash and cash equivalents	(c)	74,994	70,112	75,374	70,493
		88,577	88,148	88,957	88,529
<b>Total assets</b>		<b>2,133,578</b>	<b>2,118,071</b>	<b>2,133,958</b>	<b>2,118,452</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Financial liabilities	(d)	270,018	534,765	270,018	534,765
Rental deposits	(e)	6,645	6,472	6,645	6,472
Deferred tax liabilities		8,096	6,001	8,096	6,001
		<b>284,759</b>	<b>547,238</b>	<b>284,759</b>	<b>547,238</b>
<b>Current liabilities</b>					
Financial liabilities	(d)	259,773	-	259,773	-
Trade and other payable	(f)	25,130	22,736	25,131	22,737
Provision for taxation		2	816	2	816
		<b>284,905</b>	<b>23,552</b>	<b>284,906</b>	<b>23,553</b>
<b>Total liabilities</b>		<b>569,664</b>	<b>570,790</b>	<b>569,665</b>	<b>570,791</b>
<b>Net assets</b>		<b>1,563,914</b>	<b>1,547,281</b>	<b>1,564,293</b>	<b>1,547,661</b>
Represented by:					
<b>Unitholders' funds</b>					
Unitholders' funds of H-REIT Group	(g)	1,563,914	1,547,281	1,563,914	1,547,281
Unitholders' funds of HBT		-	-	379	380
		<b>1,563,914</b>	<b>1,547,281</b>	<b>1,564,293</b>	<b>1,547,661</b>

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**Footnotes**

(a) *The statement of financial position of CDL Hospitality Trusts comprises the statement 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 December 2012 are approximately S\$379,000 (31 December 2011: S\$380,000).*

(b) *The increase in investment properties was attributed to 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:*

*The investment properties were valued as at 31 December 2012 by Jones Lang LaSalle Property Consultants Pte Ltd, Jones Lang LaSalle Hotels (NSW) Pty Limited 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 2012	S\$454,000,000
Grand Copthorne Waterfront Hotel	75 years from 19 July 2006	31 December 2012	S\$350,000,000
M Hotel	75 years from 19 July 2006	31 December 2012	S\$232,000,000
Copthorne King's Hotel	99 years from 1 February 1968	31 December 2012	S\$124,400,000
Orchard Hotel Shopping Arcade	75 years from 19 July 2006	31 December 2012	S\$68,000,000
Novotel Singapore Clarke Quay	97 years & 30 days from 2 April 1980	31 December 2012	S\$304,000,000
Studio M Hotel	99 Years from 26 February 2007	31 December 2012	S\$163,000,000
Rendezvous Grand Hotel Auckland	Freehold	31 December 2012	NZ\$88,000,000
Novotel Brisbane	Freehold	31 December 2012	A\$72,000,000
Mercure and Ibis Brisbane	Freehold	31 December 2012	A\$62,000,000
Mercure Perth	Freehold	31 December 2012	A\$44,000,000
Ibis Perth	Freehold	31 December 2012	A\$28,000,000

*The valuations gave rise to a net revaluation surplus of S\$14,982,000 (31 December 2011: revaluation surplus of S\$73,213,000) 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 2012 is a net translation loss of S\$9,731,000 (31 December 2011: translation gain of S\$1,801,000) relating to 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\$529,791,000 (31 December 2011: S\$534,765,000), which are measured at amortised cost, comprise S\$413.6 million unsecured medium notes issued pursuant to the Medium Term Note Programme and approximately S\$118.2 million drawn down from the term loan facility, as explained under Section 1(b)(ii) Footnote (i) and Footnote (ii) on page 14 of the Announcement respectively.*

*Of the S\$413.6 million unsecured medium term notes issued, S\$260 million were reclassified from non-current liabilities to current liabilities in 3Q 2012 as the maturity date of these notes as at that period was less than one year.*

(e) *Rental deposits relate to rental deposits collected from the Master Lessees, stated at amortised cost.*

(f) *Trade and other payables relate 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 2012 S\$'000	31 Dec 2011 S\$'000
	Footnotes		
<b>Amount repayable after one year</b>			
Unsecured medium term notes	(i)	153,600	413,600
Unsecured borrowings	(ii)	118,178	122,558
		271,778	536,158
<b>Amount repayable within one year</b>			
Unsecured medium term notes	(i)	260,000	-
Unsecured borrowings	(iii)	-	-
		260,000	-
<b>Total borrowings</b>		531,778	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 under the Bridge Loan Facility and one year revolving credit facility.

**ii. Unsecured borrowings, after one year**

H-REIT has in place the following unsecured facilities:

- (a) a S\$100.0 million committed bilateral multi-currency revolving credit facility each from two banks (collectively S\$200 million) for a 3-year term (the “RCF Facility”).

As at 27 December 2012, the outstanding borrowings under the RCF Facility amounted to A\$93.2 million (or S\$ 118.2 million). This amount was utilised to fund the loan relating to the Australia hotels. On 28 December 2012, H-REIT fully repaid the A\$93.2 million borrowings through a new loan facility. Further details on this new loan facility is set out under Footnote (ii)(b) below.

During the reporting quarter, H-REIT also extended the maturity date of the RCF Facility for another 3-year term, expiring in December 2015. Following the above repayment and as at reporting date, no amount was drawn down under this facility.

- (b) In 4Q 2012, H-REIT secured a new 3-year A\$93.2 million bank facility (the “TL Facility”) to fully re-finance its existing Australian dollar borrowings drawn under the RCF Facility (refer to Footnote (ii)(a) above).

As at the balance sheet date, there was no unutilised balance as the TL facility was fully utilised on 28 December 2012 to pay off the outstanding Australian dollar borrowings under the RCF facility.

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*iii. Unsecured borrowings, within one year*

*H-REIT has in place 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)(i) Statements of Cash Flows of H-REIT Group**

		H-REIT Group			
Foot- notes	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	
<b>Operating activities</b>					
	43,156	124,531	101,145	180,792	
Net income					
Adjustments for:					
	-	-	-	1,540	
	-	-	-	-	
(a)	2,483	9,776	2,457	9,354	
	3,833	15,709	3,033	13,167	
	(14,982)	(14,982)	(73,213)	(73,213)	
<b>Operating income before working capital changes</b>					
	34,490	135,034	33,422	131,640	
Changes in working capital:					
	3,428	3,111	(2,003)	(2,875)	
	58	(1,914)	3,241	3,081	
	37,976	136,231	34,660	131,846	
	-	-	2	(727)	
<b>Cash generated from operating activities</b>					
	37,976	136,231	34,662	131,119	
<b>Investing activities</b>					
	-	-	(26)	(156,083)	
(b)	-	-	-	1,600	
	(1,983)	(6,148)	(4,355)	(12,356)	
	110	659	196	639	
<b>Cash used in investing activities</b>					
	(1,873)	(5,489)	(4,185)	(166,200)	
<b>Financing activities</b>					
	-	-	-	15	
	(1,507)	(14,190)	(2,002)	(13,063)	
(b)	-	-	-	153,600	
(b),(c)	118,178	118,178	-	153,200	
(b),(c)	(118,178)	(118,178)	-	(153,200)	
	(1,377)	(1,429)	(9)	(450)	
	-	(110,241)	-	(102,270)	
<b>Cash (used in)/generated from financing activities</b>					
	(2,884)	(125,860)	(2,011)	37,832	
<b>Net increase in cash and cash equivalents</b>					
	33,219	4,882	28,466	2,751	
Cash and cash equivalents at beginning of the period/year					
	41,775	70,112	41,646	67,361	
<b>Cash and cash equivalents at end of the period/year</b>					
	74,994	74,994	70,112	70,112	



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**1 (c)(ii) Statements of Cash Flows of CDL Hospitality Trusts**

		CDL Hospitality Trusts			
Foot- notes		1 Oct 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
<b>Operating activities</b>					
	Net income	43,156	124,530	101,143	180,789
	Adjustments for:				
	H-REIT Manager's acquisition fee	-	-	-	1,540
	H-REIT Manager's fee paid/payable in Stapled Securities	(a) 2,483	9,776	2,457	9,354
	Net finance costs	3,832	15,708	3,033	13,167
	Net surplus on revaluation of investment properties	(14,982)	(14,982)	(73,213)	(73,213)
	<b>Operating income before working capital changes</b>	<b>34,489</b>	<b>135,032</b>	<b>33,420</b>	<b>131,637</b>
	Changes in working capital:				
	Trade and other receivables	3,428	3,111	(2,003)	(2,875)
	Trade and other payables	58	(1,914)	3,240	3,081
	Cash used in operation	37,975	136,229	34,657	131,843
	Income tax paid	-	-	2	(727)
	<b>Cash generated from operating activities</b>	<b>37,975</b>	<b>136,229</b>	<b>34,659</b>	<b>131,116</b>
<b>Investing activities</b>					
	Cash outflow from acquisition of an investment property	(b) -	-	(26)	(156,083)
	Security deposit from acquisition of an investment property	-	-	-	1,600
	Capital expenditure on investment properties	(1,983)	(6,148)	(4,355)	(12,356)
	Interest received	111	660	196	639
	<b>Cash used in investing activities</b>	<b>(1,872)</b>	<b>(5,488)</b>	<b>(4,185)</b>	<b>(166,200)</b>
<b>Financing activities</b>					
	Fixed deposit pledged	-	-	-	15
	Finance costs paid	(1,507)	(14,190)	(2,002)	(13,063)
	Proceeds from medium term notes	(b) -	-	-	153,600
	Proceeds from bank loans	(b),(c) 118,178	118,178	-	153,200
	Repayment of bank loans	(b),(c) (118,178)	(118,178)	-	(153,200)
	Payment of transaction costs related to bank loans	(1,377)	(1,429)	(9)	(450)
	Distribution to holders of Stapled Securities	-	(110,241)	-	(102,270)
	<b>Cash (used in)/generated from financing activities</b>	<b>(2,884)</b>	<b>(125,860)</b>	<b>(2,011)</b>	<b>37,832</b>
	<b>Net increase in cash and cash equivalents</b>	<b>33,219</b>	<b>4,881</b>	<b>28,463</b>	<b>2,748</b>
	Cash and cash equivalents at beginning of the period/year	42,155	70,493	42,030	67,745
	<b>Cash and cash equivalents at end of the period/year</b>	<b>75,374</b>	<b>75,374</b>	<b>70,493</b>	<b>70,493</b>

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**Footnotes**

(a) *Significant non-cash transactions*

Quarter ended 31 December 2012

1,303,781 (Quarter ended 31 December 2011: 1,584,128) Stapled Securities amounting to S\$2,483,000 (Quarter ended 31 December 2011: S\$2,457,000) will be issued to the H-REIT Manager as satisfaction of management fees payable in units in respect of the quarter ended 31 December 2012 on 29 January 2013.

Period from 1 January 2012 to 31 December 2012

5,204,588 (year ended 31 December 2011: 5,308,975) Stapled Securities amounting to S\$9,776,000 (year ended 31 December 2011: S\$9,354,000) were issued or will be issued to the H-REIT Manager as satisfaction of management fees payable in units in respect of the year ended 31 December 2012.

(b) *Proceeds from bank loans were utilised to fund the acquisition of Studio M Hotel in May 2011. These loans were subsequently repaid in August 2011 through proceeds from the issuance of medium term notes by H-REIT’s subsidiary as explained under Section (1)(b)(ii) Footnote (i)(b) on page 14 of the Announcement.*

(c) *In December 2012, H-REIT secured a fresh A\$93.2 million term loan facility and fully drawn down this facility to re-finance its RCF Facility as explained under Section (1)(b)(ii) Footnote (ii)(a) and (ii)(b) on page 14 of the Announcement.*

**1 (d)(i) Statement of Movements in Unitholders’ funds of HBT**

	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
Balance as at beginning of the period/year	379	382	380	383
Net loss after tax	-	(2)	(1)	(3)
Balance as at end of the period/year	379	380	379	380

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**1 (d)(ii) Statement of Movements in Unitholders’ funds for the period from 1 October 2012 to 31  
December 2012**

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
<b>Balance as at 1 October 2012</b>	1,125,396	(23,921)	(3,912)	424,079	1,521,642	1,522,021
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	41,272	41,272	41,272
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(396)	-	(396)	(396)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(1,823)	-	(1,823)	(1,823)
- Exchange differences on hedge of net investment in a foreign operation	-	-	736	-	736	736
<b>Unitholders’ transactions</b>						
(i) Stapled Securities to be issued as payment of H-REIT Manager’s management fees	(a) 2,483	-	-	-	2,483	2,483
(ii) Distribution to holders of Stapled Securities	(b) -	-	-	-	-	-
<b>Increase in net assets resulting from unitholders’ transactions</b>	2,483	-	-	-	2,483	2,483
<b>Balance as at 31 December 2012</b>	1,127,879	(23,921)	(5,395)	465,351	1,563,914	1,564,293

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**1 (d)(iii) Statement of Movements in Unitholders’ funds for the period from 1 January 2012 to 31 December 2012**

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
<b>Balance as at 1 January 2012</b>	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	122,168	122,168	122,167
<b>Movements in foreign currency translation reserve:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	-	-	(3,058)	-	(3,058)	(3,058)
- Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	(6,392)	-	(6,392)	(6,392)
- Exchange differences on hedge of net investment in a foreign operation	-	-	4,380	-	4,380	4,380
<b>Unitholders’ transactions</b>						
(i) Stapled Securities issued and to be issued as payment of H-REIT Manager’s management fees	(a) 9,776	-	-	-	9,776	9,776
(ii) Distribution to holders of Stapled Securities	(b) -	-	-	(110,241)	(110,241)	(110,241)
<b>Decrease in net assets resulting from unitholders’ transactions</b>	9,776	-	-	(110,241)	(100,465)	(100,465)
<b>Balance as at 31 December 2012</b>	1,127,879	(23,921)	(5,395)	465,351	1,563,914	1,564,293

**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 2011 to 31 December 2011 and from 1 January 2012 to 30 June 2012.*

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**1 (d)(iv) 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
<b>Balance as at 1 October 2011</b>	1,115,646	(24,695)	(3,765)	356,026	1,443,212	1,443,594
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	97,398	97,398	97,396
<b>Movements in foreign currency translation reserve:</b>						
- 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)
<b>Unitholders’ transactions</b>						
(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
<b>Increase in net assets resulting from unitholders’ transactions</b>	2,457	774	-	-	3,231	3,231
<b>Balance as at 31 December 2011</b>	1,118,103	(23,921)	(325)	453,424	1,547,281	1,547,661

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**1 (d)(v) 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
<b>Balance as at 1 January 2011</b>	1,107,209	(24,695)	(2,061)	379,402	1,459,855	1,460,238
<b>Operations</b>						
Increase in net assets resulting from operations	-	-	-	176,292	176,292	176,289
<b>Movements in foreign currency translation reserve:</b>						
- 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
<b>Unitholders’ transactions</b>						
(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
<b>Decrease in net assets resulting from unitholders’ transactions</b>	10,894	774	-	(102,270)	(90,602)	(90,602)
<b>Balance as at 31 December 2011</b>	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(e) Details of any changes in the H-REIT units/Stapled Securities**

		<----- H-REIT Group and CDL Hospitality Trusts ----->			
Foot- notes		1 Oct 2012 to 31 Dec 2012	1 Oct 2011 to 31 Dec 2011	1 Jan 2012 to 31 Dec 2012	1 Jan 2011 to 31 Dec 2011
	Issued H-REIT units/Stapled Securities at the beginning of the period	967,531,276	961,782,408	963,253,718	958,768,077
	Issue of new H-REIT units/ Stapled Securities <sup>(a)</sup>				
	- as payment of H-REIT Manager’s management fees	1,207,377	1,471,310	5,484,935	3,724,847
(b)	- as payment of H-REIT Manager’s acquisition fees	-	-	-	760,794
	Issued H-REIT units/Stapled Securities at the end of the period	968,738,653	963,253,718	968,738,653	963,253,718
	H-REIT units/Stapled Securities to be issued:				
(c)	- as payment of H-REIT Manager’s management fees	1,303,781	1,584,128	1,303,781	1,584,128
	Total issued and issuable H-REIT units/Stapled Securities at the end of the period	970,042,434	964,837,846	970,042,434	964,837,846

**Footnotes**

- (a) *Each Stapled Security comprises one H-REIT unit and one HBT unit.*
- (b) *An additional 760,794 H-REIT units/Stapled Securities were issued to H-REIT Manager as satisfaction of acquisition of Studio M Hotel.*
- (c) *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 2012 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 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.



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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 2012 to 31 Dec 2012	1 Oct 2011 to 31 Dec 2011	1 Jan 2012 to 31 Dec 2012	1 Jan 2011 to 31 Dec 2011
Weighted average number of Stapled Securities	968,752,825 <sup>(a)</sup>	963,270,937	966,860,643 <sup>(b)</sup>	961,061,959
Earnings per Stapled Security based on the weighted average number of Stapled Securities (cents)				
- basic and diluted	4.26	10.11	12.64	18.34
Distribution per Stapled Security for the period/year based on the total number of Stapled Securities entitled to the distribution (cents)				
- Taxable income	2.72	2.73	10.40	10.29
- Tax exempt income	0.18	0.21	0.92	0.76
	2.90 <sup>(c)</sup>	2.94	11.32	11.05

**Footnotes**

- (a) *The weighted average number of Stapled Securities used for computation of EPS for the quarter ended 31 December 2012 is 968,752,825. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2012 of 968,738,653; 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 2012 of 14,172.*
- (b) *The weighted average number of Stapled Securities used for computation of EPS for the year from 1 January 2012 to 31 December 2012 is 966,860,643. This comprises:*
- (i) *The weighted average number of Stapled Securities in issue as at 31 December 2012 of 966,857,081; 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 2012 of 3,562.*
- (c) *The computation of DPS for the quarter ended 31 December 2012 is based on the number of Stapled Securities entitled to distribution of 970,042,434. This comprises:*
- (i) *The number of Stapled Securities in issue as at 31 December 2012 of 968,738,653; 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 2012 of 1,303,781.*

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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 year**

	H-REIT Group		CDL Hospitality Trusts	
	31 Dec 2012 S\$	31 Dec 2011 S\$	31 Dec 2012 S\$	31 Dec 2011 S\$
Net asset value per H-REIT unit/ Stapled Security	1.61 <sup>(a)</sup>	1.60	1.61 <sup>(b)</sup>	1.60

**Footnotes**

- (a) The net asset value per H-REIT unit as at 31 December 2012 is computed based on:
- Unitholders’ funds of H-REIT Group as at 31 December 2012 of S\$1,563,914,000; and
  - The number of issued and issuable H-REIT units of 970,042,434 (31 December 2011: 964,837,846) (Refer Section 1(e) on page 23 for details).
- (b) The net asset value per Stapled Security as at 31 December 2012 is computed based on:
- Unitholders’ funds of CDL Hospitality Trusts as at 31 December 2012 of S\$1,564,293,000; and
  - The number of issued and issuable Stapled Securities of 970,042,434 (31 December 2011: 964,837,846) (Refer Section 1(e) on page 23 for details).
- (c) Net asset value of HBT as at 31 December 2012 is S\$379,000 (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 970,042,434 (31 December 2011: 964,837,846) comprising:
- HBT units in issue as at 31 December 2012 of 968,738,653 (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 December 2012 of 1,303,781 (31 December 2011: 1,584,128).

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**8 Review of the performance for the quarter ended 31 December 2012**

**8 (i) Statement of Total Return of CDL Hospitality Trusts**

	Foot- notes	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Gross revenue		38,335	37,804	1.4	149,535	141,107	6.0
Property tax		(1,949)	(1,634)	19.3	(7,594)	(3,400)	N.M.
Insurance		(237)	(216)	9.7	(989)	(767)	28.9
Other property expenses		(587)	(453)	29.6	(1,659)	(1,749)	-5.1
Net property income		35,562	35,501	0.2	139,293	135,191	3.0
H-REIT Manager's fees		(3,104)	(3,071)	1.1	(12,221)	(11,693)	4.5
H-REIT Trustee's fees		(62)	(61)	1.6	(246)	(235)	4.7
Other trust expenses		(390)	(1,406)	-72.3	(1,570)	(2,520)	-37.7
Finance income		147	870	-83.1	672	1,405	-52.2
Finance costs		(3,979)	(3,903)	1.9	(16,380)	(14,572)	12.4
Net finance costs	(a)	(3,832)	(3,033)	26.3	(15,708)	(13,167)	19.3
Net income before revaluation		28,174	27,930	0.9	109,548	107,576	1.8
Net surplus on revaluation of investment properties		14,982	73,213	-79.5	14,982	73,213	-79.5
Net income		43,156	101,143	-57.3	124,530	180,789	-31.1
Income tax expense	(a)	(1,884)	(3,747)	-49.7	(2,363)	(4,500)	-47.5
Total return for the period		41,272	97,396	-57.6	122,167	176,289	-30.7

**Footnote**

N.M. - Not Meaningful

(a) Please refer to Footnote (f) on page 9 for net finance costs and Footnote (h) on page 10 for income tax expense.

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**8 (ii) Breakdown of Total Gross Revenue by Property**

	Foot- notes	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Orchard Hotel	(a)	6,938	7,402	-6.3	27,704	27,249	1.7
Grand Copthorne Waterfront Hotel		6,766	6,344	6.7	24,986	24,180	3.3
M Hotel		4,365	4,386	-0.5	16,695	16,410	1.7
Copthorne King's Hotel	(b)	2,511	2,573	-2.4	10,225	10,241	-0.2
Orchard Hotel Shopping Arcade		1,368	1,318	3.8	5,388	5,245	2.7
Studio M Hotel	(c)	2,630	2,682	-1.9	10,862	7,271	N.M.
Novotel Singapore Clarke Quay		7,045	6,319	11.5	24,880	22,818	9.0
Rendezvous Grand Hotel Auckland		2,367	2,300	2.9	9,363	8,992	4.1
Ibis Brisbane	(d)	516	532	-3.0	2,307	2,221	3.9
Mercure Brisbane	(d)	773	798	-3.0	3,460	3,330	3.9
Novotel Brisbane	(d)	1,570	1,618	-3.0	7,022	6,757	3.9
Ibis Perth	(d)	589	607	-3.0	2,632	2,533	3.9
Mercure Perth	(d)	897	925	-3.0	4,011	3,860	3.9
<b>Total</b>		<b>38,335</b>	<b>37,804</b>	<b>1.4</b>	<b>149,535</b>	<b>141,107</b>	<b>6.0</b>

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**8 (iii) Breakdown of Net Property Income by Property**

	Foot- notes	1 Oct 2012 to 31 Dec 2012 S\$'000	1 Oct 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Orchard Hotel Grand Copthorne Waterfront Hotel	(a),(e)	6,263	6,892	-9.1	25,379	26,336	-3.6
M Hotel	(e)	4,029	4,060	-0.8	15,283	15,675	-2.5
Copthorne King's Hotel Orchard Hotel Shopping Arcade	(e) (f)	2,155 914	2,225 1,009	-3.1 -9.4	8,719 4,247	9,342 3,863	-6.7 9.9
Studio M Hotel	(c)	2,416	2,513	-3.9	10,157	6,822	N.M.
Novotel Singapore Clarke Quay	(e)	6,652	5,993	11.0	23,501	22,113	6.3
Rendezvous Grand Hotel Auckland		2,367	2,300	2.9	9,363	8,992	4.1
Ibis Brisbane	(d)	516	532	-3.0	2,307	2,221	3.9
Mercure Brisbane	(d)	773	798	-3.0	3,460	3,330	3.9
Novotel Brisbane	(d)	1,570	1,618	-3.0	7,022	6,757	3.9
Ibis Perth	(d)	589	607	-3.0	2,632	2,533	3.9
Mercure Perth	(d)	897	925	-3.0	4,011	3,860	3.9
<b>Total</b>	(e)	<b>35,562</b>	<b>35,501</b>	<b>0.2</b>	<b>139,293</b>	<b>135,191</b>	<b>3.0</b>

**Footnotes**

- (a) Orchard Hotel recorded a fourth quarter year-on-year contraction of 6.3% in gross revenue as it was affected by the competitive environment in the Orchard Road vicinity and lower food and beverage revenue generated from weddings and social events as compared to 2011. Net property income was also lower due to the recognition of an additional S\$0.2 million property tax expense in 4Q 2012 arising from the finalised property tax assessment raised by IRAS in respect of the year 2012. This resulted in a corresponding decline in year-on-year net property income by 3.6%.
- (b) Copthorne King's Hotel registered a contraction in gross revenue for the quarter and full year as compared to 2011 as it was affected by the absence of key accounts in the shipping sector and business from a large project group, which was not repeated in 2012.
- (c) Studio M Hotel was acquired on 3 May 2011 and the full benefit of this acquisition was only felt in 2012.
- (d) There has been a change in the allocation of total variable rent amongst the Australia properties. As a result, the balances amongst the individual Australia properties in the previous corresponding period have been reclassified for consistency. This reclassification has no impact on the distribution of CDL Hospitality Trusts as the total revenue and net property income remain unchanged.
- (e) The net property income in year-to-date ("YTD") December 2011 included a one-off property tax refund of S\$3.3 million. Excluding this one-off property tax refund, the overall net property income for the year ended 31 December 2011 was S\$131.8 million, resulting in a year-on-year improvement of S\$7.5 million or 5.7% to S\$139.3 million for the year ended 31 December 2012. For further details, please refer to Footnote (a) on page 4 of the Announcement.
- (f) For FY 2012, the net property income was higher than the previous corresponding year due to the reversal of impairment losses on trade receivables amounting to about S\$0.3 million.

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**8(iv) Review of the Performance**

**Fourth Quarter ended 31 December 2012**

Gross revenue for 4Q 2012 was S\$38.3 million, an increase of S\$0.5 million or 1.4% over the previous corresponding quarter. The revenue per available room (“RevPAR”) of H-REIT’s Singapore Hotels (excluding Studio M Hotel) for 4Q 2012 remained flat compared to 4Q 2011. Amidst a more challenging global economic environment, travellers remained cautious about travel expenditure. The meetings and conference business continued to be affected by the economic malaise. Contribution from the Australia hotels was slightly lower than 4Q 2011 due to a translation loss arising from the weaker Australian dollar.

The net property income for the reporting quarter of S\$35.6 million was marginally higher than 4Q 2011. Included in the 4Q 2012 net property income is an additional property tax expense of S\$0.3 million, arising from property tax assessments finalised by IRAS for the year 2012 on its Singapore hotels. The bulk of the increase was attributable to Orchard Hotel.

Net finance costs for the reporting period also increased by S\$0.8 million to S\$3.8 million in 4Q 2012. This was attributed to the absence of foreign exchange translation gain of S\$0.7 million arising mainly from H-REIT’s Australian and New Zealand dollar borrowings. During the reporting quarter, there were also savings in interest expense of about S\$0.3 million. However, this savings was offset by a corresponding increase in amortisation expense, which was higher due to the re-financing activities undertaken by H-REIT in 4Q 2012 (further details are set out on Footnote (ii)(a) & (ii)(b) on page 14 of the Announcement).

The Group revalued its investment properties as at 31 December 2012 and recorded a net revaluation surplus of about S\$15.0 million, which was largely contributed by its Singapore properties.

The total income available for distribution (before deducting income retained for working capital) of S\$31.2 million for 4Q 2012 was S\$0.3 million or 0.9% lower year-on-year. Correspondingly, the income available for distribution per Stapled Security of 2.90 cents for 4Q 2012 (after deducting the income retained for working capital) was nominally lower than the 2.94 cents recorded in 4Q 2011.

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 2012 to 31 Dec 2012 <sup>1</sup>	1 Oct 2011 to 31 Dec 2011 <sup>1</sup>	Increase
Average Occupancy Rate	89.4%	88.6%	0.8pp
Average Daily Rate	S\$229	S\$232	(1.3)%
RevPAR	S\$205	S\$205	-

Net property income contributed by the Orchard Hotel Shopping Arcade for 4Q 2012 was S\$0.9 million. Average occupancy rate was 93.8% in 4Q 2012 with an average monthly rental rate of about S\$7.61 per sq. ft.

<sup>1</sup> Excludes Studio M Hotel, which was only acquired on 3 May 2011.

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**Full Year ended 31 December 2012**

Gross revenue for FY 2012 of S\$149.5 million exceeded the corresponding year by S\$8.4 million or 6.0%. The increase was attributed to improved hospitality performance overall and the recognition of a full twelve months contribution from Studio M Hotel (acquired on 3 May 2011) as compared to only 243 days in FY 2011. The improved revenue was also boosted by the receipt of a full year's variable income of S\$1.8 million (or A\$1.3 million) from the Australian properties, as compared to an 8-month variable income of S\$0.84 million (or A\$0.65 million) recognised in 2011.

Fuelled by the growth in visitor arrivals, the RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased by 3.3% to a record high of S\$211 in FY 2012 due to improvement in both the weighted average daily rate and occupancy rate. The weighted average RevPAR for the Singapore Hotels (including Studio M Hotel) increased by 3.1% to S\$205 in FY 2012<sup>2</sup>.

The net property income in FY 2012 was S\$139.3 million, an increase of 3.0% (or S\$4.1 million) over FY 2011. However, this increase did not correspond to 6.0% growth in gross revenue noted above due to the inclusion of a one-off property tax refund of S\$3.3 million in FY 2011 net property income, which did not recur this year. The year-on-year improvement in net property income would be higher at 5.7% (or S\$7.5 million) if the one-off property tax refund of S\$3.3 million is excluded from FY 2011.

Net finance costs increased by S\$2.5 million to S\$15.7 million in FY 2012. The increase was mainly attributed to a full year's interest expense incurred in 2012 on increased borrowings (Studio M was acquired in May 2011), foreign currency translation differences mainly from its Australian and New Zealand dollar borrowings and higher amortisation expense. The amortisation costs in FY 2012 increased due to the recognition of the remaining unamortised transaction costs of about S\$0.3 million, following H-REIT's re-financing activities in December 2012.

The Group revalued its investment properties as at 31 December 2012 and recorded a net revaluation surplus of about S\$15.0 million in FY 2012, which was largely contributed by its Singapore Properties.

The income available for distribution (before deducting income retained for working capital) of S\$121.7 million in FY 2012 exceeded the corresponding year by S\$3.5 million, or 3.0%. The FY 2012 income available for distribution represents a record high. In tandem with the improved operating results, the income available for distribution per Stapled Security for FY 2012 (after deducting the income retained for working capital) grew 2.4% from 11.05 cents reported in the previous corresponding year to 11.32 cents, a record high.

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 Dec 2012 <sup>1</sup>	1 Jan 2011 to 31 Dec 2011 <sup>1</sup>	Increase
Average Occupancy Rate	89.0%	87.9%	1.1pp
Average Daily Rate	S\$237	S\$232	2.2%
RevPAR	S\$211	S\$204	3.3%

Net property income contributed by the Orchard Hotel Shopping Arcade for the year ended 31 December 2012 was S\$4.2 million. Average occupancy rate was 95.3% in YTD December 2012 with an average monthly rental rate of approximately S\$7.36 per sq. ft.

<sup>2</sup> Figures are computed on a proforma basis assuming that the Group owns Studio M Hotel for the period mentioned.

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

No forecast has been disclosed.

**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The latest addition to the tourism landscape in Singapore is the Marine Life Park in Resorts World Sentosa, following the opening of Phase 1 (Bay South) of the 101-hectare Gardens by the Bay and the launch of the International Cruise Terminal earlier this year<sup>1</sup>. As the world's largest oceanarium, the Marina Life Park showcases about 100,000 marine animals over its 8-hectare area and had attracted over 170,000 visitors within the first month of operation<sup>2</sup>. The next upcoming attraction that will continue to broaden and enrich the experience of visitors to Singapore is the River Safari, featuring the Giant Pandas, slated to be opened in first quarter of 2013<sup>3</sup>.

While Singapore's enhanced tourism landscape should continue to draw visitors to Singapore and benefit CDLHT, its performance in the immediate horizon may be affected by the weak global growth environment, particularly in Europe. Many companies globally, as well as leisure travellers, continue to exercise caution in travel expenditure which will continue to weigh on the attendant accommodation demand in the next 12 months. In fact, the year-on-year growth in visitor arrivals in 3Q 2012 has slowed significantly to 3.1% compared to 11.4% in the first half of 2012<sup>4</sup>. In addition, the hospitality operating environment is expected to be more competitive with the supply of 4,000 new hotel rooms in 2013<sup>5</sup>. These factors are likely to have a negative impact on the performance of the Singapore hospitality sector in 2013.

In the first 27 days of January 2013, the RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased marginally by 0.9% compared to a year ago. For the first quarter of 2013 (“1Q 2013”), apart from the more competitive environment, the performance for the Singapore Hotels will be negatively affected by the absence of the bi-annual Singapore Airshow as well the Chinese New Year falling later this year. The corporate travel momentum, which usually picks up in February after the holiday season, may be disrupted due to Chinese New Year falling in February this year as compared to January last year.

The slower pace of the Australian economy may affect the performance of the Australia Hotels although the natural resource sector is expected to underpin hotel room demand in Brisbane and Perth.

The proposed acquisition of Angsana Velavaru Maldives is expected to be completed around the end of January 2013. Post completion, the acquisition should augment the income stream of the portfolio.

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<sup>1</sup> Channel NewsAsia, 29 Jun 2012, "Gardens by the Bay opens to the public", The Straits Times, 21 Nov 2012, "RWS' Marine Life Park opens tomorrow", The Business Times, 23 May 2012, "New cruise terminal to create some 3,000 jobs"

<sup>2</sup> The Straits Times, 21 November 2012 "RWS' Marine Life Park opens tomorrow", The Straits Times, 6 January 2013, "Keepers of sea creatures"

<sup>3</sup> The Straits Times, 1 January 2013, "What to expect in 2013: Consumer; Journey to the world's major river systems - in Mandai"

<sup>4</sup> Economic Survey of Singapore, Third Quarter 2012, Ministry of Trade and Industry Singapore

<sup>5</sup> Horwath HTL report issued as at January 2013



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CDL Hospitality Trusts’ gearing as at 31 December 2012 is maintained at 24.9%. With a healthy post acquisition gearing of approximately 27.9%<sup>6</sup> and ample debt headroom, CDL Hospitality Trusts will continue to source for acquisition opportunities in the hospitality sector in the next 12 months.

**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 2012 to 31 December 2012
i. Distribution type	Taxable income
Distribution rate	5.23 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	0.39 cents per unit
Tax rate	<u>Tax exempt income distribution</u> These distributions are made of H-REIT’s tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

<sup>6</sup> Assuming the total acquisition costs (including transaction expenses) of approximately US\$72.4 million is 100% USD debt funded and converted at exchange rate of S\$1.2224 to US\$1.00

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
 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 2012**

**11 (b) Corresponding period of the preceding 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	<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	0.38 cents per unit
Tax rate	<u>Tax exempt income distribution</u> These distributions are made of H-REIT’s tax exempt income. All unitholders are exempt from Singapore income tax on the distributions made by H-REIT out of its tax exempt income regardless of whether they are corporate unitholders or investors.

**11 (c) Book closure date**

5.00 p.m. on 6 February 2013

**11 (d) Date payable**

28 February 2013

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

Not applicable

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

**13 General mandate relating to Interested Person Transactions**

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

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

**14 (a) Operating segments for the year ended 31 December 2012**

	Singapore Hotels	New Zealand Hotel	Australia Hotels	Other Segment	Total
	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2012 to 31 Dec 2012 S\$'000
Gross Revenue	115,352	9,363	19,432	5,388	149,535
Segment net property income	106,251	9,363	19,432	4,247	139,293
H-REIT Manager's fees					(12,221)
H-REIT Trustee's fees					(246)
Other charges					(1,570)
Finance income					672
Finance costs					(16,380)
Net income before revaluation					109,548
Net surplus on revaluation of investment properties	(2,401)	(2,026)	6,209	13,200	14,982
Net income					124,530

**14 (b) 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

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
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 CDL HOSPITALITY BUSINESS TRUST (“HBT”)**

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

- 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 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000	Increase/ (Decrease) %
Gross revenue reported for first half year	75,055	66,870	12.2
Total return for first half year	54,453	52,109	4.5
Gross revenue reported for second half year	74,480	74,237	0.3
Total return for second half year	67,714	124,180	-45.5

- 17 Annual distribution to holders of Stapled Securities for financial year ended 31 December 2012**

H-REIT Group and CDL Hospitality Trusts		
	1 Jan 2012 to 31 Dec 2012 S\$'000	1 Jan 2011 to 31 Dec 2011 S\$'000
1 July 2010 to 31 December 2010	-	50,911
1 January 2011 to 30 June 2011	-	51,359
1 July 2011 to 31 December 2011	55,092	-
1 January 2012 to 30 June 2012	55,149	-

- 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 the chief executive officer or a substantial shareholder of the H-REIT Manager or of the HBT Trustee-Manager respectively or a substantial stapled security holder of CDLHT.

**CDL HOSPITALITY TRUSTS (“CDLHT”)  
CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES (“H-REIT Group”)  
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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF CDL HOSPITALITY TRUSTS AND  
H-REIT AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2012**

***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)

29 January 2013

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)

29 January 2013



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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

29 January 2013

Dear Sirs

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

### ***Introduction***

We have reviewed the accompanying 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 2012. 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 2012;
- Portfolio Statements of H-REIT Group and CDL Hospitality Trusts as at 31 December 2012;
- Statements of Total Return of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 December 2012 and year ended 31 December 2012;
- Statements of Movements in Unitholders' Funds of H-REIT Group and CDL Hospitality Trusts for the year ended 31 December 2012;
- Distribution Statements of H-REIT Group and CDL Hospitality Trusts for the three-month period ended 31 December 2012 and year ended 31 December 2012;
- Statements of Cash Flows of H-REIT Group and CDL Hospitality Trusts for the year ended 31 December 2012; 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