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)

ACQUISITION OF THE JUMEIRAH DHEVANAFUSHI LOCATED IN THE 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**") and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust ("**HBT**", and as trustee-manager of HBT, the "**HBT Trustee-Manager**"), are pleased to announce that Sanctuary Sands Maldives Private Limited (the "**Purchaser**"), an indirect wholly owned subsidiary of DBS Trustee Limited, as trustee of H-REIT (the "**H-REIT Trustee**"), has on 3 December 2013 entered into a conditional land sale agreement (the "**Land Sale Agreement**") and a conditional business sale agreement (the "**Business Sale Agreement**", and together with the Land Sale Agreement, the "**Sale and Purchase Agreements**") with Xanadu Holdings Pvt Ltd (the "**Vendor**").

The acquisition (the "**Acquisition**"[1]) comprises the acquisition by the Purchaser of:

(i) under the Land Sale Agreement, the Jumeirah Dhevanafushi which is located in Meradhoo Island, Gaafu Alifu Atoll, Republic of Maldives (the "**Property**") at an aggregate purchase price of US$59.6 million (or approximately S$74.8 million[2])(the "**Property Purchase Price**"), lower than the independent market valuation of US$61.0 million obtained; and

[1] "**Acquisition**" includes the acquisition by CDL Hospitality Trusts ("**CDLHT**") from the Vendor of the leasehold interest in all of the Jumeirah Dhevanafushi, Meradhoo Island, Gaafu Alifu Atoll, Republic of Maldives including the dry land and surrounding lagoon together with all buildings, installations, structures, facilities, fixtures, machinery, equipment, improvements, amenities and other fixed assets and furnishings related thereto and the benefit of the contracts, agreements, rights and benefits utilised in connection with the Vendor's ownership, use and operation of the Property. The leasehold interest in the Property which is being acquired by the H-REIT from the Vendor expires on 14 June 2056 (approximately 42 years remaining) with the obligation to pay US$100,000 per year to the Government of the Republic of Maldives for the last 15 years of the leasehold period, on top of an annual land rent.

[2] Based on an exchange rate of US$1: S$1.2554 as at 28 November 2013.

(ii) under the Business Sale Agreement, the Business and Business Assets (as defined in the Business Sale Agreement) in connection with the running of the resort business at the Property at an initial price of US$1.00 (or approximately S$1.26) (the "**Business Purchase Price**" and collectively with the Property Purchase Price, the "**Purchase Price**"), to be adjusted for any working capital items that will be assumed by the HBT Lessee (as defined below) pursuant to the Business Sale Agreement. The adjustment will be funded by a working capital line of US$5.0 million (the "**Working Capital Line**") to be extended by the H-REIT to the HBT Lessee.

The Acquisition is subject to a hotel management agreement (the "**Hotel Management Agreement**") between the Vendor and Jumeirah Management Services (Maldives) Private Limited (the "**Operator**").

Prior to the completion of the Land Sale Agreement, the Land Sale Agreement will be novated to an indirect wholly-owned subsidiary (the "**H-REIT Lessor**") of H-REIT to be incorporated. Prior to the completion of the Business Sale Agreement, the Business Sale Agreement will be novated to an indirect wholly-owned subsidiary (the "**HBT Lessee**") of HBT to be incorporated after the activation of HBT, which is currently dormant. The HBT Lessee will lease the Property from the H-REIT Lessor.

The Acquisition is a unique opportunity to participate in one of the highest RevPAR[3] markets globally[4] through an acquisition of a 100.0% interest in a luxury resort amidst a buoyant hospitality market in the Maldives, which enjoys a premium international reputation as a unique and aspirational destination.

1.2 Information on the Maldives

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, seaplanes or domestic planes transfer guests to the islands that have been developed into resort destinations.

Healthy growth in arrival numbers for the Maldives have been observed in the past decade, with a compound annual growth rate of 7.1% between 2002 to 2012. Tourist arrivals recorded robust growth of 18.0% for the first ten months of 2013 on a year-on-year basis, and are expected to reach 1,290,000 by the end of 2014[5].

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3 "**RevPAR**" means room revenue per available room.

4 Source: Asia Pacific Hotel Review, Volume 13, Issue AP9 dated 18 October 2013, STR Global.

5 Source: Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives. The relevant data can be found on the following website: <http://www.tourism.gov.mv/article.php?aId=1056> as at 28 November 2013.

On the supply side, the independent property valuer, CBRE Pte. Ltd. (“**CBRE**”), has estimated in its valuation report dated 29 November 2013 (the “**Valuation Report**”) that approximately 750 new beds (or 2.9% of current supply) are expected to be added in 2014 in the Maldives[6].

Maldives' strong product proposition will place it in good stead to benefit from Asia’s rising affluence. As demand for top-tier seaside leisure experiences grows, flight connectivity to Maldives has continued to expand, with new flights launched or added by the major airlines, Cathay Pacific, Hong Kong Airlines, Bangkok Airways as well as low cost carriers, AirAsia X and Tigerair[7]. Further growth is likely to be supported by the growth in the Asian market anchored by China, the potential for increased airport capacity and the eventual recovery of the traditionally strong European markets.

1.3 Information on the Property

The Property is located at the southern edge of the Maldives archipelago in the Gaafu Alifu Atoll occupying Meradhoo Island and its surrounding crystal clear lagoon, accessible via a 55-minute domestic flight from Malé International Airport to Kaadedhdhoo Airport, followed by a 15-minute speedboat journey.

Opened in November 2011, the 35-villa Jumeirah Dhevanafushi focuses on personalised luxury of the highest standard, featuring 16 over-water villas and 19 beachfront villas with private pools, with two additional beachfront villas expected to be completed by the Vendor in 2014 as part of the Acquisition. The Property's extremely spacious villas are among the largest in the Maldives, with one- to two-bedroom options ranging from approximately 200 to 300 square metres. The luxurious beachfront villas occupy the main island of Meradhoo and located some 800 metres away are the over-water villas, which boast high 6.3-metre ceilings and full length floor-to-ceiling windows that provide panoramic views of the Indian Ocean from the bedroom, bathroom and living room[8]. Notwithstanding that the Property is still undergoing gestation, given its luxury positioning, it has achieved RevPAR of US$754 for the first nine months of 2013[9].

The Property offers a wide range of dining, leisure and spa options within the property including four food and beverage outlets, a spa, an over-water gym, a yoga platform, two infinity edge pools, a dive centre and water sports centre, a library and a resort shop.

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6 Source: CBRE Valuation Report.

7 Sources: The relevant information can be found on the websites of each of the major airlines listed, the Channel News Maldives website <http://cnm.mv/english/> and<www.airlineroute.net> as at 26 November 2013.

8 Source: Information Memorandum on Jumeirah Dhevanafushi, Maldives, prepared by Jones Lang LaSalle for the Acquisition.

9 Historically in the Maldives, the strongest quarters of the year are typically the first quarter, followed by the fourth quarter.

2. PRINCIPAL TERMS OF THE TRANSACTIONS

2.1 Sale and Purchase Agreements

2.1.1 Acquisition

On 3 December 2013, the Purchaser entered into the Sale and Purchase Agreements with the Vendor 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 Property as at 29 November 2013. The H-REIT Manager and the H-REIT Trustee have commissioned CBRE to value the Property. CBRE, in its Valuation Report, stated that the open market value of the Property is US$61.0 million.

Completion of the Acquisition ("**Completion**") will take place following the satisfaction of certain conditions precedent to the Sale and Purchase Agreements, including the approval of the Government of the Republic of Maldives, represented by the Ministry of Tourism, Arts and Culture in respect of the Acquisition and discharge of the existing mortgages in respect of the Property.

The Sale and Purchase Agreements are interdependent and completion of the Business Sale Agreement is subject to completion of the Land Sale Agreement.

2.1.2 Estimated Total Acquisition Cost

The current estimated total cost of the Acquisition ("**Total Acquisition Cost**") is approximately US$61.0 million, comprising:

(i) the Purchase Price of US$59.6 million[10];

(ii) the H-REIT Manager's acquisition fee in respect of the Acquisition (the "**Acquisition Fee**") under the H-REIT Trust Deed[11] (the "**H-REIT Trust Deed**"), which amounts to approximately US$0.6 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$0.8 million.

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10 A refundable deposit of US$5.96 million, comprising 10.0% of the Purchase Price, will be paid by the Purchaser in cash to Jones Lang LaSalle Property Consultants Pte Ltd, as stakeholder, within five business days of the entry into the Sale and Purchase Agreements and the remaining balance, comprising 90.0% of the Purchase Price, will be paid in cash on Completion, in accordance with the Sale and Purchase Agreements.

11 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.

2.2 Activation of HBT

CDLHT is a stapled group comprising H-REIT and HBT (the "**Stapled Group**"). Each stapled security ("**Stapled Security**") comprises one unit in H-REIT and one unit in 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 the HBT Trustee-Manager (the "**Stapling Deed**"). As such, each holder of Stapled Securities will be a holder of units in H-REIT and at the same time, units in HBT.

Prior to the completion of the Business Sale Agreement, the Business Sale Agreement will be novated to the HBT Lessee, an indirect wholly-owned subsidiary of HBT to be incorporated after the activation of HBT, which is currently dormant. The HBT Lessee will act as the master lessee for the Property. Upon the completion of the Acquisition, the HBT Lessee will lease the Property from the H-REIT Lessor pursuant to a lease agreement (the "**Lease Agreement**"). Under the Lease Agreement, the HBT Lessee will be responsible for the working capital requirements of the Property in accordance with the Hotel Management Agreement. HBT Lessee will utilise the Working Capital Line to fund the working capital requirements of the resort business being operated at the Property. The HBT Lessee will take on the employment and operating contracts in connection with the running of the resort business at the Property, including the Hotel Management Agreement and ancillary linked agreements as discussed in paragraph 2.3 below. The lease will be an internal arrangement within the Stapled Group.

2.3 Hotel Management Agreement

Upon completion of the Acquisition, the Vendor will novate the existing Hotel Management Agreement between the Vendor and the Operator to the HBT Lessee. Pursuant to the Hotel Management Agreement, the Operator shall be appointed by the HBT Lessee to manage the Property as a "Jumeirah" branded hotel and the Operator shall provide hotel management and operating services with respect to the day-to-day operations of the Property, including collection of charges, rents and other amounts due, hiring, training, supervision and termination of employees and providing maintenance and repair. The term of the Hotel Management Agreement is for 35 years commencing from 1 November 2011, which may be extended by mutual agreement between the HBT Lessee and the Operator by two further consecutive periods of ten years each, subject to the duration of the leasehold interest in the Property.

On the novation of the Hotel Management Agreement to the HBT Lessee, the Vendor shall also novate all other relevant ancillary agreements with Jumeirah International LLC and/or its affiliates to the HBT Lessee including agreements for provision of advisory and marketing services, centralised services, and licensing rights.

The fees payable to the Operator and its affiliates include the following:

(a) 2.5% of the total revenue of the Property for each operating year;

(b) 9.0% of gross operating profit of the Property for each operating year; and

(c) marketing fee of 2.0% of room revenues of the Property per month.

Other than as set out above, there are also other fees recorded under operating expenses which are typical in hotel management agreements, such as centralised services charges and reservation fees, which are payable to the Operator and/or its affiliates. CDLHT is responsible for any capital expenditure including furniture, fixtures and equipment ("**FF&E**") provisions of the Property.

2.4 Incorporation of Companies

For the purpose of the Acquisition, H-REIT has established or will establish the following companies:

Name of Company	Country of Incorporation / Establishment	Issued and paid up share capital	Purpose
CDLHT Oceanic Maldives Pvt Ltd[12] (the H-REIT Lessor)	Maldives	US$1,000	To hold the Property
CDLHT Oceanic Two Ltd	British Virgin Islands	US$2.00	To hold 99.0% shareholding interest in CDLHT Oceanic Maldives Pvt Ltd
CDLHT Oceanic Ltd	British Virgin Islands	US$2.00	To hold 1.0% shareholding interest in CDLHT Oceanic Maldives Pvt Ltd and 100.0% shareholding interest in CDLHT Oceanic Two Ltd
CDLHT Oceanic Holdings Pte. Ltd.	Singapore	S$2.00	To hold 100.0% shareholding interest in CDLHT Oceanic Ltd

[12] CDLHT Oceanic Maldives Pvt Ltd is in the process of being incorporated with share capital of US$1,000 to be issued and paid up.

For the purpose of the Acquisition, HBT has established or will establish the following companies:

Name of Company	Country of Incorporation / Establishment	Issued and paid up share capital	Purpose
CDL HBT Oceanic Maldives Pvt Ltd[13] (the HBT Lessee)	Maldives	US$1,000	To lease the Property from the H-REIT Lessor and be the signatory to the employment and operating contracts in connection with the running of the resort business at the Property
CDL HBT Oceanic Two Ltd	British Virgin Islands	US$2.00	To hold 99.0% shareholding interest in CDL HBT Oceanic Maldives Pvt Ltd
CDL HBT Oceanic Ltd	British Virgin Islands	US$2.00	To hold 1.0% shareholding interest in CDL HBT Oceanic Maldives Pvt Ltd and 100.0% shareholding interest in CDL HBT Oceanic Two Ltd
CDL HBT Oceanic Holdings Pte. Ltd.	Singapore	S$2.00	To hold 100.0% shareholding interest in CDL HBT Oceanic Ltd

3. RATIONALE FOR THE ACQUISITION

The Acquisition meets CDLHT's stated strategy of investing in a diversified portfolio of income-producing hospitality and/or hospitality-related properties globally, with the objective of broadening its earnings base and enhancing the distribution per Stapled Security ("**DPS**"). The H-REIT Manager and the HBT Trustee-Manager believe that the Acquisition will bring the following key benefits to holders of Stapled Securities ("**Security Holders**"):

3.1 Accretive Acquisition

The H-REIT Manager and the HBT Trustee-Manager are of the view that the Acquisition is accretive. Based on the Purchase Price of US$59.6 million and assuming that CDLHT owned the Property from 1 January 2013, the pro forma annualised net property income

13 CDL HBT Oceanic Maldives Pvt Ltd is in the process of being incorporated with share capital of US$1,000 to be issued and paid up.

yield of the Property for the nine months ended 30 September 2013 would be 6.2%[14]. On a pro forma annualised basis for the nine months ended 30 September 2013, this translates to a DPS accretion of 2.2%[15] with potential for improvement as the Property opened only on 1 November 2011 and is currently still undergoing gestation. New resort hotels generally require a period of gestation to allow the base of business to be progressively built up and property awareness propagated.

3.2 Positioned to further benefit from the buoyant hospitality sector in Maldives

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 30.8% for the first ten months of 2013, growing by 45.8% compared to the corresponding period in 2012[16]. Maldives' fourth largest market, Russia, is a bright spot amongst the European source markets. Russia contributed 6.6% of overall tourist arrivals in the Maldives for the first ten months of 2013, registering a 16.6% growth on a year-on-year basis[16]. Overall tourist arrivals recorded robust growth of 18.0% for the first ten months of 2013 on a year-on-year basis, and are expected to reach 1,290,000 by the end of 2014[17].

CDLHT stands to strengthen its foothold in Maldives, enhancing its portfolio as a beneficiary of the growing visitor arrival trends in Maldives with the acquisition of the Property, its second acquisition in Maldives in 2013.

Demand for top-tier resort experiences is supported by the trend of more affluent Asians travelling abroad, with the Property well-positioned in the luxury segment, having achieved a RevPAR of US$754 for the nine months ended 30 September 2013 while still undergoing gestation. CDLHT is poised to further benefit from the growth of visitors to the Maldives.

While the forward trading environment for the Maldives in the short term may be competitive given the continued moderation in demand from Europe, growth from China and Russia, being the top two markets for the Property, will likely be key drivers of its

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14 Based on the pro forma annualised net property income of the Property for the nine months ended 30 September 2013 of US$3.7 million, as a percentage of the Purchase Price of US$59.6 million. As a percentage of the Total Acquisition Cost of US$61.0 million, the pro forma annualised net property income yield will be 6.1%.

15 Based on the change of the pro forma annualised DPS for the nine months ended 30 September 2013 of the enlarged portfolio over the annualised DPS for the nine months ended 30 September 2013 of CDLHT. For the purpose of the computations, the Total Acquisition Cost is assumed to be 100.0% US dollar debt-funded.

16 Source: Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives. The relevant data can be found on the following website: <http://www.tourism.gov.mv/stat.php?statId=5> as at 28 November 2013.

17 Source: Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives. The relevant data can be found on the following website: <http://www.tourism.gov.mv/article.php?aId=1056> as at 28 November 2013.

performance. Further growth in visitor arrivals is likely to be supported by increased flight connectivity, potential increased airport capacity and the eventual recovery of traditionally strong European markets.

3.3 Jumeirah is an established and reputable operator with operating leverage in the Maldives and a global presence[18]

Upon Completion, the Operator of the Property will remain unchanged. Jumeirah International LLC is an award winning and reputable international hotel operator with 22 hotels under its management in 11 destinations in the Middle East, Asia Pacific and Europe, including two resorts in the Maldives. Of note, the Talise Spa at Jumeirah Dhevanafushi was named the "Best Luxury Resort Spa (Continent Winner)" and "Best Emerging Spa" by World Luxury Spa Awards in 2013.

Jumeirah International LLC maintains a portfolio comprising 5,601 luxury rooms, suites and residences, including the iconic Burj Al Arab, named the "Best Hotel in the World" by Ultratravel Awards 2013, and reputedly one of the most luxurious hotels in the world. Its core hotels, resorts and residences business is complemented by an international portfolio of restaurants, spas and related businesses.

3.4 Broadening earnings base and strengthening the portfolio through diversification

Assuming CDLHT owned the Property from 1 January 2013, it would contribute approximately 3.3%[19] of CDLHT's total net property income on a pro forma basis for the nine months ended 30 September 2013, thereby broadening CDLHT's earnings base. The Acquisition also has the additional benefit of reducing CDLHT's reliance on any single property such that the maximum contribution in CDLHT's net property income[20] from any single property in CDLHT's portfolio will fall from 17.4% to 16.8%.

3.5 Upside opportunity for potential enhancements and 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 20.0% to 30.0% of total land area. The Property's current utilisation is approximately 17%, with potential for further capital enhancements including the development of additional villas. The upside that the Property can benefit from includes (i) the two additional beachfront villas that will be completed at the Vendor's costs in 2014; (ii) potential fitting-out and conversion of an existing partially completed structure by CDLHT to a beachfront villa and restaurant or alternatively, a presidential villa; and (iii) the conversion of unutilised spaces into income-generating facilities.

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18 Source: Jumeirah International LLC.

19 Based on the pro forma net property income of CDLHT's enlarged portfolio for the nine months ended 30 September 2013.

20 Based on the pro forma net property income of CDLHT and CDLHT's enlarged portfolio for the nine months ended 30 September 2013.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial effects of the Acquisition on the DPS and net asset value ("**NAV**") per Stapled Security presented below were prepared based on the audited consolidated financial statements of CDLHT for the financial year ended 31 December 2012 ("**FY 2012**"), taking into account the Total Acquisition Cost, the pro forma historical financial performance of the Property and the assumption that the Acquisition is 100.0% financed through debt and are strictly for illustrative purposes.

As the Property only opened in November 2011 and was still in its initial phase of operations in FY 2012, additional information on the pro forma effects of the Acquisition have been prepared based on the unaudited financial statements of CDLHT and the historical financial performance of the Property for the nine months ended 30 September 2013. The H-REIT Manager and the HBT Trustee-Manager are of the view that the presentation of such information will be more relevant and meaningful to Security Holders.

The pro forma effects of the Acquisition on the DPS of CDLHT are based on the assumptions that CDLHT completed the Acquisition on 1 January 2012 and 1 January 2013, and held and operated the Property through to 31 December 2012 and 30 September 2013 respectively.

The pro forma effects of the Acquisition on the NAV of CDLHT are based on the assumptions that CDLHT completed the Acquisition on 31 December 2012 and 30 September 2013 respectively.

For the purposes of the preparation of CDLHT's consolidated financial statements, the Property (excluding its leasehold interest in the land) is accounted for as a property, plant and equipment, which is measured at cost less depreciation and any provision for impairment. Under the current accounting standards, the lease arrangement between the H-REIT Lessor and the HBT Lessee is collectively viewed as an owner-occupied property, therefore the Property is recorded as a property, plant and equipment instead of as an investment property. The leasehold interest in the Property held under an operating lease is capitalised as prepaid land lease and amortised on a straight-line basis over the term of the lease. Depreciation, impairment losses and amortisation of prepaid land lease charged to the statement of total return are non-cash items which are added back for the purposes of arriving at CDLHT's distributable income and thus do not have an impact on its distribution.

4.1 Pro Forma DPS and Distribution Yield

FY 2012

The pro forma financial effects of the Acquisition on the DPS for FY 2012, as if CDLHT completed the Acquisition on 1 January 2012 and held and operated the Property through to 31 December 2012, are as follows:

	Pro forma effects of the Acquisition for FY 2012	
	Before the Acquisition	**After the Acquisition**
Net Income (S$'000)	124,530(1)	121,078(2)
Distributable Income(3) (S$'000)	121,658	119,681
No. of Stapled Securities ('000)	970,043(4)	970,177(5)
DPS (cents) (6)	12.6	12.3
Distribution yield (%)(7)	7.7	7.5

Notes:

(1) Based on the audited consolidated financial statements of CDLHT for FY2012. The net income is derived before deducting income tax expense.

(2) Includes (i) pro forma rental income contribution from the Property,and (ii) deduction of additional borrowing costs, H-REIT Manager's fees, H-REIT Trustee's fees, depreciation expense and amortisation of prepaid land lease, property expenses and other trust expenses in connection with the Acquisition. The pro forma gross operating profit of the Property is calculated based on its performance from 1 January 2012 to 31 December 2012.

(3) The distributable income of CDLHT (before deducting income retained for working capital) represents the aggregate of distributions by H-REIT and HBT.

(4) Number of Stapled Securities issued and issuable as at 31 December 2012.

(5) Based on the issued and issuable Stapled Securities as at 31 December 2012 in Note (4) above and approximately 134,000 additional new Stapled Securities assumed to be issued as payment of the management fee to the H-REIT Manager.

(6) Figures rounded to one decimal place.

(7) Based on the Stapled Securities' closing market price of S$1.630 as at 28 November 2013.

As the Property was in its initial phase of operation in FY 2012, which was its first full operating year, the EBITDA (before FF&E) was in a loss position of US$729,000. This has resulted in the negative impact on the pro forma financials for the enlarged portfolio.

Nine months ended 30 September 2013

The Property recorded EBITDA (before FF&E) of US$2.8 million for the first nine months of 2013. However, it is important to note that historically in the Maldives, the strongest quarters of the year are the first quarter, followed by the fourth quarter. In assessing the financial effects for nine months ended 30 September 2013, the benefits of the fourth quarter of 2013 are not taken into account. The pro forma financial effects of the Acquisition on the DPS for the nine months ended 30 September 2013, as if CDLHT has held and operated the Property from 1 January 2013 through to 30 September 2013, are as follows:

	Pro forma effects of the Acquisition for the nine months ended 30 September 2013	
	Before the Acquisition	After the Acquisition
Net Income (S$'000)	77,966(1)	77,513(2)
Distributable Income(3) (S$'000)	86,910	88,570
No. of Stapled Securities ('000)	974,141(4)	974,277(5)
DPS (cents) for the period(6)	8.9	9.1
Annualised Distribution yield (%)(7)	7.3	7.5

Notes:

(1) Based on the unaudited consolidated financial statements of CDLHT for the period from 1 January 2013 to 30 September 2013. The net income is derived before deducting income tax expense.

(2) Includes (i) pro forma rental income contribution from the Property,and (ii) deduction of additional borrowing costs, H-REIT Manager's fees, H-REIT Trustee's fees, HBT Trustee-Manager's fees, depreciation expense and amortisation of prepaid land lease, property expenses and other trust expenses in connection with the Acquisition. The pro forma gross operating profit of the Property is calculated based on its performance from 1 January 2013 to 30 September 2013.

(3) The distributable income of CDLHT (before deducting income retained for working capital) represents the aggregate of distributions by H-REIT and HBT.

(4) Number of Stapled Securities issued and issuable as at 30 September 2013.

(5) Based on the issued and issuable Stapled Securities as at 30 September 2013 in Note (4) above and approximately 136,000 additional new Stapled Securities assumed to be issued as payment of the management fee to the H-REIT Manager.The HBT Trustee-Manager's fees are to be fully paid in the form of cash.

(6) Figures rounded to one decimal place.

(7) Based on the Stapled Securities' closing market price of S$1.630 as at 28 November 2013.

4.2 Pro Forma NAV

The pro forma financial effects of the Acquisition on the NAV per Stapled Security as at 31 December 2012, as if the Acquisition was completed on 31 December 2012, are as follows:

	Pro forma effects of the Acquisition as at 31 December 2012	
	Before the Acquisition	**After the Acquisition**
NAV (S$'000)	1,564,293[(1)]	1,564,293
No. of Stapled Securities ('000)	970,043[(2)]	970,043[(3)]
NAV per Stapled Security (S$)[(4)]	1.6	1.6

Notes:
(1) Based on the audited consolidated financial statements of CDLHT for FY 2012.
(2) Number of Stapled Securities issued and issuable as at 31 December 2012.
(3) Includes the issued and issuable Stapled Securities as at 31 December 2012 in Note (2) above and assuming that no new issuable Stapled Securities were issued for the Acquisition.
(4) Figures rounded to one decimal place.

The pro forma financial effects of the Acquisition on the NAV per Stapled Security as at 30 September 2013, as if the Acquisition was completed on 30 September 2013, are as follows:

	Pro forma effects of the Acquisition as at 30 September 2013[(1)]	
	Before the Acquisition	**After the Acquisition**
NAV (S$'000)	1,534,897[(1)]	1,534,897
No. of Stapled Securities ('000)	974,141[(2)]	974,141[(3)]
NAV per Stapled Security (S$)[(4)]	1.6	1.6

Notes:
(1) Based on the unaudited consolidated financial statements of CDLHT for the period from 1 January 2013 to 30 September 2013.
(2) Number of Stapled Securities issued and issuable as at 30 September 2013.
(3) Includes the issued and issuable Stapled Securities as at 30 September 2013 in Note (2) above and assuming that no new issuable Stapled Securities were issued for the Acquisition.
(4) Figures rounded to one decimal place.

4.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of CDLHT as at 31 December 2012, as if the Acquisition was completed on 31 December 2012.

	Actual (S$ million)	**As Adjusted for the Acquisition** (S$ million)
Short-term debt:		
Secured debt	-	-
Unsecured debt	260.0	260.0
Total short-term debt	260.0	260.0
Long-term debt:		
Secured debt	-	-
Unsecured debt	271.8	350.0
Total long-term debt	271.8	350.0
Total debt:	531.8	610.0
Security Holders' funds	1,564.3	1,564.3
Total Security Holders' funds	1,564.3	1,564.3
Total Capitalisation	2,096.1	2,174.3

The following table sets forth the pro forma capitalisation of CDLHT as at 30 September 2013, as if the Acquisition was completed on 30 September 2013.

	Actual (S$ million)	As Adjusted for the Transactions (S$ million)
Short-term debt:		
Secured debt	-	-
Unsecured debt	161.3	161.3
Total short-term debt	161.3	161.3
Long-term debt:		
Secured debt	-	-
Unsecured debt	453.5	533.8
Total long-term debt	453.5	533.8
Total debt:	614.8	695.1
Security Holders' funds	1,534.9	1,534.9
Total Security Holders' funds	1,534.9	1,534.9
Total Capitalisation	2,149.7	2,230.0

5. METHOD OF PROPOSED FINANCING

The Total Acquisition Cost will initially be fully funded through debt financing via H-REIT's multi-currency acquisition facility. 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 total assets ratio of CDLHT is expected to be approximately 30.6%[21].

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 Holders[22] have an interest, direct or indirect, in the Acquisition.

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 Acquisition or any other transactions contemplated in relation to the Acquisition.

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 CDLHT's net profits;

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

(c) the number of Stapled Securities issued by CDLHT 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 CDLHT for the period from 1 January 2013 to 30 September 2013, the net property income attributable to the Property is approximately S$3.5 million and CDLHT's net property income is S$100.9

21 On a pro forma basis, assuming the Acquisition was completed on 30 September 2013. The pre-acquisition debt to total assets ratio was 28.1% as at 30 September 2013. The additional debt is assumed to include Total Acquisition Costs of US$61.0 million (S$76.6 million) and an estimated US$3.0 million (S$3.8 million) drawn down to fund the working capital requirements of the resort business.

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

million. Therefore, the relative figure for the basis of comparison set out in sub-paragraph 10.2.1(a) of the Listing Manual is approximately 3.5%[23].

7.2.3 The estimated Total Acquisition Cost would be approximately S$76.6 million. Based on this and CDLHT's market capitalisation of approximately S$1.6 billion as at 2 December 2013, the relative figure for the basis of comparison set out in sub-paragraph 10.2.1(b) of the Listing Manual is approximately 4.9%.

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 will be 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 Manager and the HBT Trustee-Manager 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[24]:

(i) the Sale and Purchase Agreements;

(ii) the Lease Agreement;

(iii) the Hotel Management Agreement; and

(iv) the Valuation Report on the Property issued by CBRE.

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

The HBT Trust Deed and the Stapling Deed will be available for inspection at the registered office of the HBT Trustee-Manager, for so long as HBT is in existence.

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

23 Based on the net property income of the Property and the H-REIT Group's property portfolio.
24 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 Business Trust Management Limited
(Company Registration Number 200607118H)
as trustee-manager of CDL Hospitality Business Trust

3 December 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 Singapore Exchange Securities Trading Limited (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.

The H-REIT Manager and the HBT Trustee-Manager have not conducted an independent review of the market and industry information contained in this announcement or verified the accuracy of the contents of the relevant reports cited in this announcement.