



CDL HOSPITALITY TRUSTS

News Release

19 DECEMBER 2006

IMMEDIATE RELEASE

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST COMPLETES S\$120 MILLION DEAL TO ACQUIRE RENDEZVOUS HOTEL AUCKLAND

CDL Hospitality Real Estate Investment Trust (H-REIT) today completed its NZ\$113.0 million (approximately S\$120.0 million¹) acquisition of the 455-room Rendezvous Hotel Auckland ("the Hotel"), a prime freehold deluxe hotel located in New Zealand's gateway city of Auckland. This is H-REIT's first acquisition and sets the stage for further acquisitions by H-REIT.

"This is our maiden acquisition and we are pleased to have been able to close the deal within six months of our IPO. This clearly demonstrates our ability to move quickly. We are now actively looking at several acquisition opportunities both in Singapore and the region. Once these deals are clinched, it will further boost yield accretion to our unit-holders," said Mr Vincent Yeo, Chief Executive Officer of M&C REIT Management Limited, as manager of H-REIT.

"In the meantime, our hotels in Singapore continue to perform strongly and there is strong management focus applied to optimizing hotel room yields in a strong demand environment," added Mr Yeo.

This acquisition is yield accretive to H-REIT as it provides H-REIT with a higher annualized property yield of 7.9% compared to its annualized property yield of 4.1%². The hotel is leased to Rendezvous Hotels (NZ) Limited and H-REIT will receive a base and variable rent which for 2007 will amount to NZ\$8.9 million (S\$9.5 million³).

¹ Based on the actual transacted exchange rate of NZ\$1.00 to S\$1.062

² Based on the forecast, together with the accompanying assumptions, as stated in the prospectus of CDL Hospitality Trusts dated 10 July 2006, for the financial year ended 31 December 2007 and the last traded unit price of S\$1.42 as at 18 December 2006.

³ Based on an exchange rate of NZ\$1.00 to S\$1.064 as at 18 December 2006



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The base rent escalates at 2.75% per annum throughout the life of the 10-year lease which will result in an annualized property yield of 9.0% per annum or higher at the end of the 10-year period. In addition to the base rent component, the lease arrangement has a variable rent component which provides further upside for H-REIT if the performance of the Hotel exceeds certain room revenue benchmarks. The acquisition has been funded by one year bridging loan facilities which has increased H-REIT's gearing from 31.5% to 39.0%.

The Rendezvous Hotel Auckland will improve the diversification of H-REIT's portfolio of quality hotel assets and reduces H-REIT's reliance on any one single property or on the Singapore hotel property market. With this acquisition, H-REIT's rental income from its single largest property drops from 35%⁴ to 30% while its proportion of fixed income rises from 47%⁵ to 54%.

ABOUT CDL HOSPITALITY TRUSTS

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust, a real estate investment trust, and CDL Hospitality Business Trust, a business trust. CDL Hospitality Trusts was listed on Singapore Exchange Securities Trading Limited (the "SGX-ST") on 19 July 2006.

H-REIT is the first hotel real estate investment trust in Singapore. It was established with the main aim of investing in a diversified portfolio of income producing real estate which is primarily used for hospitality and/or hospitality related purposes. H-REIT's investment strategy envisages investments globally.

As of 19 December 2006, H-REIT's portfolio consists of 2,381 rooms. It's properties in Singapore comprise Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Orchard Hotel Shopping Arcade and in New Zealand, Rendezvous Hotel Auckland.

⁴ Based on the forecast rent for the existing properties as stated in the prospectus of CDL Hospitality Trusts dated 10 July 2006

⁵ As stated in the prospectus of CDL Hospitality Trusts dated 10 July 2006



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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 or M&C Business Trust Management Limited, as trustee of CDL Hospitality Business Trust (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.

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/or the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the 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.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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