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PRESS RELEASE

ARA US HOSPITALITY TRUST POSTS GROSS OPERATING PROFIT OF US\$12.7 MILLION IN FY 2020 DESPITE COVID-19 IMPACT

Singapore, 24 February 2021 – 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 six months (“**2H 2020**”) and full year (“**FY 2020**”) ended 31 December 2020.

The unprecedented COVID-19 pandemic dealt a heavy blow on the economy and hospitality industry of the United States (“**U.S.**”) in 2020. The business environment deteriorated abruptly and significantly with stringent lockdowns and travel restrictions which caused hotel demand to drop off substantially throughout the country. During the early onslaught of the pandemic, the Managers swiftly implemented a series of action plans to mitigate the impact of COVID-19. These measures included, but were not limited to, cost containment, labor reduction, refinement of operating model, temporary closures, and prudent capital management.

Notwithstanding the volatile and challenging operating environment, ARA H-Trust recorded gross revenue and gross operating profit of US\$78.2 million and US\$12.7 million for FY 2020 respectively. Taking fixed costs (predominantly real estate taxes) into consideration, ARA H-Trust recorded a net property loss of US\$5.0 million and nil distributable income for FY 2020.

All 41 properties within the ARA H-Trust portfolio are currently open and generating positive cash flows from operations since July 2020. As at 31 December 2020, the total property value was US\$686.9 million, down 2.5% from US\$704.7 million a year ago. The valuation declined by 13.5% due to the impact of the COVID-19 pandemic and was partially offset by the acquisition of the Marriott portfolio in January 2020.

Mr. Lee Jin Yong, CEO of the Managers said, “The U.S. hospitality industry has suffered the worst year on record with occupancies hitting an all-time low in 2020 as the COVID-19 pandemic severely curbed corporate and leisure travel. Applying our active, hands-on asset management approach and deep expertise as hospitality specialists, we swiftly responded and adapted proactive action plans and measures to cushion the pandemic’s impact on the portfolio.”

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**”).

Mr. Lee added, “While the heightened case levels of COVID-19 and slower-than-expected rollout of vaccination continues to weigh on our portfolio’s performance, we believe that there exists substantial pent-up travel demand that will be unleashed with the widespread vaccination across the U.S. population by mid-year 2021. The travel recovery is anticipated to restart with domestic leisure, followed by corporate travel, the two key segments captured by select-service hotels. In the meantime, we continue to stay vigilant and nimble by concentrating our efforts to improve our portfolio’s profitability, preserve liquidity and protect the assets. We are ensuring our hotels are considered clean and safe when guests eventually return. We are confident that our diversified portfolio of upscale select-service hotels is well-poised for recovery and accelerated growth.”

Secure Financial Position

ARA H-Trust remains in a secure financial and liquidity position to meet its operational needs and financial commitments. As at 31 December 2020, ARA H-Trust had US\$26.8 million cash on-hand, and the aggregate leverage of 48.2% remains below the regulatory threshold of 50% set by the Monetary Authority of Singapore. Lender banks have provided further extension to the financial covenant waiver up to June 2021. The Managers continue to adopt a prudent and disciplined approach in its capital and cashflow management.

Market Outlook

The U.S. government’s commitment to continue to provide economic stimulus and roll out mass vaccination, is anticipated to end the deleterious conditions brought on by the COVID-19 pandemic and kick-start a broad economic recovery in the U.S. As hotel demand is highly correlated with the Gross Domestic Product (“GDP”) in the U.S., the hospitality industry is expected to recover in tandem with the robust GDP rebound forecasted in 2021. STR and Tourism Economics anticipate a strong rebound in travel activity in the year ahead, with domestic leisure travel to be the first to drive recovery with a pick-up expected towards the second quarter of 2021. This is closely followed by the significant return of the domestic corporate segment as corporations begin to loosen their travel restrictions given the expected widespread vaccination and growing travel confidence.

The Managers remain positive in its business model and the long-term fundamentals of the U.S. hospitality market. The Managers’ continued efforts of hands-on management expertise and proactiveness will help to deliver sustainable, long-term value to our portfolio and Stapled Securityholders.

Summary of Financial Results

	2H 2020			FY 2020		
	Actual (US\$’000)	Forecast ¹ (US\$’000)	Change (%)	Actual (US\$’000)	Forecast ¹ (US\$’000)	Change (%)
Gross Revenue	38,816	97,668	(60.3%)	78,161	192,176	(59.3%)
Gross Operating Profit	6,856	39,703	(82.7%)	12,697	77,809	(83.7%)
Net Property (Loss) / Income	(3,028)	31,142	N.M. ²	(5,046)	60,624	N.M. ²
Distributable Income	-	21,148	N.M. ²	-	40,812	N.M. ²
Distribution per Stapled Security (U.S. cents)	-	3.72	N.M. ²	-	7.18	N.M. ²

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

² N.M. – Not meaningful

Please kindly refer to ARA H-Trust's corporate website at <https://www.araushotels.com/> for its 2H / FY 2020 financial statement and presentation.

Lee Jin Yong
Chief Executive Officer
24 February 2021

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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. 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.