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PRESS RELEASE

ARA US HOSPITALITY TRUST REPORTS GROSS REVENUE OF US\$39.3 MILLION FOR 1H 2020

Singapore, 05 August 2020 – ARA Trust Management (USH) Pte. Ltd., as manager of ARA US Hospitality Property Trust (“**ARA H-REIT**”), and ARA Business Trust Management (USH) Pte. Ltd, as trustee-manager of ARA US Hospitality Management Trust (“**ARA H-BT**”) (collectively known as the “**Managers**”), today announced the financial results of ARA US Hospitality Trust (“**ARA H-Trust**”) for the first six months ended 30 June 2020 (“**1H 2020**”).

The COVID-19 outbreak has upended the growth trajectory of the economy and hospitality industry in the United States of America (the “**U.S.**”) since mid-March 2020. The numerous travel restrictions and social distancing measures adopted by the government authorities and corporations resulted in significant decline in hotel demand and occupancies. In response to the pandemic, the Managers implemented swift action plans to substantially reduce operating cost, leveraging on the flexible cost structure of the portfolio’s select-service hotels. These measures included the temporary suspension and consolidation of hotel operations, and comprehensive cost and labor reductions. Consequently, ARA H-Trust reported positive gross revenue and gross operating profit of US\$39.3 million and US\$5.8 million respectively in 1H 2020. However, after taking into account fixed costs, ARA H-Trust recorded a net property loss of US\$2.0 million and nil distributable income for 1H 2020.

The Managers previously announced the temporary closure of 30 properties in March 2020 as part of its cost mitigation measures and have since reopened all properties as at 1 July 2020 in view of gradual improvement in hotel demand from the domestic leisure segment. Mr. Lee Jin Yong, CEO of the Managers said, “ARA H-Trust’s 1H 2020 financial results reflect the adverse impact on our hotel portfolio arising from lockdowns and travel restrictions amidst the COVID-19 pandemic. However, we observed a gradual uptick in hotel occupancies in June 2020 arising from domestic leisure demand with the loosened restrictions in some states within the country. Our U.S. based team has been working relentlessly in pursuing demand from leisure and alternative segments and streamlining operating costs. In the near term, the velocity of recovery will be difficult to determine. However, as hotel demand gradually recovers, we believe that trends will favor value-priced, transient guest-oriented, compact hotels located in drive-to markets such as our portfolio. ARA H-Trust remains in a secure financial position to weather the crisis and will continue to exercise caution and prudence in our capital and cashflow management.”

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**”).

Prudent Capital Management

Notwithstanding the challenging operating environment, ARA H-Trust has adequate liquidity to meet its operational needs and financial commitments. As at 30 June 2020, ARA H-Trust has a total of approximately US\$21.5 million in cash on-hand and the aggregate leverage of 42.5% remains below the regulatory limit of 50%. There are no refinancing requirements on ARA H-Trust's loan facilities until 2023. The Managers have secured loan covenant waivers from Singapore-based relationship banks and proactively implemented cost mitigation measures.

Outlook

There have been initial signs of gradual recovery in hotel demand for the months of June and July. The unpredictable duration and magnitude of the COVID-19 pandemic continue to present significant challenges to the U.S. hotel market. Consequently, the full impact of the ongoing disruption on near term operating performance remains difficult to assess. Accordingly, the Managers will continue to focus on mitigating operating risks, preserving liquidity and the value of the assets in anticipation of market recovery.

Summary of Financial Results

	1H 2020 (US\$'000)	Forecast ¹ (US\$'000)	Change (%)
Gross Revenue	39,345	94,508	(58.4)
Gross Operating Profit	5,841	38,106	(84.7)
Net Property (Loss) / Income	(2,018)	29,482	N.M. ²
Distributable Income	-	19,664	(100.0)
Distribution per Stapled Security (U.S. cents)	-	3.47	(100.0)

Please kindly refer to ARA H-Trust's corporate website at <http://www.araushotels.com/> for its 1H 2020 financial statement and presentation.

Lee Jin Yong
Chief Executive Officer
05 August 2020

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¹ Forecast for 1H 2020 is derived from Projection Year 2020 as disclosed in the IPO Prospectus

² N.M - Not meaningful

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. ARA US Hospitality Trust’s portfolio currently comprises 41 select-service hotels with a total of 5,340 rooms across 22 states in the United States.

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

For more information, please visit 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.

ARA Asset Management Limited (ARA or the Group) is a leading APAC real assets fund manager with a global reach. With S\$110³ billion in gross assets under management as at 30 June 2020, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate credit and equity funds, and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA’s multi-platform, multi-product global fund management business is supported by dedicated local teams with in-depth knowledge and expertise and enabled by a forward-looking real estate technology strategy. 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 www.ara-group.com.

³ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 30 June 2020

IMPORTANT NOTICE

The value of the stapled securities in ARA US Hospitality Trust ("**Stapled Securities**") (where each Stapled Security comprises 1 unit in ARA H-REIT stapled to 1 unit in ARA H-BT), and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited, in its capacity as trustee of ARA H-REIT, or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that 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 on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, 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. 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. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.