



## CDL HOSPITALITY TRUSTS

**FOR IMMEDIATE RELEASE**

**22 JUNE 2010**

### **CDL HOSPITALITY TRUSTS ANNOUNCES PRIVATE PLACEMENT OF S\$150 MILLION**

Singapore, 22 June 2010 – CDL Hospitality Trusts (“**CDLHT**”), a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HB**T”), a business trust, is pleased to announce the launch of a private placement of new stapled securities in CDLHT at an issue price of between S\$1.71 and S\$1.77 per new stapled security to raise a minimum gross proceeds of S\$150.0 million. The Issue Price Range of between S\$1.71 and S\$1.77 per new stapled security represents a discount of between 6.3% and 9.4% to the volume weighted average price on 21 June 2010 up to the time the Placement Agreement was signed.

M&C REIT Management Limited, the Manager of H-REIT, intends to use approximately S\$116.3 million of the net proceeds from the private placement to repay the Singapore dollar portion of the one-year bridging facility that was used to finance the recent acquisition of Australian properties comprising Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth in 1Q 2010. The balance of the proceeds will be used to reduce debt levels arising from the partial utilisation of a S\$80.0 million committed revolving credit facility from DBS Bank Limited, payment of transaction expenses in connection with the private placement of new stapled securities and general corporate or working capital purposes.

Prior to the private placement, the gearing level of CDLHT was 30.9%<sup>1</sup>. This will be reduced to 22.6% following the private placement assuming minimum gross proceeds of S\$150.0 million.

Mr Vincent Yeo, CEO of the Manager of H-REIT, said, “This private placement allows us to significantly strengthen our balance sheet, boosting our debt headroom and putting us into a better position to move quickly as and when acquisition opportunities may arise. With the recovery of the hospitality sector, we believe there will be opportunities to make strategic value-accretive asset acquisitions that can further propel our growth.”

Mr Yeo continued, “With a strengthened balance sheet, it also enhances CDLHT’s ability to secure more attractive terms as we seek to refinance our existing borrowings.”

<sup>1</sup> Based on CDL Hospitality Trusts’ first quarter 2010 unaudited financial results.



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### About 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.

H-REIT, the first hotel real estate investment trust in Singapore, is 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 31 March 2010, H-REIT owns 3,942 hotel rooms within a portfolio of five hotels and one shopping arcade in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Clarke Quay and Orchard Hotel Shopping Arcade), one hotel in New Zealand (Rendezvous Hotel Auckland) and five hotels in Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth). M&C REIT Management Limited is the manager of H-REIT.