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## PRESS RELEASE

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### ARA US Hospitality Trust Reports Distributable Income of US\$23.9 million from 9 May 2019 (Listing Date) to 31 December 2019

#### Performance Highlights:

- Achieved DPS of 4.21 US cents for FY2019<sup>1</sup> which translates to an annualized yield of 7.4%<sup>2</sup>
- Occupancy remained strong at 77.0%
- RevPAR Index of 106.3% reflects superior portfolio performance and quality

Singapore, 19 February 2020 – The Managers<sup>3</sup> of ARA US Hospitality Trust (“ARA H-Trust”), announced today a Distributable Income of US\$23.9 million for the period from 9 May 2019 (Listing Date) to 31 December 2019 (“FY2019”). The Distribution per Stapled Security (“DPS”) for FY2019 was 4.21 US cents, which translates to an annualized yield of 7.4% based on the IPO price of US\$0.88.

For FY2019, Gross Revenue and Net Property Income were US\$115.0 million and US\$32.6 million respectively. Our portfolio achieved a RevPAR index of 106.3% and occupancy remained strong at 77.0%, a testament to the strength of our portfolio.

The portfolio, which comprises 11 Hyatt House and 27 Hyatt Place hotels as at 31 December 2019, recorded high occupancy of 82.3% and 74.6% respectively. Hyatt House hotels achieved a RevPAR index of 116.0% while Hyatt Place hotels reported a RevPAR index of 102.3% in light of the supply headwinds in several markets that impacted both occupancy and ADR.

DBS Bank Ltd. (“DBS”) was the Sole Issue Manager for the Offering (the “**Sole Issue Manager**”). DBS, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited were the Joint Financial Advisers and Joint Global Coordinators for the Offering (collectively, the “**Joint Financial Advisers and Joint Global Coordinators**”). DBS, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Credit Suisse (Singapore) Limited were the Joint Bookrunners and Underwriters for the Offering (collectively, the “**Joint Bookrunners and Underwriters**”).

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<sup>1</sup> FY2019 refers to the period from 9 May 2019 (Listing Date) to 31 December 2019.

<sup>2</sup> Based on IPO price of US\$0.88.

<sup>3</sup> Refers to ARA Trust Management (USH) Pte. Ltd., the manager of ARA H-REIT, and ARA Business Trust Management (USH) Pte. Ltd., the trustee-manager of ARA H-BT (collectively known as the “Managers”).

The Managers have initiated a comprehensive action plan for the portfolio which include revenue management initiatives to optimize pricing, sales initiatives to enhance group capture and improve digital marketing, cost management strategies focused on productivity improvements and detailed expense reviews, and asset enhancement initiatives concentrated on enhancing guest appeal, such as television platform upgrades and improved internet access. These initiatives combined with an active asset management approach will help drive revenue, resulting in improved profits and yields.

Adding to our premium select-service portfolio, on 17 January 2020, the Managers completed the acquisition of three premium Marriott-branded upscale select-service hotels for a consideration of US\$84.0 million, representing a 5.5% discount to the independent market valuation of US\$88.9 million. The three properties, which are located in prime locations with robust key demand drivers, will further enhance our geographical and brand diversification and increase our earnings base. The acquisition was funded by bank loans and internal cash resources and will be DPS accretive to Stapled Securityholders. The transaction demonstrates the Managers' ability to originate deals and execute 3<sup>rd</sup> party transactions at attractive yields. Pipeline opportunities continue to be robust and the Managers intend to further enhance the portfolio through accretive acquisitions by brand and by location.

The novel coronavirus (COVID-19) outbreak is currently being closely monitored by the authorities in the U.S., with stringent travel restrictions put in place to deny entry to foreign nationals who visited China in the 14 days prior to their arrival to the U.S. Given the limited number of cases in the U.S., the Managers believe there is lower risk of impact to our portfolio as compared to hotels in gateway cities, as the majority of the portfolio's demand is predominantly oriented towards domestic business and leisure travelers. Nevertheless, the Managers are actively monitoring the situation in the U.S. and our hotels are actively taking precautions and putting in place measures to minimize the risk of virus exposure to our guests and employees.

### **Distribution Payment**

ARA H-Trust's distribution policy is to distribute 100% of Distributable Income for the period from the Listing Date of 9 May 2019 to 31 December 2019 ("First Distribution") and the financial year from 1 January 2020 to 31 December 2020. The books closure date is 28 February 2020 and the Managers will pay its First Distribution on 27 March 2020.

**– End –**

Lee Jin Yong  
Chief Executive Officer  
19 February 2020

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**About ARA US Hospitality Trust**

Listed on the Singapore Exchange on 9 May 2019, ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust ("**ARA H-REIT**") and ARA US Hospitality Management Trust ("**ARA H-BT**"). ARA US Hospitality Trust invests in income-producing real estate assets used primarily for hospitality purposes located in the United States.

As at 31 December 2019, ARA US Hospitality Trust's initial portfolio comprises 38 upscale Hyatt-branded select-service hotels across 21 states in the United States (the world's largest lodging market) with a total of 4,950 rooms. 36 out of the 38 hotels have freehold land titles. Following the acquisition of three Marriott-branded select-service hotels on 17 January 2020, ARA H-Trust's portfolio comprises 41 select-service hotels across 22 states in the United States with a total of 5,340 rooms.

ARA US Hospitality Property Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA US Hospitality Management Trust is managed by ARA Business Trust Management (USH) Pte. Ltd., collectively, the Managers. The Managers are wholly-owned subsidiaries of ARA Asset Management Limited.

For more information, please visit [www.araushotels.com](http://www.araushotels.com).

**About the Sponsor**

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited, a leading APAC real assets fund manager with a global reach. As of 31 December 2019, gross assets managed by ARA Group and its Associates is more than S\$87 billion<sup>4</sup> across over 100 cities in 28 countries.

Driven by a vision to be best-in-class real assets fund management company. ARA Group and its Associates' businesses include:

(a) **REITs** – ARA is one of the largest REIT managers in Asia Pacific. The Group directly manages Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Fortune REIT, Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia through its associate companies.

(b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.

(c) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.

(d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.

(e) **Real estate management services** – As part of the Group's investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets globally.

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit <http://www.ara-group.com/>.

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<sup>4</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates.

**Important Notice:**

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of ARA US Hospitality Trust in Singapore under the Securities and Futures Act, Chapter 289 of Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of stapled securities in ARA US Hospitality Trust ("**Stapled Securities**") and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by the ARA Trust Management (USH) Pte. Ltd. as manager (the "**REIT Manager**") of ARA US Hospitality Property Trust and ARA Business Trust Management (USH) Pte. Ltd., as trustee-manager (the "**Trustee-Manager**") of ARA US Hospitality Management Trust, DBS Trustee Limited (as trustee of ARA US Hospitality Property Trust) or any of their respective affiliates. The past performance of ARA US Hospitality Trust is not necessarily indicative of the future performance of ARA US Hospitality Trust, the REIT Manager and the Trustee-Manager.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of the presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry, hospitality outlook and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy, ADR and RevPAR, changes in operating expenses, government and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of ARA US Hospitality Trust. The forecast financial performance of ARA US Hospitality Trust is not guaranteed.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Holders of Stapled Securities ("Stapled Securityholders") have no right to request that the REIT Manager or Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities does not guarantee a liquid market for the Stapled Securities.

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