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## PRESS RELEASE

### ARA US HOSPITALITY TRUST DELIVERS NET PROPERTY INCOME OF US\$9.1 MILLION IN 1H 2021 AMIDST RECOVERY FROM COVID-19 PANDEMIC

**Singapore, 05 August 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 first six months ended 30 June 2021 (“**1H 2021**”).

Riding on the success from widespread vaccination program and the reopening of the economy across the United States (“**U.S.**”), the U.S. hospitality industry continues to regain strength with initial signs of accelerated recovery since the beginning of 2021. As of mid-July 2021, close to 60% of U.S. adult population has been fully vaccinated and COVID-19 cases have dropped significantly in the country. Travel and social restrictions in almost all U.S. states have since been lifted and travel sentiments continue to ramp up which led to the recovery in domestic travel and consequently, hotel performance in the first half of 2021. Similarly, the hotels under the ARA H-Trust’s portfolio benefitted positively from the recovery in domestic travel demand in the same period.

#### Financial and Portfolio Performance

In 1H 2021, ARA H-Trust achieved a higher Gross Revenue and Gross Operating Profit of US\$52.8 million and US\$14.1 million, rising 34.4% and 143.1% respectively compared to 1H 2020. The improved performance led to a Net Property Income of US\$9.1 million, reversing the US\$2.0 million loss in 1H 2020. Despite the improved performance, after deducting loan interest, other trust expenses and capex reserve, ARA H-Trust recorded a nil distributable income in 1H 2021 as recovery is still in the early stages.

The ARA H-Trust portfolio picked up momentum from rising domestic travel and hotel demand which led to sequential improvements in quarterly performance across all brands. In 1H 2021, the portfolio posted an average occupancy and average daily rate of 51.2% and US\$101, respectively. Consequently, the revenue per available room (“**RevPAR**”) and RevPAR Index<sup>1</sup> was US\$52 and 106.1%, respectively.

Mr. Lee Jin Yong, CEO of the Managers said, “We navigated through the crisis and rose above the challenges amidst the pandemic by leveraging on the Trust’s quality portfolio, in-market knowledge and our extensive hotel experience. The ARA H-Trust portfolio is on the path of a strong comeback in 1H 2021 and we believe that the portfolio’s performance will continue to strengthen as we progress into the peak summer season.”

#### Prudent Capital Management

ARA H-Trust remains in a secure financial position and has adequate liquidity to meet its operational needs and financial commitments. As at 30 June 2021, ARA H-Trust has a total of approximately

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<sup>1</sup> RevPAR Index – A measure of the hotel’s RevPAR performance relative to the competitive set of hotels

US\$26.5 million in cash on-hand and the aggregate leverage of 49.0% remains below the regulatory limit of 50%. There are no refinancing requirements on ARA H-Trust's loan facilities until 2022. The Managers have secured loan covenant waivers from Singapore-based relationship banks up to December 2021.

### Outlook

The speedy deployment of vaccination across the U.S. and the subsequent lifting of restrictions unleashed significant pent-up leisure travel demand, and this leisure travel demand is expected to accelerate as the country enters the peak summer season. It is anticipated that the U.S. hospitality market will further strengthen and rebound closer to pre-pandemic levels in the months ahead as the summer travel surge continues. As companies have started to ask employees to return to the office and have approved corporate travel, there have also been emerging signs of return in business travel demand in view of rising weekday occupancies.

Mr. Lee concluded, "As our portfolio is oriented towards domestic leisure and business travelers, we anticipate that the Trust's performance will be in the vanguard of the U.S. hospitality market recovery. We continue to stay vigilant and nimble as the pandemic stretches on and remain focused to chart the path forward to create long-term value for our Stapled Securityholders."

### Financial Results Summary

	1H 2021 (US\$'000)	1H 2020 (US\$'000)	Change (%)
<b>Gross Revenue</b>	52,848	39,345	34.4
<b>Gross Operating Profit</b>	14,132	5,841	143.1
<b>Net Property Income / (Loss)</b>	9,124	(2,018)	N.M. <sup>2</sup>

Please kindly refer to ARA H-Trust's corporate website at <https://www.araushotels.com> for its 1H 2021 financial statement and presentation.

Lee Jin Yong  
Chief Executive Officer  
5 August 2021

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<sup>2</sup> 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](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.

ARA Asset Management Limited (ARA or the Group) is the largest real assets manager in Asia Pacific with approximately US\$92 billion<sup>3</sup> in gross assets under management by the Group and its associates. ARA operates a global platform with a focus on APAC, managing public and private investment funds that invest across traditional and new economy real estate assets spanning office, retail, residential, logistics and data centres, as well as private real estate credit and infrastructure. ARA's vertically integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions.

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

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<sup>3</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 30 June 2021

## 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.