CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **28 APR 2018**

CDL HOSPITALITY TRUSTS REPORTS TOTAL DISTRIBUTION OF S$26.1 MILLION FOR 1Q 2018

- **Net property income increased by 5.4% to S$37.8 million for 1Q 2018**
- **Total distribution per Stapled Security for 1Q 2018 was 7.4% higher at 2.17 cents**
- **Inorganic contribution from The Lowry Hotel and Pullman Hotel Munich boosted portfolio performance**
- **Singapore portfolio recorded improved performance**
- **CDLHT continues to pursue suitable acquisitions and asset enhancement initiatives to diversify income sources and augment returns**

***Singapore, 28 April 2018* –** CDL Hospitality Trusts ("CDLHT" or the "Group"), 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, today announced its results for the first quarter ("1Q 2018") ended 31 March 2018.

Financial Highlights:

	1 Jan 2018 to 31 Mar 2018 S$'000 ("1Q 2018")	1 Jan 2017 to 31 Mar 2017 S$'000 ("1Q 2017")	Increase (%)
Revenue	51,795	46,411	11.6
Net property income ("NPI")	37,818	35,872	5.4
Total distribution to Stapled Securityholders (after retention)	26,062	24,143	7.9
Total distribution per Stapled Security (after retention) ("DPS")(cents)	2.17	2.02[1]	7.4

First Quarter ended 31 March 2018

In 1Q 2018, CDLHT recorded NPI of S$37.8 million, an increase of 5.4% compared to 1Q 2017. Inorganic contribution from The Lowry Hotel in Manchester, United Kingdom ("UK") and Pullman Hotel Munich in Germany boosted the portfolio's performance. Despite a competitive landscape, the Singapore portfolio recorded an improved performance.

However, the growth in NPI was partially offset by softer trading performance from the Japan Hotels, Maldives Resorts and Hilton Cambridge City Centre. There was also lower contribution from the Australian portfolio due to the divestment of Mercure Brisbane and Ibis Brisbane in January 2018.

[1] On 2 August 2017, 199,545,741 new Stapled Securities were issued pursuant to the rights issue. DPS (after retention) for the quarter ended 31 March 2017 has been restated to reflect the effect of the rights issue

Net finance costs for 1Q 2018 was lower by S$4.7 million mainly due to savings from lower average funding costs and the absence of foreign exchange loss (which has no impact on the distribution of CDLHT).

Overall, CDLHT recorded year-on-year ("yoy") growth of 7.9% in total distribution to Stapled Securityholders (after retention for working capital) for 1Q 2018[2] to S$26.1 million[3]. Accordingly, DPS for 1Q 2018 was 2.17 cents, 7.4% higher than 1Q 2017.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "We are pleased to report healthy growth in income for 1Q 2018. Our acquisitions in the past year have reinforced our diversification strategy and we have benefitted from a broader earnings base as different markets experience varying cycles. In addition, it is pleasing to note that our core market, Singapore, is showing improvement despite the strong supply growth in 2017. We will continue to focus on the long-term potential of our assets by seeking asset enhancement opportunities to strengthen their competitiveness."

Review of Portfolio's Performance and Outlook

The combined weighted average statistics for CDLHT's Singapore Hotels are as follows[4]:

	1Q 2018	1Q 2017	Increase/ (Decrease)
Average Occupancy Rate	87.6%	88.4%	(0.8)pp
Average Daily Rate	S$183	S$180	1.7%
Revenue per Available Room ("RevPAR")	S$161	S$159	0.8%

Singapore

Despite the supply surge registered towards the end of 2017, RevPAR for the Singapore Hotels improved 0.8% yoy to S$161 in 1Q 2018 and food and beverage ("F&B") performance was also stronger. Rooms performance was partially supported by the biennial Singapore Airshow which took place in February 2018.

On the supply front, Singapore hotel inventory is estimated to increase by 1,691 rooms[5] in 2018, representing approximately 2.5% of existing room stock. While supply growth tapers off from this year, room rates are likely to remain competitive as new hotels which opened in 2017 continue to build their base.

For 2018, the Singapore Tourism Board ("STB") has forecast visitor arrivals to grow up to 18.1 million or 4% against 2017[6]. In January 2018, visitor arrivals increased 5.4% yoy to 1.6 million and total visitor days grew 1.2% yoy[7].

Looking ahead, this year will feature a stronger event calendar compared to 2017. Singapore is also the ASEAN chairman, where several meetings and events will be hosted across the year, including the 32nd

[2] This excludes distribution from the Japan Hotels which occurs twice yearly, at six months intervals (contribution from 1 October to 31 March will be distributed in 2Q and that of 1 April to 30 September in 4Q)
[3] Total distribution to Stapled Securityholders (after retention for working capital) includes S$0.7 million of capital distribution arising from the partial distribution of proceeds from the divestment of Mercure Brisbane and Ibis Brisbane
[4] Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures
[5] Based on Horwath data (January 2018) and CDLHT Research
[6] STB, "Singapore tourism sector performance breaks record for the second year running in 2017", 12 February 2018
[7] STB

and 33rd ASEAN Summit[8]. A favourable global economic outlook and increased air connectivity, in part due to Qantas rebasing its largest transit hub outside of Australia from Dubai to Singapore from March 2018, are expected to be positive demand drivers for the Singapore hospitality market[9].

To ensure the strong positioning of the Singapore Hotels amidst an incipient recovery, various asset enhancement initiatives are being evaluated and rolled out. In Orchard Hotel, the renovation of guest rooms in the Orchard wing and the public spaces incorporating the un-refurbished F&B outlets of the hotel is likely to commence in 2H 2018. There will be judicious management of the refurbishment works at Orchard Hotel to ensure guest comfort and minimise disruption. A phased room refurbishment exercise is also being planned for 2H 2018 for Grand Copthorne Waterfront Hotel, which completed a makeover of its lobby, F&B outlets and a number of meetings rooms in 2016. The completed exercise at both hotels will enhance overall guest experience.

Overseas Market

New Zealand's tourism sector remains healthy with visitor arrivals growing 7.8% yoy to 1.2 million for the first three months of 2018[10]. Accordingly, the New Zealand Hotel achieved a yoy RevPAR growth of 4.3%. Growth is likely to moderate going forward due to the high base effect from new flight routes and major sporting events boosting demand last year, as well as an upcoming increase in hotel supply to ease the shortage of hotel inventory in the city.

In Japan, tourism demand continues to be on a robust growth trajectory with total arrivals growing 15.7% to 5.0 million for the first two months of 2018[11]. Consequently, the Japan Hotels recorded strong occupancies but the heavy concentration of more budget-conscious East Asian visitors along with rising supply, including alternative accommodation, led to continued room rate pressure. Soft refurbishment of 134 selected guestrooms across the Japan Hotels in 1Q 2018 to boost their competitive positioning also resulted in some inventory displacement in January and February. Accordingly, RevPAR declined by 8.9% yoy. Looking ahead, increased competition in Tokyo's economy hotel market may continue to moderate room rate growth in the near term[12].

In the Maldives, total arrivals increased in 2018, whereby the European markets saw a revival in growth[13], in part due to the strength of the Euro against the US dollar. Demand growth is also supported by increased flight capacity from destinations including Europe, Southeast Asia and the Middle East[14]. However, new supply growth weighed on the overall performance. Trading performance of the Maldives Resorts was also affected by the state of emergency declared on the country from February to March this year, which led to several foreign governments issuing travel advisory, particularly in key markets such as China and India. Furthermore, Dhevanafushi Maldives Luxury Resort is still affected by the transition process. Consequently, the Maldives Resorts posted a collective yoy RevPAR decline of 18.8%.

To help improve performance amidst rising competition from new resorts supply, asset enhancement initiatives will be carried out for the Maldives Resorts. To strengthen Angsana Velavaru's product offering and market positioning, refurbishment works are being planned for 28 land villas to commence this year. For the operator and transition programme of Dhevanafushi Maldives Luxury Resort, the extensive renovation works are set to commence in May 2018, where the resort will be fully closed from June 2018 with planned reopening in 4Q 2018 under the "Raffles Hotels & Resorts" brand. Recognised as a brand leader in the luxury hotel segment, it is one of the world's iconic hotel brands with 12 hotels globally and an illustrious history dating back to 1887. The relaunch of the resort as a "Raffles" resort will augment its product offering in the high-end luxury segment of the Maldives market and boost its long term value.

8 ASEAN Singapore 2018
9 STB, 2017 Year-In-Review, 12 February 2018
10 Statistics New Zealand, "International Visitor Arrivals to New Zealand"
11 Japanese National Tourism Organization
12 Savills World Research, Spotlight Japan Hospitality, February 2018
13 Ministry of Tourism, Republic of Maldives
14 Maldives Insider, "Airlines set to increase flight frequency for Maldives peak tourist season", 16 October 2017

In 1Q 2018, Europe experienced extreme weather conditions. In Munich, the frigid Europe temperatures as well as the absence of BAU, a major biennial trade fair for architecture and building materials in January (which saw more than 250,000 attendees in 2017[15]), contributed to Pullman Hotel Munich's RevPAR decline of 7.6%[16] yoy. The balance of the year will conversely see a stronger event calendar compared to 2017 and there will be a healthy pipeline of trade shows over the next 2 years[17].

During the quarter, the UK had one of the coldest winters on record. Travel disruptions arising from the inclement weather, along with new market supply led to softer trading performance at Hilton Cambridge City Centre and RevPAR dipped 6.5% yoy in 1Q 2018. The Lowry Hotel in Manchester continued to perform well, particularly in the entertainment sector, and registered a healthy yoy RevPAR growth of 6.8%[18] in 1Q 2018. Contribution from the UK Hotels also benefitted from a stronger GBP. For 2018, visitor arrivals to the UK are forecast to grow 4.4% yoy, although Brexit-related uncertainties may persist[19].

Mr Yeo concluded: "In our commitment to deliver stable returns to Stapled Securityholders, part of the gains from the divestment of the two Brisbane hotels will be used to make distributions in FY 2018 to mitigate the net effect of the divestment on CDLHT's distributable income. With a strong balance sheet and ample debt headroom, we are well positioned to actively pursue suitable acquisitions in markets with growth potential."

As at 31 March 2018, CDLHT has a gearing of 33.2% and regulatory debt headroom of S$608 million.

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About CDL Hospitality Trusts

CDL Hospitality Trusts ("CDLHT") is one of Asia's leading hospitality trusts with assets valued at S$2.7 billion. CDLHT 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. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

[15] BAU Muenchen, "Outstanding BAU 2017 – New records once again!", 21 January 2017
[16] Acquisition of Pullman Hotel Munich was completed on 14 July 2017. The yoy RevPAR comparison assumes CDLHT owns Pullman Hotel Munich in the same period in 2017
[17] Events Eye
[18] Acquisition of The Lowry Hotel was completed on 4 May 2017. The yoy RevPAR comparison assumes CDLHT owns The Lowry Hotel in the same period in 2017
[19] 2018 Inbound Tourism Forecast – VisitBritain

CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 31 March 2018, CDLHT owns 15 hotels and two resorts comprising a total of 5,002 rooms as well as a retail mall. The properties under CDLHT's portfolio include:

(i) six hotels in the gateway city of Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay and Studio M Hotel) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
(ii) three hotels in Brisbane and Perth, Australia (Novotel Brisbane, Mercure Perth and Ibis Perth);
(iii) two hotels in Japan's gateway city of Tokyo (Hotel MyStays Asakusabashi and Hotel MyStays Kamata);
(iv) one hotel in New Zealand's gateway city of Auckland (Grand Millennium Auckland);
(v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester);
(vi) one hotel in Germany's gateway city of Munich (Pullman Hotel Munich); and
(vii) two resorts in Maldives (Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi)).