



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)

and

CDL HOSPITALITY BUSINESS TRUST

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

PROPOSED ACQUISITION AND LEASE OF ANGSANA VELAVARU, MALDIVES

1. INTRODUCTION

1.1 Acquisition

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”, and as manager of H-REIT, the “**H-REIT Manager**”), is pleased to announce that Sanctuary Sands Maldives Private Limited (the “**Purchaser**”), a subsidiary of DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”), has on 4 January 2013 entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Maldives Bay Pvt Ltd, (the “**Vendor**”), a subsidiary of Banyan Tree Holdings Limited (“**Banyan Tree**”), for the acquisition of Angsana Velavaru which is located in the island of Velavaru in South Nilandhe Atoll, Republic of Maldives (“**Angsana Velavaru**” or “**Property**” and the acquisition of Angsana Velavaru, the “**Acquisition**”¹) at a purchase price of US\$71.0 million (or approximately S\$86.8 million²) (the “**Purchase Price**”).

Upon completion of the Acquisition, the Purchaser, as lessor (the “**Lessor**”) will grant a lease of the Angsana Velavaru (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 be entered into immediately upon the completion of the Acquisition.

The Acquisition is a unique opportunity to acquire a 100% interest in a branded and operating resort amidst a buoyant hospitality market in the Maldives, at approximately

¹ “**Acquisition**” includes the acquisition by the H-REIT Trustee from the Vendor of the leasehold interest in all of the island of Velavaru located at 2° 58’ 45” north and 73° 0’ 55” east, in South Nilandhe Atoll, Republic of Maldives including the dry land and surrounding lagoon, and all the buildings, structures, facilities, installations, fixtures and fittings thereon and the fixed assets and operating equipment used in relation to the hotel business on the Property. The leasehold interest in the Property which is being acquired by the H-REIT Trustee from the Vendor expires on 25 August 2047.

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

US\$628,000 per key³, approximating the independent market valuation obtained. The Maldives offers the opportunity to participate in one of the highest RevPAR⁴ markets globally⁵ and enjoys a premium international reputation as a unique and aspirational destination.

1.2 Information on the Maldives and Angsana Velavaru

The Maldives is a nation of coral islands scattered across the Indian Ocean, consisting 26 natural atolls with over 1,100 islands. The Maldives' tropical climate, white beaches, rich marine environment and ease of accessibility from Europe, the Middle East and Asia have firmly established the island paradise as a top-tier destination for luxury tourism.

The Malé International Airport, which is situated in the North Malé Atoll, is the main port of entry into the Maldives from where speedboats or seaplanes transfer guests to the islands that have been developed into resort destinations.

The Property is located at the southern edge of the Maldives archipelago in the South Nilandhe Atoll. It occupies the island of Velavaru, one of the more intimate lagoons in the Maldives. The Property is approximately 140 kilometres from the Malé International Airport, accessible by seaplane in about 40 minutes.

The Property was rebranded as “Angsana” in 2006 and features 79 beach villas and an exclusive cluster of 34 water villas. Angsana Velavaru is the first resort to introduce the concept of water villas as a standalone collection of villas in the Maldives, located approximately one kilometre from the main island of Velavaru where the beach villas reside. The upmarket resort offers a wide range of dining, leisure and spa options and facilities within the property including three restaurants and one bar, a cooking school, gallery, beach pavilion, marine conservation lab and a kids club. The design style is intended to blend tropical lifestyle, the Maldivian experience and the comforts of modern living. The resort is designed in the Maldivian style with coconut leaf thatched roofs for the villas and sandy floors at the restaurants, bars and the lobby.

³ Based on the Purchase Price of US\$71.0 million.

⁴ “RevPAR” means room revenue per available room.

⁵ Source: STR Global

1.3 Incorporated Companies

For the purpose of acquiring the Angsana Velavaru, H-REIT, through the H-REIT Trustee, has established the following companies:

| Name of Company | Country of Incorporation / Establishment | Issued and paid up share capital | Purpose |
|---|--|----------------------------------|--|
| Sanctuary Sands Maldives Private Limited (owned by CDLHT Sanctuary Limited (99%) and the H-REIT Trustee (1%)) | Maldives | US\$1,000 ⁶ | To hold and to lease the Angsana Velavaru |
| CDLHT Sanctuary Limited (wholly-owned by the H-REIT Trustee) | British Virgin Islands | US\$2.00 ⁷ | Special investment company holding interests in Sanctuary Sands Maldives Private Limited |

2. PRINCIPAL TERMS OF THE TRANSACTIONS

2.1 Sale and Purchase Agreement

2.1.1 (a) Acquisition

On 4 January 2013, the Purchaser entered into the Sale and Purchase Agreement with the Vendor for the Acquisition at the Purchase Price. The Purchase Price was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuation of the current market value of the leasehold interest as of 16 November 2012 of the Angsana Velavaru, on a going concern basis subject to the Lease Agreement being entered into.

The H-REIT Manager and the H-REIT Trustee have commissioned the independent property valuer, CBRE Pte. Ltd. ("**CBRE**") to value the Angsana Velavaru. CBRE, in its report issued in November 2012 (the "**Valuation Report**"), stated that the open market value of the Angsana Velavaru is US\$72.5 million.

⁶ Initial issued and paid up share capital of Sanctuary Sands Maldives Private Limited in the Maldives.

⁷ Initial issued and paid up share capital of CDLHT Sanctuary Limited in the British Virgin Islands.

Completion of the Acquisition ("**Completion**") will take place following the satisfaction, or if applicable, waiver of, certain conditions precedent to the Sale and Purchase Agreement. These comprise the approval of the Government of the Republic of Maldives, represented by the Ministry of Tourism, Arts and Culture, for the sale and purchase of the leasehold interest in the Property and the sub-lease of the Property (together, the "**MoT Approval**"). The Acquisition shall be completed at the office of the Ministry of Tourism, Arts and Culture in the Maldives:

- (i) on the date falling five Business Days after the MoT Approval is granted; or
- (ii) on such other date as provided in the Sale and Purchase Agreement or as the parties thereto may agree in writing.

2.1.2 (b) Estimated Acquisition Cost

The current estimated total cost of the Acquisition ("**Total Acquisition Cost**") is approximately US\$72.4 million, comprising:

- (i) the Purchase Price of US\$71.0 million⁸;
- (ii) the H-REIT Manager's acquisition fee incurred in respect of the Acquisition (the "**Acquisition Fee**") in accordance with the H-REIT Trust Deed⁹ (the "**H-REIT Trust Deed**"), which amounts to approximately US\$0.71 million; and
- (iii) the estimated professional and other fees and expenses incurred by H-REIT in connection with the Acquisition which amount to approximately US\$0.68 million.

The obligations of the Purchaser under the Sale and Purchase Agreement shall be guaranteed by the H-REIT Trustee while the obligations of the Vendor under the Sale and Purchase Agreement shall be guaranteed by Banyan Tree, its ultimate parent company which is listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

2.2 Lease Agreement

The Purchaser will grant a lease of the Angsana Velavaru to the Lessee upon completion of the Acquisition.

The term of the Lease is for 10 years (the "**Term**"), commencing from the date of

⁸ A deposit of US\$7,100,000, comprising 10% of the Purchase Price, will be paid by the Purchaser to Jones Lang Lasalle Hotels (NSW) Pty Ltd, as stakeholder, within three business days of the entry into the Sale and Purchase Agreement and the remaining balance of US\$63,900,000, comprising 90% of the Purchase Price, will be paid on Completion.

⁹ The H-REIT Trust Deed as amended by the First Supplemental Deed dated 11 January 2007, the Second Supplemental Deed dated 26 March 2010 and the Third Supplemental Deed dated 20 July 2010.

completion of the Acquisition. Under the Lease, the Lessee is required to pay rent in respect of each Accounting Period¹⁰, which shall be calculated as follows (the “**Rent**”):

- (a) Rent = Gross Operating Profit¹¹ – Management Fee¹²; and
- (b) if the Rent as calculated in accordance with (a) is negative, such negative value shall be replaced with “zero” and the Rent shall be zero.

The Lessee will pay a top-up amount to make up for any shortfall in rent below US\$6.0 million for an Accounting Period (pro-rated accordingly where the Accounting Period is less than 12 months) (the “**Minimum Rent**”) subject to the total minimum rent top-up cap of US\$6.0 million applicable to the aggregate sum of all Minimum Rent top up amounts paid and payable over the entire Term.

Expenditure on the Property for furniture, fixtures and equipment (“**FF&E**”) will be funded through a reserve of an amount equal to 3% of the gross revenue of the Angsana Velavaru, which will be funded by the Lessor. Additional capital expenditures will also be borne by the Lessor.

The obligations of the Lessee, which will be operating the Property under the “Angsana” brand under the Lease, shall be guaranteed by Banyan Tree.

3. RATIONALE FOR THE TRANSACTIONS

The Transactions meet H-REIT’s stated objective of owning quality income-producing hospitality and/or hospitality-related properties in Singapore and the region that generate long-term quality rental income with growth potential, broaden its earnings base and enhance the distribution per Stapled Security (“**DPS**”) to holders of Stapled Securities¹³ (“**Security Holders**”). The H-REIT Manager believes that the Transactions will bring the following key benefits to Security Holders:

3.1 Accretive transaction

The H-REIT Manager is of the view that the Transactions are accretive. Based on the

¹⁰ “**Accounting Period**” means each period of twelve (12) 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).

¹¹ “**Gross Operating Profit**” or “**GOP**” means for any Accounting Period or other period any excess of gross revenue over all operating costs for such period of the Property.

¹² The Lessee is entitled to a management fee (“**Management Fee**”) only if GOP in respect of each full Accounting Period is at least US\$4.5 million. Thereafter, the Management Fee is computed on specified incremental portions of GOP in excess of US\$4.5 million, ranging from 20% to a maximum of 40% for such incremental portion of GOP in excess of US\$8.5 million in respect of a full Accounting Period.

¹³ 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 (as amended, varied and supplemented from time to time) 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**”).

Purchase Price of US\$71.0 million, the pro forma annualised net property income yield of the Angsana Velavaru for the nine months ended 30 September 2012 would be 9.6%¹⁴ which compares favourably to H-REIT's existing portfolio's implied property yield of 6.0%¹⁵ for the same period. On a pro forma annualised basis for the nine months ended 30 September 2012, this translates to an additional DPS of 0.47 Singapore cents or an accretion of 3.7%¹⁶.

3.2 Positioned to benefit from the buoyant hospitality sector in Maldives

H-REIT stands to enhance its portfolio as a beneficiary of the growing visitor arrival trends in Maldives with the acquisition of the Angsana Velavaru. In recent years, the rise in Asian visitors, particularly from China, has benefited the Maldives tourism sector with an overall increase in room demand despite some weakness in demand from its traditionally strong European source markets. Since 2010, China has become the first Asian market to gain the top position in terms of visitor arrivals into Maldives, with its market share increasing from 2.9% in 2005 to 15.0% for 2010 and now to 24.7% for the first 11 months of 2012.¹⁷

Healthy growth in arrivals numbers for the Maldives have been observed in the past decade, with a compound annual growth rate of 7.3% between 2001 to 2011. In 2011, visitor arrivals to Maldives grew by 17.6%. Visitor arrivals grew at a lower pace at 2.4% year-on-year for the first 11 months of 2012 due to the weak performance of the European markets. Despite the political uncertainties in Maldives earlier this year and the global economic slowdown, Chinese arrivals have grown by 14.9% for the first 11 months of 2012.¹⁷

While the forward trading environment for Maldives for the short term may be competitive given the weakness from Europe, growth from China will likely be a key driver in the Property's performance while it digests continued moderation of demand from Europe.

On the supply side, CBRE has estimated in its Valuation Report that there are approximately 908 new rooms (or 6.2% of current supply) expected to be opened in 2013 in the Maldives.¹⁸

¹⁴ Based on the pro forma annualised net property income of the Property 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%.

¹⁵ 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.

¹⁶ 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.

¹⁷ Source: Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives.

¹⁸ Source: CBRE Valuation Report

Maldives' strong product proposition will hold it in good stead to benefit from Asia's rising affluence. As demand for top tier seaside leisure experiences grows, flight connectivity to Maldives will continue to expand. Further growth will also be supported by increased airport capacity and the eventual recovery of the traditionally strong European markets.

3.3 Lease terms which assure a long-term stream of income for H-REIT

The proposed Lease of 10 years will enable H-REIT to enjoy a long-term stream of income with potential for organic growth from the rent terms as described in paragraph 2.2 above. The structure of the Lease is defensive in nature with the Minimum Rent and tiered hotel management fees providing downside protection and to incentivise the Lessee to drive growth in GOP.

In addition, the Minimum Rent¹⁹ will provide H-REIT with a minimum net property income yield of approximately 7.0%²⁰, based on the Purchase Price.

3.4 Banyan Tree is an established and reputable operator with operating leverage in the Maldives and a meaningful presence in the key Chinese market

The Vendor, a subsidiary of Banyan Tree, is the lessee of Angsana Velavaru. Banyan Tree is a leading manager and developer of premium resorts, hotels and spas in the Asia Pacific region, with 33 resorts and hotels and over 64 spas and 78 galleries internationally in countries such as China, India, Korea and Mexico. In terms of its global marketing network, Banyan Tree has 22 sales offices worldwide²¹.

Banyan Tree is also a proven and established operator with a meaningful presence in the key Chinese market with eight sales offices, three "Angsana" and six "Banyan Tree" branded resorts or hotels in China. "Banyan Tree" and "Angsana" are award-winning brands and Banyan Tree was named "Asia's Leading Resort Brand" in 2011 and 2012 by World Travel Awards²¹.

3.5 Broadening earnings base and strengthening the portfolio through diversification

Following the completion of the Acquisition, the Angsana Velavaru would contribute approximately 6.1%²² and 5.7%²³ of H-REIT and its subsidiaries' ("H-REIT Group") total gross rental revenue and net property income respectively on a pro forma annualised basis for the nine months ended 30 September 2012, thereby broadening H-REIT

¹⁹ The Lessee will pay a Minimum Rent subject to the total minimum rent top-up cap of US\$6.0 million applicable to the aggregate sum of all Minimum Rent top up amounts paid and payable over the entire Term.
²⁰ 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%.

²¹ Source: Banyan Tree

²² Based on the pro forma annualised gross rental revenue of Angsana Velavaru and H-REIT Group's enlarged portfolio for the nine months ended 30 September 2012.

²³ Based on the pro forma annualised net property income of Angsana Velavaru and H-REIT Group's enlarged portfolio for the nine months ended 30 September 2012.

Group's earnings base. The Acquisition also has the additional benefit of reducing H-REIT Group's reliance on any single property such that the maximum contribution in gross rental revenue from any single property in H-REIT Group's portfolio will fall from 18.7% to 17.5%²⁴.

On a pro forma basis assuming H-REIT has owned the Property from 1 January 2012, the minimum rent base²⁵ of the H-REIT Group's property portfolio will increase from 48.7% to 50.4% of total gross rental revenue for the nine months ended 30 September 2012.

The Transactions also mark the beginning of a new lessee relationship with Banyan Tree, expanding H-REIT's existing pool of lessees from three currently to four.

3.6 Upside opportunity for potential development of additional villas

Based on a circular issued by the Ministry of Tourism, Arts and Culture in the Maldives in April 2012, the regulations relating to the percentage of built up area for tourist facilities has been increased from 20% to 30% of total land area. As a result, there is a potential opportunity for the Angsana Velavaru to develop additional villas subject to further study.

4. FINANCIAL EFFECTS OF THE TRANSACTIONS

The pro forma financial effects of the Transactions on the DPS and net asset value ("NAV") per Stapled Security presented below are strictly for illustrative purposes and were prepared based on the audited consolidated financial statements of CDL Hospitality Trusts for the financial year ended 31 December 2011, taking into account the Total Acquisition Cost, the pro forma rent from the Angsana Velavaru and the assumption that the Acquisition is 100% financed through debt.

The pro forma effects of the Acquisition on the DPS and NAV of the H-REIT Group are based on the assumptions that H-REIT has completed the Acquisition on 1 January 2011 and held the Property through to 31 December 2011.

²⁴ Based on the pro forma annualised gross rental revenue of H-REIT Group and H-REIT Group's enlarged portfolio for the nine months ended 30 September 2012.

²⁵ 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 6 Australia and New Zealand hotels; and (vi) the prorated Minimum Rent for Angsana Velavaru.

4.1 Pro Forma DPS and Distribution Yield of the Transactions

Financial Year ended 31 December 2011

The pro forma financial effects of the Transactions on the DPS for FY 2011, as if H-REIT has purchased the Angsana Velavaru on 1 January 2011 and held and operated the Angsana Velavaru through to 31 December 2011, are as follows:

| | Pro forma effects of the Transactions for FY 2011 | |
|---|---|------------------------|
| | Before the Transactions | After the Transactions |
| Net Income of H-REIT (S\$'000) | 182,715 ⁽¹⁾ | 186,769 ⁽²⁾ |
| Distributable Income ⁽³⁾ (S\$'000) | 118,132 | 122,545 |
| No. of Stapled Securities ('000) | 964,838 ⁽⁴⁾ | 965,116 ⁽⁵⁾ |
| DPS (cents) | 12.28 | 12.70 |
| Distribution yield (%) ⁽⁶⁾ | 6.50 | 6.72 |

Notes:

- (1) Based on the audited financial statements of CDL Hospitality Trusts for FY 2011. The net income is derived before deducting income tax expenses.
- (2) Includes (i) pro forma rental income contribution from Angsana Velavaru and (ii) deduction of additional borrowing costs, H-REIT Manager's fees, H-REIT Trustee's fees, property expenses and other trust expenses in connection with the Transactions. The pro forma gross operating profit of Angsana Velavaru is calculated based on its performance from 1 January 2011 to 31 December 2011.
- (3) The distributable income of CDL Hospitality Trusts (before deducting income retained for working capital) represents the aggregate of distributions by H-REIT and HBT. The distribution of CDL Hospitality Trusts for the financial year ended 31 December 2011 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.
- (4) Number of Stapled Securities issued and issuable as at 31 December 2011.
- (5) Based on the issued and issuable Stapled Securities as at 31 December 2011 in Note (4) above and approximately 278,000 additional new Stapled Securities assumed to be issued as payment of the management fee to the H-REIT Manager.
- (6) Based on the Stapled Securities' closing market price of S\$1.890 as at 27 December 2012.

4.2 Pro Forma NAV of the Transactions

The pro forma financial effects of the Transactions on the NAV per Stapled Security as at 31 December 2011, as if the Transactions were completed on 31 December 2011, are as follows:

| | Pro forma effects of the Transactions as at 31 December 2011 | |
|----------------------------------|--|------------------------|
| | Before the Transactions | After the Transactions |
| NAV (S\$'000) | 1,547,661 ⁽¹⁾ | 1,552,747 |
| No. of Stapled Securities ('000) | 964,838 ⁽²⁾ | 965,116 ⁽³⁾ |
| NAV per Stapled Security (S\$) | 1.60 | 1.61 |

Notes:

- (1) Based on the audited financial statements of CDL Hospitality Trusts for FY 2011.
- (2) Number of Stapled Securities issued and issuable as at 31 December 2011.
- (3) Includes the issued and issuable Stapled Securities as at 31 December 2011 in Note (2) above and approximately 278,000 additional new Stapled Securities assumed to be issued as payment of the management fee to the H-REIT Manager.

4.3 Pro Forma Capitalisation Transactions

The following table sets forth the pro forma capitalisation of CDL Hospitality Trusts as at 31 December 2011, as if H-REIT had completed the Transactions on 31 December 2011.

| | Actual (S\$ million) | As Adjusted for the Transactions (S\$ million) |
|-------------------------------|-------------------------|--|
| Short-term debt: | | |
| Secured debt | - | - |
| Unsecured debt | - | 93.5 |
| Total short-term debt | - | 93.5 |
| Long-term debt: | | |
| Secured debt | - | - |
| Unsecured debt | 536.2 | 536.2 |
| Total long-term debt | 536.2 | 536.2 |
| Total debt: | 536.2 | 629.7 |
| Security Holders' funds | 1,547.7 | 1,552.7 |
| Total Security Holders' funds | 1,547.7 | 1,552.7 |
| Total Capitalisation | 2,083.9 | 2,182.4 |

4.4 Value of Purchase Price and Total Acquisition Cost compared to market capitalisation

The following table sets forth the value of Purchase Price and Total Acquisition Cost compared to the market capitalisation of CDL Hospitality Trusts as at 27 December 2012.

| | S\$ million |
|------------------------|--------------------|
| Purchase Price | 86.8 ²⁶ |
| Total Acquisition Cost | 88.5 ²⁶ |
| Market Capitalisation | 1,830.9 |

5. METHOD OF PROPOSED FINANCING

The Total Acquisition Cost will initially be fully funded through debt financing via H-REIT's multi-currency acquisition facilities. This could be partly or wholly refinanced with the proceeds to be raised from issuing notes through H-REIT's S\$1.0 billion Multi-Currency Medium Term Note Programme or other means, at such time to be determined by the H-REIT Manager.

Upon Completion, the debt to assets ratio of CDL Hospitality Trusts is expected to be approximately 28.6%²⁷ of its deposited property.

6. INTERESTS OF DIRECTORS AND CONTROLLING SECURITY HOLDERS

Based on information available to the H-REIT Manager and the 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 Security Holders²⁸ have an interest, direct or indirect, in the Transactions.

7. OTHER INFORMATION

7.1 Director's Service Contracts

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

²⁶ Based on an exchange rate of US\$1.00: S\$1.2224 as at 27 December 2012.

²⁷ On a pro forma basis, assuming the Transactions were completed on 30 September 2012. The pre-acquisition debt to assets ratio was 25.5% as at 30 September 2012.

²⁸ A person with an interest in one or more Stapled Securities constituting not less than 15.0% of all outstanding Stapled Securities.

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

7.2.1 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.

7.2.2 Based on the management accounts provided by the Vendor and the unaudited financial statements of CDL Hospitality Trusts for the period from 1 January 2012 to 30 September 2012, the relative figure for the basis of comparison set out in sub-paragraph 10.2.1(a) of the Listing Manual is approximately 6.0%²⁹.

7.2.3 The estimated Total Acquisition Cost would be approximately S\$88.5 million. Based on this and CDL Hospitality Trusts' market capitalisation of approximately S\$1.83 billion as at 27 December 2012, the relative figure for the basis of comparison set out in sub-paragraph 10.2.1(b) of the Listing Manual is approximately 4.8%.

7.2.4 The relative figure of the basis of comparison set out in sub-paragraph 7.2.1(c) does not apply because no Stapled Securities are issued by H-REIT as consideration for the Acquisition.

7.3 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the H-REIT Manager³⁰ at 36 Robinson Road, #04-01 City House, Singapore 068877 from the date of this announcement up to and including the date falling three months after the date of this announcement:

- (i) the Sale and Purchase Agreement; and
- (ii) the Valuation Report on the Angsana Velavaru issued by CBRE.

The H-REIT Trust Deed will also be available for inspection at the registered office of the H-REIT Manager, for so long as H-REIT is in existence.

²⁹ Based on the net property income of the Angsana Velavaru and the H-REIT Group's property portfolio.
³⁰ Prior appointment with the H-REIT Manager (telephone: +65 6664 8888) will be appreciated.

BY ORDER OF THE BOARD

Enid Ling Peek Fong
Company Secretary
M&C REIT Management Limited
(Company Registration Number 200607091Z)
as manager of CDL Hospitality Real Estate Investment Trust
4 January 2013

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 or any of their respective affiliates 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.

The past performance of CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.