CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **4 JANUARY 2013**

CDL HOSPITALITY TRUSTS ENTERS INTO AGREEMENT WITH BANYAN TREE HOLDINGS LIMITED FOR THE SALE-AND-LEASEBACK OF ANGSANA VELAVARU IN THE MALDIVES

- **Angsana Velavaru to be acquired at US$71 million from Banyan Tree Holdings Limited at a pro forma annualised net property income yield of 9.6% for the nine months ended 30 September 2012**
- **Unique opportunity for CDL Hospitality Trusts ("CDLHT") to participate in the buoyant hospitality sector of the exclusive Maldives market, which is one of the highest RevPAR markets in the world[1]**
- **Attractive lease structure aligns interest of parties involved and provides defensive rent payment structure**
- **Tapping on the trend of more affluent Asians travelling abroad for growth, to enhance returns to Stapled Security Holders**

Singapore, 4 January 2013 **–** M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust ("H-REIT"), is pleased to announce that Sanctuary Sands Maldives Private Limited ("Sanctuary"), a subsidiary of DBS Trustee Limited, as trustee of H-REIT, has on 4 January 2013 entered into a conditional sale and purchase agreement (the "S&P Agreement") with Maldives Bay Pvt Ltd (the "Vendor"), a subsidiary of Banyan Tree Holdings Limited ("Banyan Tree Holdings"), for the acquisition of Angsana Velavaru (the "Resort", and the acquisition of Angsana Velavaru, the "Acquisition") at a purchase price of US$71.0 million (or approximately S$86.8 million)[2] (the "Purchase Price").

Upon completion of the Acquisition, Sanctuary, as lessor (the "Lessor") will grant a lease for the Resort (the "Lease") to the Vendor, as lessee (the "Lessee", and together with the Acquisition, the "Transactions"). An agreement in relation to the Lease between the Lessor and the Lessee (the "Lease Agreement") will also be entered into immediately upon the completion of the Acquisition. Under the proposed sale-and-leaseback arrangement, the Resort will continue to be operated under the Angsana brand name post-Acquisition.

Located in the southern part of the Maldives archipelago in the South Nilandhe Atoll, the Resort occupies the island of Velavaru, one of the more intimate lagoons in the Maldives, and has a total registered land area of approximately 67,717 square metres. It is a 113-villa, upmarket resort set on its very own private island, and is valued by CBRE Pte. Ltd. at US$72.5 million. It comprises 79 beachfront villas and 34 water villas, providing guests the opportunity to enjoy two distinct experiences at one resort.

Angsana Velavaru boasts a host of facilities such as the Angsana Spa, the Marine Conservation Lab, the Kids Club, and a dive centre, offering guests a variety of activities that cater to the interests of adults, kids, and families. Guests are also able to indulge in a wide array of culinary options ranging from European to Asian cuisines at any of the Resort's restaurants or within the private setting of a nearby picnic island.

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[1] According to research by STR Global.

[2] Based on an exchange rate of US$1.00: S$1.2224 as at 27 December 2012.

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Mr Vincent Yeo, CEO of M&C REIT Management Limited, said, “The compelling offering of the Maldives will enable Angsana Velavaru to benefit from the increased patronage from Asian travellers with a rapidly rising level of disposal income for leisure travel. Our first resort acquisition gives us the exposure in our portfolio to capitalise on this trend. This also marks the beginning of a new lessee relationship with Banyan Tree Holdings, a reputable player in the resort space with a proven track record.”

DETAILS OF THE TRANSACTIONS

Sanctuary will purchase the Resort at a total cost of approximately US$72.4 million (the “Total Acquisition Cost”), which comprises the Purchase Price of US$71.0 million, and other fees and expenses related to the Acquisition that amount to around US$1.4 million. Approval for the Transactions will also have to be obtained from the Ministry of Tourism, Arts and Culture of the Republic of Maldives.

The term of the Lease is for 10 years (the “Term”), commencing from the date of the completion of the Acquisition. Under the Lease, the Lessor will be entitled to receive rent payments equivalent to the Resort’s gross operating profit (“GOP”) less management fees to be paid to the Lessee. For each accounting period[3], the Lessee will be entitled to a tiered management fee, representing a share of the GOP, only if the GOP for the year exceeds US$4.5 million[4] (the “Tiered Management Fee”).

The Lessee will pay the Lessor a top-up amount to make up for any shortfall in rent below US$6.0 million for each accounting period, translating to a minimum rent of US$6.0 million (the “Minimum Rent”). This will be pro-rated accordingly where the accounting period is less than 12 months, and the aggregate top up amount for shortfalls in rent over the entire Term is subject to a cap of US$6.0 million.

Expenditure on the Resort for furniture, fixtures, and equipment (“FF&E”) will be funded through an annual reserve of an amount equal to 3.0% of the gross revenue of the Resort. Additional capital expenditures will also be borne by the Lessor.

FUNDING

The Acquisition will be fully funded initially through debt financing via H-REIT’s multi-currency acquisition facilities. Post-Acquisition, CDLHT’s gearing will increase from 25.5%[5] to 28.6%[6].

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[3] Each accounting period is a period of twelve months commencing on 1 January and ending on the 31 December in each year of the Term except for the first accounting period which will be a broken period commencing on the date of commencement of the Lease and the last accounting period which shall be a broken period ending on the date of termination of the Lease (or any period of holding over or earlier determination of the Lease as appropriate).

[4] If the GOP in respect of each full accounting period is at least US$4.5 million, the Lessee is entitled to a management fee comprising a percentage of the GOP. The percentage ranges from 20% to 40% in incremental portions against various GOP brackets, from GOP in excess of US$4.5 million to GOP in excess of US$8.5 million.

[5] As at 30 September 2012.

[6] On a pro forma basis, assuming the Transactions were completed on 30 September 2012.

RATIONALE

Accretive Transaction

Based on the Purchase Price, the pro forma annualised net property income yield of the Resort for the nine months ended 30 September 2012 would be 9.6%[7], which compares favourably to H-REIT's existing portfolio's implied property yield of 6.0%[8] for the same period.

On a pro forma annualised basis for the nine months ended 30 September 2012, this translates to an additional distribution per Stapled Security[9] ("DPS") of 0.47 Singapore cents, or an accretion of 3.7%[10].

Positioned to Benefit from the Buoyant Hospitality Sector in the Maldives[11]

The Resort is well positioned to gain from the growth of visitors to the Maldives as Asia's rising affluence continues to drive demand for top-tier resort experiences. Visitor arrivals to the Maldives grew at a compound annual growth rate of 7.3% between 2001 to 2011. In 2011, visitor arrivals to the Maldives grew 17.6% year-on-year to 931,333. Visitor arrivals grew at a slower pace of 2.4% year-on-year for the first 11 months of 2012 due to the weak performance of European markets. The Ministry of Tourism, Arts and Culture of the Republic of Maldives estimates that tourist arrivals will hit 974,829 by the end of 2012, which translates to a 4.7% year-on-year increase.

The trend of more affluent Asians travelling abroad is underpinned by the growth of Chinese outbound travel. China has been the largest visitor source market for the Maldives since 2010, when Chinese visitors nearly doubled. It is also the first Asian country to gain the top position, with its market share increasing from a mere 2.9% in 2005 to 15.0% in 2010 and 24.7% for the first 11 months of 2012. Angsana Velavaru has benefitted from this increase in Chinese outbound travel, with visitors from China being the top source market for the Resort.

Further growth in visitor arrivals will also be supported by increased connectivity and airport capacity, together with the eventual economic recovery of traditionally strong European markets.

Lease Terms Provide Rental Protection with a Substantial Share of the Upside

CDLHT will benefit from the defensive lease structure for Angsana Velavaru, which provides for a minimum net property income yield of approximately 7.0%[12], based on the Purchase Price.

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[7] Based on the pro forma annualised net property income of the Resort for the nine months ended 30 September 2012 of US$6.8 million (after deducting outgoings of US$1.0 million) before the provision of FF&E, as a percentage of the Purchase Price of US$71.0 million. As a percentage of the Total Acquisition Cost of US$72.4 million, the pro forma annualised net property income yield will be 9.5%.

[8] The implied property yield is computed based on the annualised net property income for H-REIT Group's existing portfolio for the nine months ended 30 September 2012 (based on H-REIT Group's unaudited financial statements for the period from 1 January 2012 to 30 September 2012 announced on 30 October 2012) divided by the sum of market capitalisation as at 27 December 2012 and total debt less cash and cash equivalents as at 30 September 2012.

[9] Comprising one unit of CDL Hospitality Real Estate Investment Trust, a real estate investment trust, and one unit of CDL Hospitality Business Trust, a business trust.

[10] Based on the change of the pro forma annualised DPS for the nine months ended 30 September 2012 of the enlarged portfolio over the annualised DPS for the nine months ended 30 September 2012 of H-REIT. For the purpose of the computations, the Total Acquisition Cost is assumed to be 100% US dollar debt-funded.

[11] Figures based on data from Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives and CBRE Pte. Ltd.

[12] Based on the net property income from Angsana Velavaru of US$5.0 million, assuming only Minimum Rent of US$6.0 million is received and deducting the outgoings for the pro forma annualised nine months ended 30 September 2012 of US$1.0 million (before the provision of FF&E), as a percentage of the Purchase Price of US$71.0 million. As a percentage of the Total Acquisition Cost of US$72.4 million, minimum net property income yield will be 6.9%.

On a pro forma basis, assuming H-REIT owned the Property from 1 January 2012, this will enhance the minimum rent base[13] of H-REIT's property portfolio for the nine months ended 30 September 2012 from 48.7% to 50.4% of total gross rental revenue.

In addition, the Tiered Management Fee provides further downside protection for CDLHT, and incentivises the Lessee to drive gross operating profit growth while allowing CDLHT to enjoy a substantial share of the upside.

Established and Reputable Operator with Operating Leverage in the Maldives and a Meaningful Presence in the Key Chinese Market[14]

The Resort will continue to be operated under the award-winning and reputable Angsana brand. Angsana is under the umbrella of Banyan Tree Holdings, which is a leading manager and developer of premium resorts, hotels, and spas in the Asia Pacific region, with 33 resorts and hotels, as well as over 64 spas and 78 galleries across the world. Its global marketing network comprises 22 sales offices worldwide. In addition, it has a significant marketing and operating presence in China, with eight sales offices as well as nine resorts and hotels under the Angsana and Banyan Tree brands.

Asset Enhancement and Expansion Opportunities

In April 2012, the Ministry of Tourism, Arts and Culture of the Republic of Maldives increased the allowable built-up area for tourist facilities as a percentage of the total land area from 20% to 30%. This presents asset enhancement and expansion opportunities.

Mr Yeo concluded, "This Acquisition provides us with the opportunity to augment our portfolio and broaden our earnings base. This is in line with our strategy of growing our portfolio of quality assets to boost distribution income. With a healthy gearing of 28.6% post-Acquisition, we still have ample headroom for further acquisitions."

- ENDS -

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[13] For the purpose of computing minimum rent for the nine months ended 30 September 2012 for the properties, we have included the (i) prorated fixed rent from Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel and Copthorne King's Hotel; (ii) prorated first 12-month guarantee rent and annual fixed rent from Studio M Hotel; (iii) S$4.0 million retail rent from Orchard Hotel Shopping Arcade; (iv) prorated rent reserve provided by Accor S.A. for Novotel Singapore Clarke Quay; (v) prorated base rent from the six Australia and New Zealand hotels; and (vi) the prorated Minimum Rent for Angsana Velavaru.

[14] Figures based on data from Banyan Tree Holdings.

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About CDL Hospitality Trusts

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 on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT.

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 at 30 September 2012, H-REIT owns 12 hotels with a total of 4,307 hotel rooms, comprising six hotels in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay and Studio M Hotel); one hotel in New Zealand's gateway city of Auckland (Rendezvous Grand Hotel Auckland); five hotels in Australia's key gateway cities of Brisbane and Perth (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth); as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore. M&C REIT Management Limited is the manager of H-REIT.