



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

27 MAY 2013

CDL HOSPITALITY TRUSTS TO UNLOCK VALUE FROM ORCHARD HOTEL SHOPPING ARCADE WITH ASSET ENHANCEMENT PLAN

- Expected to deliver ROI of more than 8.0% with increased NLA and rental uplift
- Re-positioned as a family-centric mall with enhanced retail offerings
- Revamped mall poised to benefit from growing residential catchment and vibrant retail activity along Orchard Road

Singapore, 27 May 2013 – 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 (“HBT”), a business trust, is pleased to announce asset enhancement plans for Orchard Hotel Shopping Arcade¹ (“OHSA”). The asset enhancement initiative (“AEI”) is set to give OHSA a brand new look and re-position it as a family-centric mall with enhanced retail offerings, catering to a growing captive residential population within the area and vibrant retail activity along the Orchard Road shopping strip.



Artist's impression² of Orchard Hotel Shopping Arcade, post-refurbishment

¹ Excluding the Galleria, which comprises TAB, Aura, Esmirada.

² Artist's impressions are of design intent, subject to change and fine tuning.

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A member of Hong Leong Group (Singapore)



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Artist's impression² of Orchard Hotel Shopping Arcade, post-refurbishment

The AEI will comprise an overhaul of the property facade and existing amenities to enhance its user-friendliness.

Scheduled to commence in late 2013, the AEI is expected to complete in 12 months, during which the mall will be closed. A soft opening of the revamped mall is expected by end 2014.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, said, "We are excited to embark on this makeover of Orchard Hotel Shopping Arcade, which will significantly raise its profile and leasing appeal. This undertaking will enable us to realise the full potential of OHSA and further unlock greater value from our existing properties."

High gross ROI boosted by increased NLA and rental uplift

The AEI is expected to cost approximately S\$25.0 million, including construction cost which will be fully funded by debt, estimated disruption costs to the adjoining Orchard Hotel, and the loss of rental income during the period of mall closure.

Upon completion of the AEI, OHSA will boast an increased net lettable area ("NLA") of approximately 10,000 sq ft. Incremental rental income of OHSA is expected to be more than S\$2.0 million on an annualised basis. This would translate into an estimated gross return on investment ("ROI") of more than 8.0%.

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Family-centric mall with enhanced tenant mix to drive higher foot traffic

With the increasing number of residential developments in Orchard Road, the revamped OHSA is well-poised to plug a gap in family-oriented malls, particularly on the fringes of Orchard Road. In line with the strategic re-positioning of OHSA, the tenant mix post-asset enhancement is expected to comprise more outlets that cater to the spectrum of demands of families, which will differentiate OHSA from other high-fashion malls in Orchard Road. The refurbished mall is expected to be anchored by a supermarket as the main occupant of the basement level, and other planned offerings which may include hair and beauty salons, health and fitness services as well as an enrichment centre.



Artist's impression² of Orchard Hotel Shopping Arcade, post-refurbishment

Mr Yeo said, "With this AEI, we aim to inject fresh perspectives into OHSA as a contemporary mall offering a diversified mix of retail options suitable for the whole family. The revamped mall is expected to be well-positioned to tap into demand from a growing residential catchment on the fringes of Orchard Road, as well as vibrant retail activity along the Orchard Road shopping strip. We expect its sharpened retail focus to attract both quality tenants and shoppers alike, and to continue to contribute positively to CDLHT in the long run."

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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. M&C REIT Management Limited is the manager of H-REIT.

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.

As at 31 March 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.