PRESS RELEASE

For Immediate Release

APAC HOSPITALITY INVESTMENTS IN 2013 HIGHEST IN 5 YEARS

1H 2014 continues to see healthy level

HONG KONG, 21st Aug, 2014 – Cushman & Wakefield, Global Real Estate Consultancy, in their latest report on the hotel markets across 17 gateway cities and prime destinations in Asia and Australia, reported that hospitality investment market in the Asia Pacific reached a record high transaction volume of US$12.83 billion in 2013, the highest in the last 5 years and over 30% higher than 2012.

There had been a substantial weight of capital invested in the core markets with mainland China accounting for US$2.636 billion or 20.5% of the total investment volume, Singapore the second largest market at US$2.634 billion, followed by Japan at US$2.610 billion and Australia at US$2.271 billion. Hotel investments were also more widespread across the region in 2013, where emerging and non-core markets like Cambodia, Macau, Maldives saw some assets changing hands.

Akshay Kulkarni, Regional Director of Cushman & Wakefield's Hospitality Services for South Asia and Southeast Asia said: "Hospitality investment volume in 2013 more than doubled since 2008 and can be attributed to the excess liquidity, the low borrowing costs and the region's favourable tourism growth and outlook."

The cities included in the report are Singapore, Hong Kong, Tokyo, Bali, Seoul, Mumbai, National Capital Region (India), Bangkok, Shanghai, Jakarta, Kuala Lumpur, Beijing, Ho Chi Minh City, Sydney, Melbourne, Perth and Brisbane.

In the first half of 2014, total investment volume of hospitality assets reached US$5.203 billion, which is 9.5% higher compared to the same period last year. While the core markets of Japan, Singapore, mainland China and Australia are still the most traded ones and constitute about 68.8% of the investment volume, other emerging markets such as Philippines, Malaysia, Sri Lanka and Indonesia have experienced higher investment quantum compared to the same period last year. For 2014, Cushman & Wakefield expects the hospitality investment market to moderate, and likely to close at US$9.0 to US$10.5 billion.

Table 1 : Asia Pacific Hospitality Investment Volume in US$ (million)				
Countries/regions	2013	2012	2013 H1	2014 H1
Australia	2,271.06	2,699.10	592.42	654.27
Cambodia	6.40	-	-	8.71
Mainland China	2,636.26	1,558.60	787.56	1,678.62
Hong Kong	1,155.03	1,022.10	400.53	246.77
India	141.28	89.70	89.37	84.31
Indonesia	14.00	31.61	-	55.91
Japan	2,609.65	2,337.51	1,234.71	881.74
Korea	40.12	241.39	31.47	91.53
Macau	419.05	-	-	115.97
Malaysia	137.29	123.15	57.41	309.18
Philippines	35.85	96.34	35.85	204.16
Singapore	2,634.34	742.80	974.08	364.65
Sri Lanka	42.33	8.67	7.73	30.24
Taiwan	55.80	288.38	40.03	6.82
Thailand	205.11	350.67	176.22	166.76
Vietnam	246,04	184.28	246.04	44.66
Others (incl. Maldives)	181.94*	-	77.34	249.57
Total	**12,831.55**	**9,774.29**	**4,750.76**	**5,202.58**

Source: RCA Analytics, Cushman & Wakefield Hospitality

In 1H 2014, some notable transactions include the 5-star Park Hyatt in Melbourne sold by the GIC Pte Ltd to Hongkong-based Fu Wah Group for US$120.5 million (or US$502,000 / key), Hilton Hua Hin Hotel sold to Thai-listed Saha-Union PLC for US$98.9 million (or US$334,000 / key) and Sutera Harbour Resort at Kota Kinabalu sold to SGX-listed GSH Corporation for US$275.7 million (or US$288,000 / key).

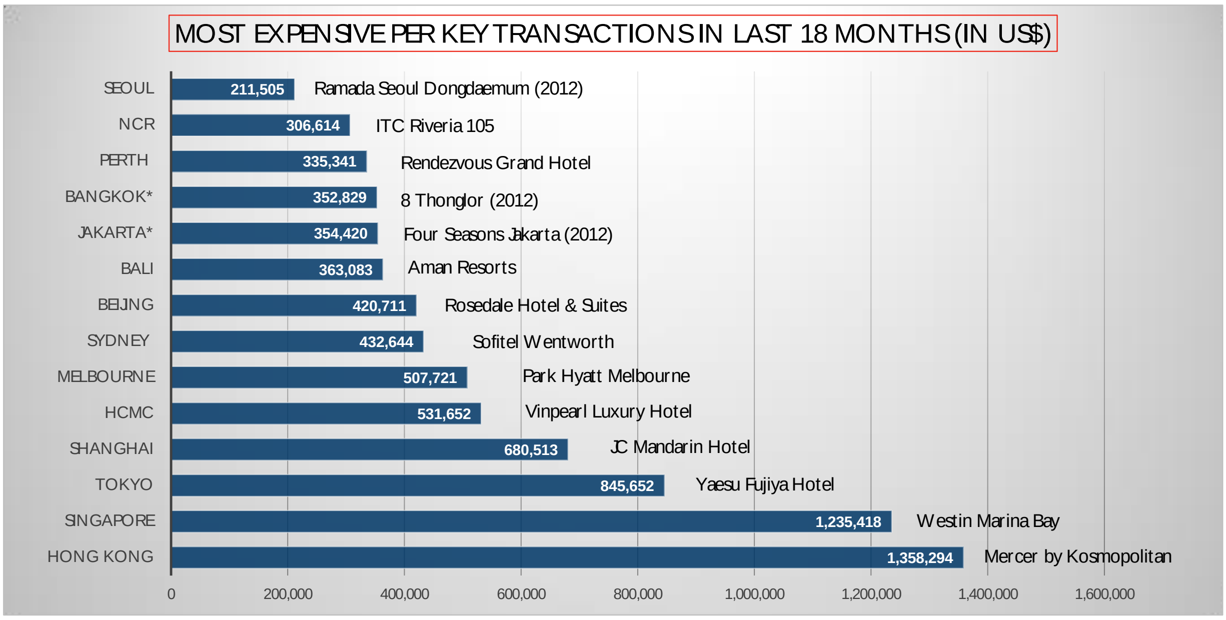
Kulkarni added, “We expect the balance of 2014 to equal or come close last year’s level in terms of transactional activity. Japan has already seen significant investment volume and will undoubtedly improve further and lead the pack, due to strong corporate demand and greater investor optimism arising from Abe’s economic reforms. Lower hotel transaction volume is expected for Singapore this year compared to last year, at least in the organized institutional side. However with the change in norms on the shop houses those that have approved hotel licenses will see high guest demand.

Mainland China in the first half of this year has seen investments of over US$1.5 billion. This obviously shows significant confidence in the markets and their potential, and also indicative of the fact that assets may be trading at below par and there is an eventual upside. However given the current trading performances in the key Chinese markets and also the relative slowdown of the economy the forecast in terms of investments is that these volumes will taper.

Some of those that gain would be India as it will see a significant rise due to the change in approach to debt service and banking norms forcing asset restructuring companies to offload some of their stocks. This in addition with the positive way in terms of the political climate provides India with a significant opportunity to attract a significant share of the regional investments."

"Thailand, Indonesia, and to some extent, Philippines, Sri Lanka could see more exciting times ahead with some major transactions to be closed. Emerging countries such as Myanmar and Cambodia have seen some renewed interest and could become viable investment destinations."

There were a few hotel portfolio transactions in 1H 2014, especially in Japan. Anabuki Kosan acquired 9 three-star and budget Comfort Hotels for US$58.4 million from Taisei Yuraku Real Estate Company, while Hoshino REIT acquired 21 Chisun Inn hotels from Lone Star for US$136.9 million. India-based DLF Global Hospitality had sold its Amanresort chain of 27 luxury hotels to Adrian Zecha and Peak Hotels for US$358 million.



Cushman & Wakefield studied the hotel investment transactions in the past 18 months, covering gateway cities in Asia Pacific. The most expensive hotel investment market in terms of value per key in US$ is Hong Kong. The Chinese territory saw the Mercer by Kosmopolitan transacted at US$1.36 million. Singapore is ranked second at US$1.24 million, having seen the sale of the 305-room Westin Marina Bay to Daisho Group at US$369 million last December. Third on the list is Tokyo at US$846,000 arising from the Yaesu Fujiya Hotel which would be redeveloped into an office building.

Kulkarni added, “Hotel assets in Singapore and Hong Kong have high selling price per room due to the high earnings multiples and the potential for capital appreciation ahead. Buyer competition for prime institutional quality assets in these two cities remain intense, and there is a shortage of such assets for sale. For Singapore market, it would be ideal to hold if your assets are of prime quality as there is some room for additional asset appreciation. In Hong Kong, smaller sized assets are highly sought after, and can be repositioned with higher upside in rates and value."

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About Cushman & Wakefield

Cushman & Wakefield is the world's largest privately-held commercial real estate services firm. The company advises and represents clients on all aspects of property occupancy and investment, and has established a preeminent position in the world's major markets, as evidenced by its frequent involvement in many of the most significant property leases, sales and assignments. Founded in 1917, it has 250 offices in 60 countries, employing more than 16,000 professionals. It offers a complete range of services for all property types, including leasing, sales and acquisitions, equity, debt and structured finance, corporate finance and investment banking, corporate services, property management, facilities management, project management, consulting and appraisal. The firm has more than $4 billion in assets under management globally. A recognized leader in local and global real estate research, the firm publishes its market information and studies online at www.cushmanwakefield.com/knowledge. In Greater China, Cushman & Wakefield maintains seven market-leading offices in Beijing, Shanghai, Chengdu, Guangzhou, Shenzhen, Hong Kong and Taipei. More information is available at www.cushmanwakefield.com.