



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

30 OCTOBER 2006

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST MAKES FIRST ACQUISITION

CDL Hospitality Real Estate Investment Trust ("H-REIT") has, through its wholly-owned subsidiary CDLHT (BVI) One Ltd, entered into a conditional sale and purchase agreement¹ today with Abacus Funds Management Limited (as trustee of Abacus NZ Holdings Trust) to acquire Rendezvous Hotel Auckland ("Hotel"), a prime freehold deluxe hotel located in New Zealand's gateway city of Auckland, for a purchase price of NZ\$113.0 million (approximately S\$116.2 million²) (the "Acquisition"). In terms of number of rooms, the Hotel is the largest hotel in Auckland.



YIELD ACCRETIVE ACQUISITION

The acquisition is yield-accretive to H-REIT as it provides H-REIT with a higher annualised property yield of 7.9% compared to its current portfolio annualised property yield of 4.9%³ for the financial year ending 31 December 2007. The annualised property yield is also expected to rise to 9.0% per annum or higher over a 10-year period under a lease arrangement with Rendezvous Hotels (NZ) Limited (the "Tenant") through a base rent component of the lease which escalates at a rate of 2.75% per annum. In addition to the base rent

¹ Conditional only upon getting the approval of the Overseas Investment Office in New Zealand for the purchase of a New Zealand property by a foreign entity

² Based on an exchange rate of NZ\$1.00 to S\$1.03 as at 27 October 2006

³ Based on the forecast for the financial year ending 31 December 2007 as stated in the prospectus of CDL Hospitality Trusts dated 10 July 2006 and the last traded price of S\$1.12 per stapled security in CDL Hospitality Trusts (comprising one unit in H-REIT and one unit in CDL Hospitality Business Trust) (the "Stapled Securities") as at 30 October 2006.



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component, the lease arrangement has a variable rent component which provides further upside for H-REIT if the performance of the Property exceeds certain room revenue benchmarks.

The pro forma financial effect of the Acquisition on the distribution per unit in H-REIT ("DPU") for the financial year ending 31 December 2006⁴ would be an additional 0.39 Singapore cents per unit in H-REIT on an annualised basis. The Acquisition will be funded via debt which will increase H-REIT's gearing from 31.5% to 39.8%. As H-REIT's total borrowings will exceed 35.0% of the value of its deposited property, H-REIT is also in the process of obtaining a credit rating, which will be obtained shortly and such credit rating will be announced prior to the completion of the Acquisition. M&C REIT Management Limited, as manager of H-REIT (the "H-REIT Manager") is currently considering various plans for the long-term financing of the Acquisition.

The Acquisition demonstrates H-REIT's ability to successfully execute yield accretive cross-border acquisitions of third party assets, and will provide the holders of CDL Hospitality Trusts units the benefit of significant asset, geographical and income diversification.

DETAILS OF THE HOTEL AND BENEFITS OF THE ACQUISITION

Strategically Located Hotel

The Hotel is a prime freehold deluxe hotel located in the Central Business District of Auckland, New Zealand's key gateway city. It is the largest hotel in Auckland in terms of number of rooms with 455 rooms and a 12-storey high atrium lobby lit by a nine-storey wall of windows and a glass roof.

For the business community, the hotel stands out for its proximity to the adjacent Aotea Centre, a world-class conference centre, and for its complementary extensive conference facilities with over 1,000 sqm of meeting space that can accommodate up to 550 guests.

Stability of Revenue Base

The hotel purchase comes with a minimum ten-year lease arrangement with the Tenant. Under the lease arrangement, holders of Stapled Securities will enjoy a stable and escalating stream of income arising from the base rent component of the lease which increase at a rate of 2.75% per annum, and bolstered by a variable rent when room revenue exceeds a certain threshold. With the addition of this Hotel into its portfolio, the proportion of fixed rent as a proportion of total rent of the H-REIT would rise from 46.9%⁵ to 54.4% for the financial year ending 31 December 2007.

Diversification Benefits

The Acquisition also improves income diversification and reduces H-REIT's reliance on any one single property or on the Singapore hotel property market. Upon completion of the Acquisition, the maximum contribution in rent from any single property in the portfolio of H-REIT will fall from 34.9%⁶ to 30.0% for the financial year ending 31 December 2007, thus enhancing the stability of H-REIT's revenue base.

Mr. Vincent Yeo, Chief Executive Officer of the H-REIT Manager said: "This Acquisition will provide holders of Stapled Securities with the opportunity to own a prime hotel asset in New Zealand's gateway city of Auckland on attractive terms and enjoy enhanced distribution payments."

⁴ Based on the annualised financial results for the period from 12 June 2006 (date of constitution) to 30 September 2006

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

⁶ Based on the forecast rent for the existing properties as stated in the prospectus of CDL Hospitality Trusts dated 10 July 2006



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“With this Acquisition, H-REIT would also be able to draw on the strength and resilience of the New Zealand hospitality sector which has demonstrated continued and steady growth in visitor arrivals over the past several years” Mr. Yeo said.

LEASE DETAILS

The Hotel is currently leased to the Tenant, an international hotel operator, for ten years with an option to renew for another five years at the Tenant’s discretion. The lease payment comprises a base rent component which escalates at a rate of 2.75% per annum and a variable rent component which provides an upside for H-REIT if the performance of the Hotel exceeds certain room revenue benchmarks. Under the terms of the lease, the Tenant will be responsible for all outgoings and to operate the Hotel as a 5-star hotel.

ABOUT CDL HOSPITALITY TRUST

CDL Hospitality Trusts is a stapled group comprising H-REIT, a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), 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.

As at 29 October 2006, H-REIT’s portfolio comprises Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore and Copthorne King’s Hotel Singapore, all of which are located in Singapore and marketed as “superior” hotels, with a total of over 1,900 rooms, as well as Orchard Hotel Shopping Arcade, the shopping arcade adjoining Orchard Hotel. Orchard Hotel Shopping Arcade is included in H-REIT’s portfolio as it is complementary to the guest facilities at Orchard Hotel Singapore, providing shopping and leisure facilities to hotel guests. While the assets in H-REIT’s portfolio are all located in Singapore, H-REIT’s investment strategy envisages investments globally.

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



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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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