CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **28 OCT 2014**

CDL HOSPITALITY TRUSTS REPORTS INCOME AVAILABLE FOR DISTRIBUTION OF S$25.6 MILLION FOR 3Q 2014

- **Net property income of $33.8 million and S$101.9 million for 3Q 2014 and YTD Sep 2014 respectively**
- **3Q 2014 achieved record high occupancy rate of 92.0% for Singapore hotels**
- **Income available for distribution per Stapled Security (after deducting income retained for working capital) ("DPS") of 2.61 cents for 3Q 2014 and 7.86 cents for YTD Sep 2014**
- **CDLHT remains well-poised for acquisitions with healthy gearing of 30.2%**

Singapore, 28 October 2014 – 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 third quarter ("3Q 2014") and nine months ("YTD Sep 2014") ended 30 September 2014.

Financial Highlights:

	1 Jul 2014 to 30 Sep 2014 S$'000 ("3Q 2014")	1 Jul 2013 to 30 Sep 2013 S$'000 ("3Q 2013")	Variance %	1 Jan 2014 to 30 Sep 2014 S$'000 ("YTD Sep 2014")	1 Jan 2013 to 30 Sep 2013 S$'000 ("YTD Sep 2013")	Variance %
Gross revenue	40,113	35,860	11.9	121,718	109,358	11.3
Net property income	33,823	33,039	2.4	101,879	100,929	0.9
Net income	24,259	25,548	(5.0)	75,517	77,966	(3.1)
Income available for distribution to holders of Stapled Securities	28,425	28,566	(0.5)	85,398	86,910	(1.7)
Less:						
Income retained for working capital	(2,843)	(2,857)	(0.5)	(8,540)	(8,691)	(1.7)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	25,582	25,709	(0.5)	76,858	78,219	(1.7)
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)						
- For the period	2.90	2.93	(1.0)	8.73	8.94	(2.4)
- Annualised	11.51	11.62	(1.0)	11.67	11.95	(2.4)
Income available for distribution per Stapled Security (after deducting income retained for working capital) (cents)						
- For the period	2.61	2.64	(1.1)	7.86	8.05	(2.4)
- Annualised	10.36	10.47	(1.1)	10.51	10.76	(2.4)

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A member of Hong Leong Group (Singapore)

In 3Q 2014, CDLHT registered gross revenue of S$40.1 million, 11.9% higher than the corresponding period last year ("3Q 2013"). The improvement in overall gross revenue was mainly attributable to the recognition of the full hotel revenue of Jumeirah Dhevanafushi (acquired on 31 December 2013), which contributed S$4.7 million in 3Q 2014.

Gross revenue from Singapore Hotels grew by $0.3 million to S$26.6 million as a result of higher occupancy. Gross revenue for Claymore Link (previously known as Orchard Hotel Shopping Arcade) fell by S$0.8 million in 3Q 2014 as compared to the same period last year. This was because a substantial part of the mall was closed for asset enhancement works since December last year.

After accounting for hotel operating expenses of Jumeirah Dhevanafushi and the portfolio's property tax and insurance expenses, net property income ("NPI") for 3Q 2014 increased 2.4% year-on-year to S$33.8 million.

Net income (after depreciation and amortisation expense of Jumeirah Dhevanafushi) for 3Q 2014 stood at S$24.3 million, which was 5.0% lower year-on-year.

Overall, total income available for distribution (before deducting income retained for working capital) of S$28.4 million for 3Q 2014 was almost flat year-on-year. Consequently, income available for distribution per Stapled Security (after deducting income retained for working capital) was 2.61 cents in 3Q 2014, compared to 2.64 cents in 3Q 2013.

For YTD Sep 2014, gross revenue increased 11.3% year-on-year to S$121.7 million mainly due to recognition of full hotel revenue of S$16.2 million from Jumeirah Dhevanafushi[1]. This was bolstered by another S$0.7 million rental boost from Angsana Velavaru due to the recognition of nine months rental contribution during this reporting period compared to only eight months for the same period last year[2].

Excluding contributions from the Maldives properties, gross revenue from the rest of CDLHT's properties was S$100.0 million for YTD Sep 2014, 4.3% lower than the same period last year. This was mainly due to reduced contribution from Singapore hotels of S$0.8 million, loss of rental income from Claymore Link of S$2.6 million and lower rent contribution from Australia of S$1.6 million. Australia's rental was impacted by the weakened Australian dollar and this was further exacerbated by the receipt of lower full year variable income of S$1.1 million (A$1.0 million) as compared to S$2.0 million (A$1.6 million) received the year before. These declines were partially mitigated by higher fixed rent contribution of S$0.5 million from the New Zealand hotel, partly due to the stronger New Zealand dollar during 3Q 2014.

Factoring Jumeirah Dhevanafushi's hotel operating expenses and the portfolio's property tax and insurance expenses, net property income for YTD Sep 2014 recorded a marginal year-on-year increase of 0.9% to S$101.9 million. However, CDLHT's net income (after depreciation and amortisation expense of Jumeirah Dhevanafushi) for YTD Sep 2014 decreased 3.1% year-on-year to S$75.5 million. This depreciation expense, which was absent the previous year, has no impact on the distributable income of CDLHT.

Correspondingly, income available for distribution (before deducting income retained for working capital) for YTD Sep 2014 decreased 1.7% year-on-year to S$85.4 million. Income available for distribution per Stapled Security (after deducting income retained for working capital) for YTD Sep 2014 was 7.86 cents as compared to the 8.05 cents recorded in the corresponding period last year.

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[1] The Jumeirah Dhevanafushi resort was acquired on 31 December 2013.
[2] The Angsana Velavaru resort was acquired on 31 January 2013.

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Review of Singapore Hotels' Performance

The combined weighted average statistics for CDLHT's Singapore Hotels for 3Q 2014 and YTD Sep 2014 are as follows:

	1 Jul 2014 to 30 Sep 2014 ("3Q 2014")	1 Jul 2013 to 30 Sep 2013 ("3Q 2013")	Variance %	1 Jan 2014 to 30 Sep 2014 ("YTD Sep 2014")	1 Jan 2013 to 30 Sep 2013 ("YTD Sep 2013")	Variance %
Average Occupancy Rate	92.0%	87.6%	4.4pp	88.9%	87.5%	1.4pp
Average Daily Rate	S$209	S$218	(4.1)%	S$212	S$219	(3.2)%
Room Revenue per Available Room ("RevPAR")	S$192	S$191	0.5%	S$188	S$191	(1.6)%

The Group achieved a record high occupancy level of 92.0% for Singapore hotels in 3Q 2014 as a result of securing more business volume. However, average daily rates dipped 4.1% year-on-year to S$209 mainly due to the new supply entering the market, weaker visitor arrival figures as well as a cautious corporate spending environment. As a result, RevPAR for the Singapore hotels increased marginally by 0.5% year-on-year to S$192 in 3Q 2014.

The drop in Chinese visitor arrivals, which has led to a decline in Singapore's hotel performance, has shown signs of stabilising. Based on the latest STB data, the year-on-year decline in Chinese arrivals has stabilised at 27.4% and 28.2% for July and August as compared to the 47.1% decline recorded in second quarter.[3]

Mr Vincent Yeo, CEO of M&C REIT Management Limited commented, "The record occupancy achieved in Singapore is certainly heartening, especially in light of the competitive environment caused by new supply and the decline in Chinese visitor arrivals. In view of the uncertain global economic climate, we remain cautious about the outlook of our hotels for the rest of the year and going into next year."

Outlook

Industry room inventory will continue to grow in Singapore with another 447 rooms slated for opening by end of year 2014. In 2015, an estimated 3,229 rooms are expected to open, further increasing room supply by 5.7% against 2014. The new room supply is likely to perpetuate the competitive environment as the market seeks to absorb the additional rooms amidst caution in the corporate and leisure travel markets. Room rates will remain competitive as new hotels seek to build their business base.

As part of the long term plan to entrench its position as an attractive destination, the Singapore government has continued to devote resources and investment into the tourism sector. To this end, the Singapore government recently outlined plans to redevelop the Jurong Lake district[4], Mandai[5] and Sentosa[6] areas. The next 12 months will also see the opening of attractions such as Kidzania, Singapore Pinacothèque de Paris, Sisters' Islands, all of which are likely to appeal to a broad spectrum of tourists. In addition, the Singapore Sports Hub, which has since hosted international tournaments

[3] STB, Visitor Arrivals, 16 Oct 14
[4] Asiaone, 17 Aug 14, "National Day Rally 2014: New Jurong Lake Gardens part of Lakeside Transformation"
[5] The Straits Times, 5 Sep 14, "PM Lee: A 'bigger and better' Mandai zoo in the pipeline"
[6] The Straits Times, 15 Aug 14, "Sentosa to get major facelift complete with themed zone"

such as the World Club 10s Rugby and WTA Finals, is expected to see more top stature events in the coming months. These events will serve to showcase the vibrancy of Singapore sporting scene and complement its appeal as a well-rounded, active and exciting tourism destination.

In Australia, the slower pace of the economy and lower activity levels in the mining sector may continue to affect the performance of the Australia hotels although its effect will be mitigated by the defensive structure which provides CDLHT with largely fixed rent. Looking ahead, the upcoming Group of Twenty Leaders (G20) Summit in November this year is expected to benefit hotels in Brisbane. Any continued weakness in the Australian currency may result in lower rental receipts in Singapore dollar terms, but on the positive note, may encourage more domestic travel and inbound arrivals.

Maldives continued to register strong visitor arrivals growth of 10.1% for the first nine months of this year as compared to the same period last year. However, near term headwinds such as the reported reduction in Chinese luxury spending and the ongoing sanctions against Russia, may have a negative impact on the tourism sector.

Asset enhancement works on Claymore Link, excluding the Galleria, are still currently underway. The mall is expected to commence operations in second quarter of 2015.

Mr Yeo concluded, "We will continue to seek acquisition opportunities to enhance our returns to unitholders. Our healthy gearing and ample debt headroom put us in good stead to capitalise on any acquisition opportunities in the hospitality sector."

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About CDL Hospitality Trusts

CDL Hospitality Trusts ("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 CDL Hospitality Business Trust.

CDLHT was 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 30 September 2014, CDLHT owns 12 hotels and two resorts with a total of 4,455 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); five hotels in Australia's key gateway cities of Brisbane and Perth (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth); one hotel in New Zealand's gateway city of Auckland (Rendezvous Grand Hotel Auckland); two resorts in Maldives (Angsana Velavaru and Jumeirah Dhevanafushi), as well as the shopping arcade adjoining Orchard Hotel (Claymore Link, previously known as Orchard Hotel Shopping Arcade) in Singapore.