CDL HOSPITALITY TRUSTS

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CDL HOSPITALITY TRUSTS TO ACQUIRE SECOND MALDIVES PROPERTY, JUMEIRAH DHEVANAFUSHI

- **To be acquired at US$59.6 million at a pro forma annualised net property income yield of 6.2%[1] for the nine months ended 30 September 2013**
- **DPS accretion of 2.2%[2], with potential upside as the resort is currently still undergoing gestation**
- **New high quality resort is well-positioned in the luxury segment to benefit from the growing affluence of Asian travellers and attendant demand for top-tier resort experiences**
- **Opportunity for CDL Hospitality Trusts ("CDLHT") to further participate in the buoyant hospitality sector of the premium Maldives market, one of the highest RevPAR markets in the world[3]**

Singapore, 3 December 2013 **–** M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust ("H-REIT"), and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust ("HBT"), are pleased to announce that Sanctuary Sands Maldives Private Limited (the "Purchaser"), a subsidiary of DBS Trustee Limited, as trustee of H-REIT, has today entered into a conditional land sale agreement (the "Land Sale Agreement") and a conditional business sale agreement (the "Business Sale Agreement")(collectively, the "Sale and Purchase Agreements") with Xanadu Holdings Pvt Ltd (the "Vendor"), for the acquisition of Jumeirah Dhevanafushi in the Maldives (the "Acquisition[4]") at a purchase price of US$59.6 million (or approximately S$74.8 million)[5] (the "Purchase Price").

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

Upon completion of the Acquisition, the HBT Lessee will lease Jumeirah Dhevanafushi (the "Property") from the H-REIT Lessor (the "Lease Agreement"), and the Vendor will novate the existing hotel management agreement with Jumeirah Management Services (Maldives) Private Limited (the "Operator"), under group company, Jumeirah International LLC (the "Jumeirah Group") to the HBT Lessee, for which the Property will continue to be operated under the "Jumeirah" brand name post-Acquisition.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, said, "We believe that the Maldives will continue to benefit from the increased patronage from Asian travellers with a rapidly rising level of disposable income for leisure travel. Our second Maldives resort acquisition following that of the successful acquisition of Angsana Velavaru is the execution of our strategy to capitalise on this trend and on the strong demand for Maldives generally.

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1 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 (as defined below) of US$61.0 million, the pro forma annualised net property income yield will be 6.1%.

2 Based on the change of the pro forma annualised Distribution per Stapled Security ("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.

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

4 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.

5 Based on an exchange rate of US$1.00: S$1.2554 as at 28 November 2013.

"We are pleased to be able to secure a new, top quality asset with asset enhancement potential. Offering a unique brand proposition, Jumeirah Dhevanafushi caters to the very top end of the upmarket resort sector in the Maldives. Notwithstanding that the Property is still undergoing gestation, given its luxury positioning, it has achieved a healthy RevPAR of US$754 for the first nine months of 2013[6]."

PROPERTY DESCRIPTION

Opened in November 2011, Jumeirah Dhevanafushi is valued at US$61.0 million[7] by CBRE Pte. Ltd. Located at the southern edge of the Maldives archipelago in the Gaafu Alifu Atoll on the private island of Meradhoo, the Property comprises 19 beachfront villas and 16 over-water villas, with two additional beachfront villas expected to be completed by the Vendor in 2014.

The Property's 35 luxurious villas each comes with its own private pool, with villa sizes averaging 240 square metres ("sqm"). Occupying the main island of Meradhoo are the extremely spacious beachfront villas, which are amongst the largest in the Maldives[8]. Located some 800 metres away from Meradhoo Island are the Property's 16 over-water villas, which boast high 6.3-metre ceilings that showcase all-round pristine views of the environment, offering complete privacy and ample space to guests.

Jumeirah Dhevanafushi boasts a host of facilities including four food and beverage outlets, an over-water gym, yoga platform, two infinity edge pools, a library, gift shop and the award-winning Talise Spa. In addition, its dive centre and water sports centre provide guests with a wide array of activity choices, including diving, snorkelling, sailing, kayaking, canoeing and windsurfing.

FUNDING

The estimated total cost of the Acquisition is approximately US$61.0 million (the “Total Acquisition Cost”), which comprises the Purchase Price of US$59.6 million, and acquisition fees and transaction expenses related to the Acquisition that amount to around US$1.4 million.

The Acquisition will be fully funded initially through debt financing via H-REIT’s multi-currency acquisition facility. Post-Acquisition, CDLHT’s gearing will increase from 28.1%[9] to 30.6%[10].

RATIONALE

Accretive Transaction

Based on the Purchase Price, assuming that CDLHT owned the Property from 1 January 2013, the pro forma annualised net property income yield of the Property for the nine months ended 30 September 2013 would be 6.2%[11]. On a pro forma annualised basis for the nine months ended 30 September 2013, this translates to a DPS accretion of 2.2%[12], with potential for improvement as the Property opened only on 1 November 2011, and is currently still undergoing gestation. New resort hotels

[6] Historically in the Maldives, the strongest quarters of the year are typically the first quarter, followed by the fourth quarter.
[7] As at 29 November 2013.
[8] Information Memorandum on Jumeirah Dhevanafushi, Maldives, prepared by Jones Lang LaSalle for the Acquisition.
[9] Debt to assets ratio as at 30 September 2013.
[10] Debt to assets ratio on a pro forma basis, assuming the Acquisition was completed on 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.
[11] 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%.
[12] 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.

typically require a period of gestation to progressively build up the base of business and propagate property awareness.

Property Well-Poised to Further Benefit from the Buoyant Hospitality Sector in the Maldives[13]

Demand for top-tier resort experiences is supported by the trend of more affluent Asians travelling abroad, anchored by the growth of Chinese outbound travel. China has been the largest visitor source market for the Maldives since 2010, when Chinese visitors nearly doubled in that year. It is also the first Asian country to gain the top position, with its market share increasing from a mere 2.9% in 2005 to 15.0% in 2010 and 30.8% for the first ten months of 2013. Accounting for 6.6% of total tourist arrivals, Russia is Maldives' fourth largest market and continues to be a bright spot amongst the European source markets, growing some 16.6% year-on-year for the first ten months of 2013. Jumeirah Dhevanafushi has benefitted from the increase in Chinese and Russian visitorship, with the two countries forming the Property's top two source markets and likely to be key drivers of its performance.

Visitor arrivals to the Maldives grew at a compound annual growth rate of 7.1% between 2002 to 2012. For the first ten months of 2013, visitor arrival growth was a strong 18.0%, and visitor numbers are estimated to reach 1.3 million by end-2014. This puts the Property in good stead to further benefit from the overall growth of visitors to the Maldives, one of the highest RevPAR markets globally and regarded as a premium aspirational holiday destination.

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

Established and Reputable Global Luxury Hotel Operator in the Maldives[14]

The Property will continue to be operated under the award-winning and reputable "Jumeirah" brand. Headquartered in Dubai and established in 1997, Jumeirah Group has quickly grown into a global hospitality player with an unparalleled reputation for service excellence and luxury offerings. Since 2011, Jumeirah Group has more than doubled the number of properties under management to 22 and is now present in 11 destinations, including two resorts in the Maldives, with plans underway for expansion in the Middle East and Asia.

Jumeirah Group's portfolio currently comprises 5,601 luxury rooms, suites and residences in 22 extraordinary properties globally. Its core hotels, resorts and residences business is complemented by an international portfolio of restaurants, spas and related businesses.

Strengthen Earnings Base and Portfolio through Diversification[15]

Assuming that CDLHT owned the Property from 1 January 2013, it will contribute approximately 3.3% to CDLHT's pro forma net property income, thereby broadening its earnings base. The Acquisition will also diversify its portfolio such that the maximum contribution in CDLHT's pro forma net property income for nine months ended 30 September 2013 from any single property will decrease from 17.4% to 16.8%.

[13] Figures based on data from Statistics Section, Ministry of Tourism, Arts and Culture, Republic of Maldives and CBRE Pte. Ltd.
[14] Jumeirah International LLC.
[15] Figures are computed on the basis assuming that CDLHT owned the Property from 1 January 2013 and based on the pro forma net property income for the nine months ended 30 September 2013.

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Upside Opportunity for Potential Expansions and Enhancements

The allowable built-up area for tourist facilities as a percentage of the total land area in the Maldives is 30% and the Property's current utilisation is approximately 17%. This presents asset enhancement and expansion opportunities, including the development of additional villas. The upside that the Property can benefit from includes the two additional beachfront villas that will be completed at the Vendor's costs in 2014, potential fitting-out and conversion of an existing partially completed structure by CDLHT and the conversion of unutilised spaces into income-generating facilities.

"The Acquisition further augments our portfolio and broadens our earnings base. This is in line with our strategy of growing our portfolio of quality assets to boost distribution income. With a healthy gearing of 30.6% post-Acquisition, we still have ample headroom for further acquisitions," concluded Mr Yeo.

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CDL Hospitality Trusts

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust ("H-REIT"), a real estate investment trust, and CDL Hospitality Business Trust ("HBT"), a business trust. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT and M&C Business Trust Management Limited is the trustee-manager of CDL Hospitality Business Trust.

H-REIT, the first hotel real estate investment trust in Singapore, is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing. HBT, which is currently dormant, will be activated for the purpose of this Acquisition.

As at 30 September 2013, H-REIT owns 12 hotels and one resort with a total of 4,420 rooms, comprising six hotels in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay and Studio M Hotel); one hotel in New Zealand's gateway city of Auckland (Rendezvous Grand Hotel Auckland); five hotels in Australia's key gateway cities of Brisbane and Perth (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth); one resort located in the Republic of Maldives (Angsana Velavaru), as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore.