



CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

CDL HOSPITALITY BUSINESS TRUST

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

THE PROPOSED ACQUISITION OF NOVOTEL BRISBANE, MERCURE BRISBANE, IBIS BRISBANE, MERCURE PERTH AND IBIS PERTH

1. INTRODUCTION

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”) (the “**H-REIT Manager**”), is pleased to announce that a wholly-owned subsidiary of DBS Trustee Limited, the trustee of H-REIT (the “**H-REIT Trustee**”), has today entered into separate conditional sale and purchase agreements (the “**Sale and Purchase Agreements**”) with wholly-owned subsidiaries of Tourism Asset Holdings Limited (the “**Vendor**”), a private Australian hospitality company, for the acquisition of a portfolio of five freehold properties comprising in aggregate 1,139 rooms, namely, Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (collectively, the “**Portfolio**” or the “**Properties**” or the “**Hotels**”) which are located in Brisbane and Perth, at the purchase consideration of A\$175.0 million (or approximately S\$220.9 million¹). The Hotels are leased through a long-term lease arrangement expiring in April 2021 to AAPC Properties Pty Limited (“**AAPC Properties**”), a wholly-owned indirect subsidiary of Accor S.A. (“**Accor**”), which is a minority investor in the Vendor.

2. INFORMATION ON THE PROPERTIES

The H-REIT Manager proposes to acquire the following Properties (the acquisition of the Properties hereinafter referred to as the “**Acquisition**”) from the Vendor:

Novotel Brisbane is a volumetric freehold property located at 200 Creek Street, Brisbane, Queensland 4000, Australia. It is a four and a half star hotel operated under the Novotel brand and comprises 296 guest rooms and suites over 15 levels.

Mercure Brisbane and **Ibis Brisbane** are interconnected at the basement and other levels and situated on a single freehold site. **Mercure Brisbane**, located at 85-87 North Quay, Brisbane, Queensland 4000, Australia, is a four star hotel operated under the Mercure brand and comprises 194 guest rooms over 16 levels. **Ibis Brisbane**, located at 27-35 Turbot Street, Brisbane, Queensland 4000, Australia, is a three and a half star hotel operated under the Ibis brand and comprises 218 guest rooms over 17 levels.

¹ Based on an exchange rate of A\$1.00 : S\$1.262 as at 27 January 2010.

Mercure Perth is a strata freehold property located at 10 Irwin Street, Perth, Western Australia 6000, Australia. It is a four star hotel operated under the Mercure brand and comprises two tower blocks over 8 and 14 levels featuring 239 guest rooms.

Ibis Perth is a freehold property located at 334 Murray Street, Perth, Western Australia 6000, Australia. It is a three and a half star hotel operated under the Ibis brand and comprises 10 levels offering 192 guest rooms.

All the Properties are well-located within the Central Business Districts ("**CBD**") of Brisbane and Perth, two capital cities in the heart of the most well-endowed resource rich states of Queensland and Western Australia. The Properties are currently leased to AAPC Properties pursuant to deeds of lease dated 7 March 2007 (for Novotel Brisbane, Mercure Brisbane and Ibis Brisbane) and 1 May 2007 (for Mercure Perth and Ibis Perth), entered into between the Vendor and AAPC Properties (the "**Leases**") for each Property. The balance term of the Leases is approximately 11 years. Under the terms of the Leases, AAPC Properties is responsible for all outgoings and for operating the Properties under the relevant Accor hotel brand standards and international star rating.

The rental payments under the Leases comprise an aggregate base rent of A\$13,690,188. In addition, pursuant to a Unifying Agreement dated 7 March 2007 entered into between the Vendor and AAPC Properties for the duration of the Lease, AAPC Properties will also pay an annual variable rent comprising 10% of the amount by which the annual Aggregate Net Operating Profit² of the five Hotels exceeds A\$13,690,188, which provides an upside for H-REIT. The obligations of AAPC Properties under the Leases (including the payment of the additional variable rent under the Unifying Agreement) are also guaranteed by AAPC Limited ("**AAPC**") (the immediate parent of AAPC Properties) and guaranteed under a separate Deed of Guarantee from Accor (the "**Accor Guarantee**").

The Acquisition meets H-REIT's stated objective of owning hospitality and/or hospitality related properties in Singapore and regions that generate relatively assured distributions with growth potential, which improve the income diversification and enhance the distribution per Stapled Security³ ("**DPS**") to holders of Stapled Securities (the "**Stapled Security Holders**").

² Aggregate Net Operating Profit is computed as gross operating profit less operator fees and provisions for furniture, fixtures and equipment ("**FF&E**") as provided in the Unifying Agreement.

³ Each Stapled Security comprises one unit in H-REIT and one unit in CDL Hospitality Business Trust ("**HBT**") stapled together under the terms of the stapling deed dated 12 June 2006 made between the H-REIT Manager, the H-REIT Trustee and M&C Business Trust Management Limited, as trustee-manager of HBT (the "**HBT Trustee-Manager**").

3. SUNSHINE COMPANIES

For the purpose of acquiring the Properties, H-REIT, through the H-REIT Trustee, has incorporated/established the following companies/trusts ("**Sunshine Companies**"):

Name of Company/Trust	Country of Incorporation/ Establishment	Issued and paid up share capital	Purpose
Sunshine Hotels Australia Pty Ltd (wholly-owned by the H-REIT Trustee)	Australia	A\$4.00	To act as trustee of the four trusts referred to below which have been established to hold the Properties
CDLHT Sunshine Limited (" CDLHT Sunshine ") (wholly-owned by the H-REIT Trustee)	British Virgin Islands	US\$1.00	Holding company of interests in the four companies listed below
Sun One Investments Limited (wholly-owned by CDLHT Sunshine)	British Virgin Islands	US\$1.00	To hold Mercure Brisbane and Ibis Brisbane through a trust established as Sun Trust One
Sun Two Investments Limited (wholly-owned by CDLHT Sunshine)	British Virgin Islands	US\$1.00	To hold Novotel Brisbane through a trust established as Sun Trust Two
Sun Three Investments Limited (wholly-owned by CDLHT Sunshine)	British Virgin Islands	US\$1.00	To hold Ibis Perth through a trust established as Sun Trust Three
Sun Four Investments Limited (wholly-owned by CDLHT Sunshine)	British Virgin Islands	US\$1.00	To hold Mercure Perth through a trust established as Sun Trust Four
Sun Trust One (owned by Sun One Investments Limited (90%) and H-REIT Trustee (10%))	Australia	A\$100.00	To hold Mercure Brisbane and Ibis Brisbane
Sun Trust Two (owned by Sun Two Investments Limited (90%) and H-REIT Trustee (10%))	Australia	A\$100.00	To hold Novotel Brisbane
Sun Trust Three (owned by Sun Three Investments Limited (90%) and H-REIT Trustee (10%))	Australia	A\$100.00	To hold Ibis Perth
Sun Trust Four (owned by Sun Four Investments Limited (90%) and H-REIT Trustee (10%))	Australia	A\$100.00	To hold Mercure Perth

4. PRINCIPAL TERMS OF THE ACQUISITION

4.1 Purchaser

The purchaser of each Property will be Sunshine Hotels Australia Pty Ltd ("**Purchaser**"), in each case acting as trustee of the trust referred to in paragraph 3 above and established for the purpose of holding that Property.

4.2 Consideration

The Aggregate Purchase Consideration for the Properties of A\$175.0 million (or approximately S\$220.9 million⁴) (excluding goods and service tax, if any, and stamp duties), was negotiated on a willing-buyer and willing-seller basis.

The following table sets out the purchase consideration of each of the Properties:

Property	Purchase Consideration	
	A\$ (million)	S\$ (million)
Novotel Brisbane	63.5	80.1
Mercure Brisbane and Ibis Brisbane.....	53.7	67.8
Mercure Perth.....	36.2	45.7
Ibis Perth.....	21.6	27.3
Total	175.0	220.9

The payment for the Aggregate Purchase Consideration will be made in cash. A\$8,750,000, being 5% of the Aggregate Purchase Consideration, will be paid in cash as deposit for the Acquisition as provided in the Sale and Purchase Agreements. The balance amounting to A\$166,250,000, being 95% of the Aggregate Purchase Consideration will be paid upon Completion (as defined below).

4.3 Completion

The Aggregate Purchase Consideration, less the deposit of 5%, will be paid on completion of the purchase of the Properties, which is expected to take place by 28 February 2010 or immediately after the Sale and Purchase Agreements become unconditional, whichever is earlier ("**Completion**").

The completion of the acquisition of each Property under its respective Sale and Purchase Agreement is inter-conditional with the completion of the Acquisition of each other Property within the Portfolio.

4.4 Foreign Investment Board Approval

On 22 January 2010, the Purchaser received a notice in writing from the Foreign Investment Review Board of Australia stating that it had no objection to the acquisition of the Properties by the Purchaser.

⁴ Based on an exchange rate of A\$1.00 : S\$1.262 as at 27 January 2010.

4.5 Assignment of the Leases, Unifying Agreement and the Accor Guarantee

Upon Completion, the Vendor will assign the Leases, the Unifying Agreement and its rights under the Accor Guarantee to the Purchaser.

4.6 New Leases, Unifying Agreement and Accor Guarantees

Shortly after Completion, the Purchaser will accept a surrender of the existing Leases and Unifying Agreement from AAPC Properties, and will enter into new leases ("**New Leases**") and a new unifying agreement ("**New Unifying Agreement**") with AAPC Properties and AAPC containing amended terms satisfactory to the H-REIT Trustee. The Purchaser will also enter into new Accor guarantees in respect of each Property ("**New Accor Guarantees**") containing amended terms satisfactory to the H-REIT Trustee.

4.7 Condition of Completion

Completion is conditional on the provision by AAPC Properties and AAPC of documents including the New Leases, New Unifying Agreement and New Accor Guarantees.

5. ESTIMATED ACQUISITION COSTS

The Total Acquisition Cost is estimated to amount to A\$187.2 million and consists of the following:

5.1 Aggregate Purchase Consideration

The Aggregate Purchase Consideration for the Properties is A\$175.0 million.

5.2 Other Additional Costs

The following additional costs are also expected to be incurred by H-REIT in connection with the Acquisition:

- (i) an Acquisition Fee of A\$1.75 million (being 1.0% of the Aggregate Purchase Consideration) payable in cash to the H-REIT Manager pursuant to the Trust Deed; and
- (ii) other estimated fees and expenses (including stamp duty, and professional fees and expenses) of A\$10.4 million incurred or to be incurred by H-REIT in connection with the Acquisition.

6. VALUATION

Each of the Properties has been appraised by an independent valuer, CB Richard Ellis Pty Ltd ("**CBRE**") which has been appointed by the H-REIT Trustee, and the H-REIT Manager, and the aggregate valuation of the Properties as at 26 October 2009 is A\$190.4 million.

The independent valuer has estimated the open market value of each Property using the capitalisation approach and discounted cashflow method.

The following table sets out the valuation of each of the Properties:

Property	Valuation A\$ (million)
Novotel Brisbane	68.4
Mercure Brisbane and Ibis Brisbane.....	57.6
Mercure Perth.....	40.2
Ibis Perth.....	24.2
Total	190.4

7. METHOD OF FINANCING

The H-REIT Manager intends to finance the Total Acquisition Cost through debt. Debt financing will be raised through a combination of debt in Australian dollars and debt in Singapore dollars. The effective A\$ borrowings are estimated to be fixed at 50.0% of the Total Acquisition Cost.

Upon Completion, the debt to assets ratio of H-REIT is expected to be approximately 30.0%⁵ of its deposited property.

8. RATIONALE FOR THE ACQUISITION

The H-REIT Manager believes that the Acquisition will bring the following key benefits to Stapled Security Holders:

8.1 Accretive Acquisition

The H-REIT Manager is of the view that the Acquisition is accretive.

Based on the Aggregate Purchase Consideration of A\$175.0 million, the Properties would yield an aggregate rental of approximately A\$14.7 million or a net property yield of 8.4%⁶ for the financial year ended December 31, 2009 ("FY2009"), which is significantly higher than the H-REIT's current portfolio implied property yield of 5.2%⁷.

The pro forma financial effect of the Acquisition on the income available for distribution (before income retained for working capital) per Stapled Security for FY2009 would be an additional 0.87 Singapore cent⁸.

⁵ Based on an exchange rate of A\$1.00 : S\$ 1.262 as at 27 January 2010. The pre-acquisition debt to assets ratio was 19.1% as at 31 December 2009.

⁶ Based on net property income of the Portfolio for FY2009 as a percentage of the Aggregate Purchase Consideration of A\$175.0 million. Based on the Total Acquisition Cost of A\$187.2 million, the net property yield would be 7.9%.

⁷ Based on the unaudited FY2009 figures and the market capitalisation of CDL Hospitality Trusts as at 27 January 2010 of S\$1.390 billion.

⁸ Based on the FY2009 financial results of the Portfolio, assuming that the Acquisition is completed as at 1 January 2009, at the current exchange rate of A\$1.00 : S\$1.262, FY2009 average exchange rate of A\$1.00 : S\$1.1457 and funded 100% by debt. Based on the historical exchange rate of A\$ 1.00 : S\$ 0.9905 as at 1 January 2009, the pro forma financial effect of the Acquisition on the annualised income available for distribution (before income retained for working capital) per Stapled Security for FY2009 would be an additional 1.24 Singapore cents.

8.2 Well-located assets in markets with strong market fundamentals for hotel performance

All the Properties are well-located within the CBD of Brisbane and Perth, two capital cities in the heart of the most well-endowed resource rich states of Queensland and Western Australia. These properties, particularly those in Perth, also represent an indirect proxy to the resource sector.

The cities of Brisbane and Perth are expected to experience relatively higher economic growth rates largely owing to the strength of their respective economies underpinned by a strong commodity and resource sector, and supported by continued inflow of human capital from interstate and overseas migration.

Queensland has a relatively broad-based economy, contributed by mining, manufacturing, tourism, and knowledge intensive sectors (life sciences, information & communication technologies, and creative industries). Brisbane has been the primary beneficiary from Queensland's vast natural resources, primarily coal, mineral and petroleum deposits and a developing liquefied natural gas (LNG) industry. Acting as the business hub for the mining economy, many major mining and resource firms have chosen Brisbane as the location for the global, Asia Pacific and national headquarters including Anglocoal, Rio Tinto Aluminum, BHP Billiton-Mitsubishi Alliance and Xstrata.

Western Australia's economy is underpinned by its resource mining sector, being a key global supplier of iron ore, crude oil and condensates, amongst other natural resources. Perth benefited from the state's growth, being the only Australian city with a greater number of listed companies since the onset of the global financial crisis. The recently announced A\$43 billion Gorgon Joint Venture, set up to process the massive gas reserve off Western Australia's Pilbara coast, is expected to be an enormous boost for Western Australia. According to the Department of Mines and Petroleum of Western Australia, this project is touted to be the largest resource project in Australia and is expected to create up to 10,000 jobs when construction starts in 2010. Perth, being the capital city of Western Australia, is often used as a gateway to the various mining towns in the state.

Based on figures published by the Australian Bureau of Statistics, Brisbane and Perth recorded highest population growth in absolute numbers and growth rate respectively, from 2007 to 2008.

Apart from the expected increase in room demand from the increase in economic activity, the outlook of the hospitality sector is further enhanced by a benign supply outlook. In Perth, only one project proposed is thought likely to commence construction over the next few years. Brisbane, beyond 2009, is expected to have possibly only one 300-key hotel at 40 Elizabeth Street by 2010/2011. Financing restrictions, relatively more attractive yields of other asset classes and high construction costs are the key reasons that have hampered the development of new hotels. In particular, construction cost in Perth is the most expensive when compared to the other Australian cities and is the key overriding factor in the lack of new supply in the market.

8.3 Secure long term rents strengthen H-REIT's revenue base

Based on the existing terms of the Leases, the lessees will pay the lessor an annual base rent of A\$13.7 million ("**Base Rent**") and 10.0% of excess net operating profit⁹ ("**Variable Rent**") which is estimated to be A\$1.0 million in 2009. All rental payments are guaranteed by Accor for the entire duration of the Leases. In addition, given that the Base Rent

⁹ Excess Net Operating Profit = Aggregate Net Operating Profit – Base Rent of A\$13.7 million.

comprises over 90.0% of the expected annual rent, the Properties will further strengthen H-REIT's current revenue base by increasing the proportion of revenue protected by minimum rent structures from 49.6% to 56.3%¹⁰ after the Acquisition.

8.4 Strong reversionary upside

The lease rentals, comprising largely an annual base rent, account for only 61.2% of the current Portfolio EBITDA (after deducting operator's fees and provision for FF&E) of around A\$24.1 million¹¹. H-REIT can expect to benefit from significant reversion upside upon termination/expiry of the Leases when it gets the full benefit of the Portfolio cashflows. This reversionary upside will also lead to a steady accretion of value over time as the Portfolio value is expected to rise eventually to CBRE's current estimate of the Portfolio valuation on a vacant possession basis of A\$234.9 million¹², a 34% premium to the Aggregate Purchase Consideration.

In addition, the well-located freehold Properties within the CBD of Brisbane and Perth may offer significant potential redevelopment upside in the longer term, particularly Mercure Hotel Brisbane as it sits on a prime location fronting the riverside.

8.5 High net leases protects H-REIT from funding maintenance capital expenditure during the duration of the leases

The H-REIT Manager is of the view that the lease terms of the Properties are favourable to H-REIT as they protect H-REIT from having to fund any maintenance capital expenditure during the duration of the lease. They are quite similar to a triple net lease where the lessee is responsible for all facets of maintenance of the Properties, and any building matters including refurbishment and replacement of capital items (e.g. FF&E and plant and equipment) as deemed appropriate to maintain the Properties to the appropriate specified standard, except that the lessor has to acquire from the lessee the tax written-down value of the lessee assets at the expiry of the leases. This means that throughout the duration of the lease, the lessee is responsible for funding any capital expenditure to maintain the Properties to the standard as provided in the lease agreements. At the expiry of the lease, the lessor will then purchase the tax written-down value of these capital expenditure from the lessee.

8.6 Purchase Consideration a significant discount to the current replacement cost of the Properties

At the Aggregate Purchase Consideration of A\$175.0 million, the H-REIT Manager is of the view that the Properties will be acquired at a significant discount to their current replacement cost.

The replacement cost estimated by CBRE and Davis Langdon Australia Pty Ltd for the Properties is A\$376,000 – A\$449,000 per key, based on the Australia Hotel Cost Study

¹⁰ Based on the FY2009 figures of the Portfolio as a percentage of the rent from H-REIT's existing properties (comprising Grand Copthorne Waterfront Hotel, Copthorne King's Hotel, M Hotel, Orchard Hotel, Novotel Clarke Quay, Orchard Hotel Shopping Arcade and Rendezvous Hotel Auckland) for the same period. It is assumed that the acquisition of the Portfolio is completed as at 1 January 2009 and average exchange rate for FY2009 is A\$1.00 : S\$1.1457.

¹¹ Based on the FY2009 figures of the Portfolio. The figure is derived after deducting operator fees comprising a base fee of 3% of revenue and 8% of gross operating profit, and a provision of 2% for FF&E as provided in the Leases and Unifying Agreement.

¹² Based on the valuation report from CBRE dated 26 October 2009, the estimated value of the Properties on a vacant possession basis (i.e. not leased and returned upon expiry of the leases in 2021 with vacant possession on management) is currently A\$234.9 million.

dated 28 October 2009 commissioned by the H-REIT Trustee and the H-REIT Manager, which is approximately 2.6 times higher than the price per key of A\$153,600¹³.

8.7 Enhanced portfolio diversification

The Properties will provide Stapled Security Holders the benefit of geographical diversification. With the Properties, H-REIT would be able to draw on the resilience and potential growth of the Australian hospitality sector. In terms of income diversification, the Properties will lower the gross rental revenue dependence on the Singapore Existing Properties¹⁴. Post-acquisition, on a pro forma basis, over 23%¹⁵ of H-REIT's income will come from overseas properties (Australia and New Zealand) compared to 9% prior to the Acquisition, thereby broadening the income base and lowering specific country risk.

9. FINANCIAL EFFECTS OF THE ACQUISITION

9.1 Assumptions

The pro forma financial effects of the Acquisition presented below are strictly for illustration purposes and do not reflect the actual financial position of H-REIT or CDL Hospitality Trusts after completion of the Acquisition. They have been prepared based on the unaudited financial statements of H-REIT and its subsidiaries (the “**H-REIT Group**”) for FY2009 as well as the assumption that the Acquisition is 100% financed through debt.

The pro forma effects of the Acquisition on the net profits and earnings of the H-REIT Group are based on the assumptions that H-REIT had completed the Acquisition on 1 January 2009 and held the Properties through to 31 December 2009.

9.2 Net Profits

The net profits (before income tax, minority interests and extraordinary items) attributable to the Acquisition in relation to FY2009 are S\$9.7 million¹⁶.

9.3 Net Tangible Assets

As the H-REIT Manager intends to finance the Acquisition wholly with debt, the effect on net asset value per Stapled Security is nil as at 31 December 2009, assuming the Acquisition had been completed on this date.

9.4 Earnings

Assuming that the Acquisition had been completed on 1 January 2009, the earnings per unit in H-REIT will increase by 1.07 Singapore cents for FY2009¹⁷.

¹³ Price per key is calculated using purchase consideration of A\$175.0 million divided by a total of 1,139 rooms in the Portfolio.

¹⁴ Singapore Existing Properties comprise Grand Copthorne Waterfront Hotel, Copthorne King's Hotel, M Hotel, Orchard Hotel, Novotel Clarke Quay and Orchard Hotel Shopping Arcade.

¹⁵ See footnote 10.

¹⁶ Based on the FY2009 financial results of the Portfolio, assuming that the Acquisition had been completed as at 1 January 2009 and funded 100% by debt. Exchange rate of A\$ 1.00 : S\$ 0.9905 is assumed at 1 January 2009 and average exchange rate of A\$1.00 : S\$1.1457 is assumed throughout FY2009.

¹⁷ See footnote 16.

10. OTHER INFORMATION

10.1 Interests of directors and substantial stapled security holders

Based on information available to the H-REIT Manager and HBT Trustee-Manager, as at the date of this Announcement, none of the directors of the H-REIT Manager or the HBT Trustee-Manager, or the controlling Stapled Security Holders have an interest, direct or indirect, in the Acquisition.

10.2 Director's Service Contracts

No person is proposed to be appointed as a director of the H-REIT Manager in connection with the Acquisition or any other transaction contemplated in relation to the Acquisition.

10.3 Disclosure under Rule 1010(13) of the Listing Manual

10.3.1 Chapter 10 of the Listing Manual classifies transactions into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions, and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, inter alia, the following bases:

(a) the net profits attributable to the assets acquired or disposed of, compared with CDL Hospitality Trusts' net profits;

(b) the aggregate value of the consideration given, compared with the market capitalisation of CDL Hospitality Trusts; and

(c) the number of Stapled Securities issued by CDL Hospitality Trusts as consideration for each transaction, compared with the number of Stapled Securities previously in issue.

10.3.2 *Based on the profit and loss statements of the Properties provided by the Vendor and the unaudited financial statements of the H-REIT Group for the period from 1 January 2009 to 31 December 2009, the relative figure for the basis of comparison set out in sub-paragraph 10.3.1(a) is approximately 14.6%¹⁸.*

10.3.3 *The Aggregate Purchase Consideration of the Acquisition is S\$220.9 million¹⁹. Based on this and CDL Hospitality Trusts' market capitalisation of approximately S\$1,390.4 million as at 27 January 2010, the relative figure for the basis of comparison set out in sub-paragraph 10.3.1(b) above is approximately 15.9%.*

10.3.4 *The relative figure for the basis of comparison set out in sub-paragraph 10.3.1(c) does not apply because no Stapled Securities are issued by H-REIT and HBT as consideration for the Acquisition.*

¹⁸ Based on the FY2009 financial results of the Portfolio as a percentage of the FY2009 net income (before income tax, minority interests and extraordinary items) of H-REIT Group, assuming that the Acquisition is completed as at 1 January 2009 and funded 100% by debt. Exchange rate of A\$1.00 : S\$0.9905 is assumed at 1 January 2009 and average exchange rate of A\$1.00 : S\$ 1.1457 is assumed throughout FY2009.

¹⁹ Based on an exchange rate of A\$1.00 : S\$1.262 as at 27 January 2010.

10.3.5 As the relative figures in relation to the Acquisition for the basis of comparison above exceeds 5.0% but does not exceed 20.0%, the Acquisition is classified as a discloseable transaction and therefore it is not necessary to obtain the approval of the Stapled Security Holders for the Acquisition.

10.4 Documents for Inspection

Copies of the key transaction documents including the Sale and Purchase Agreements and valuation report on the Properties dated 26 October 2009 by CBRE are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the H-REIT Manager at 36 Robinson Road, #04-01 City House, Singapore 068877 for a period of three (3) months commencing from the date of this Announcement.

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

28 January 2010

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

28 January 2010

IMPORTANT NOTICE

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the H-REIT Manager, the HBT Trustee-Manager or any of their respective affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the H-REIT Manager and the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.