



ARA US HOSPITALITY TRUST

A stapled group comprising:

ARA US HOSPITALITY PROPERTY TRUST

(a real estate investment trust constituted on 24 September 2018 under the laws of the Republic of Singapore) managed by
ARA Trust Management (USH) Pte. Ltd.

ARA US HOSPITALITY MANAGEMENT TRUST

(a business trust constituted on 29 October 2018 under the laws of the Republic of Singapore) managed by
ARA Business Trust Management (USH) Pte. Ltd.

ANNUAL GENERAL MEETING HELD ON 27 APRIL 2022 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

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**”), would like to thank Stapled Securityholders for submitting their questions in advance of the Annual General Meeting of ARA US Hospitality Trust (“ARA H-Trust”) to be held at 10.00a.m. on 27 April 2022.

The Managers will address the substantial and relevant questions with regards to the resolutions tabled. Please refer to **Annex A** for the list of substantial and relevant questions and Managers’ responses to these questions.

For full details on ARA H-Trust’s financial results for the financial year ended 31 December 2021, please refer to the Annual Report 2021 on ARA H-Trust’s website at <https://investor.araushotels.com/ar.html>.

By ORDER OF THE BOARD
ARA TRUST MANAGEMENT (USH) PTE. LTD.
(As manager of ARA US Hospitality Property Trust)
(Company registration no. 201829676W)

ARA BUSINESS TRUST MANAGEMENT (USH) PTE. LTD.
(As trustee-manager of ARA US Hospitality Management Trust)
(Company registration no. 201829682G)

Lee Jin Yong
Chief Executive officer
26 April 2022

Annex A

Please refer to the Managers' responses to the questions as set out in the tables below:

Operations and Outlook

Questions	Responses
<p>1. There has been talk of the "Great Resignation" in the USA. Is this a phenomenon actually occurring on the ground? What is the manpower situation for the ARA H-Trust's hotels? Does it have sufficient manpower to run and operate its hotels well? What is the turnover rate for its hotels' staff?</p>	<p>The reported unemployment rate in U.S. was 3.6% as at March 2022, as it continues to improve towards pre-COVID-19 levels. The competition for skilled labor amidst the tight labor market will present wage pressures to all hotels in general.</p> <p>The U.S. hospitality industry has always experienced staff turnover pressures. Under the current environment, our hotels are more advantageous compared to full-service hotels as our select-service model requires minimal staffing. Our experienced management team based in the U.S. have also been proactively working with our hotel operators to provide greater staff engagement, training and appropriate market wage adjustments to enhance retention.</p>
<p>2. Prices in the US climbed at their highest rates since 1981, rising 8.5% over the year to the end of March as the war in Ukraine drove up energy costs for Americans, the labor department announced on Tuesday. Is the income growth able to cover and exceed the growth in inflation rate? How is the company managing the inflation costs, such as rise in price of electricity, utilities, food etc. Is it able to reprice its room rates to cope and adjust with the rampant inflation?</p>	<p>The hotel business in contrast to other real estate class of assets has the advantage of daily leasing of rooms which allow flexibility in pricing. The pricing of hotel rooms is not contractually locked in on a long-lease basis and therefore can be repriced based on supply and demand conditions. The dynamic pricing model allows our hotels to reprice rapidly as market conditions change and maintain profit margins for the portfolio. Historically, U.S. hotel rates have outpaced inflation, mitigating cost increases from labor and other expenses.</p>
<p>3. Given the dismal performance and the low approval rating of the Biden administration, it is likely that control of the House and the Senate would flip to the Republicans in the coming November 2022 midterm elections. It is also highly likely that many states would see a change in the party affiliation of their Governors from Democrat to Republican. How would the change of control in Congress and State Governors affect the company's business? Would the company be impacted positively or negatively? And why?</p>	<p>There is no direct correlation between hotel performance and the political party in control. We remain confident about the U.S. hospitality industry recovery from the COVID-19 pandemic and the long-term fundamentals of the select-service segment in the U.S.</p>

<p>4. Given the current outlook of the hospitality industry, which geographical regions are the Trust most optimistic and pessimistic about?</p>	<p>Significant emphasis is placed on the assessment of market fundamentals in submarkets where our hotels are located. Notwithstanding the COVID-19 pandemic having been a major disruptor to the US hotel industry, we are optimistic about coastal and sunbelt markets where long term demographic trends support our view. On the other hand, we will monitor closely certain Midwest locations where population and industry has been on a decline, coupled with challenging economic conditions exacerbated by the pandemic. Hotels in these locations may likely be part of our portfolio optimisation strategy, to redeploy capital towards raising the debt headroom for the Trust to make acquisitions into hotels with a stronger earnings profile.</p>
--------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Financials and Capital Management

Questions	Responses
<p>1. The Interest Cover Ratio of ARA US Hospitality Trust is only 2x, and hence the maximum permissible gearing limit is 45%, which only allows a small buffer given the REIT's current gearing of 44.3%. Are there plans by ARA US Hospitality Trust to reduce its gearing level?</p> <p>With the impending rise in interest rates, how does the company plan to adapt and manage in the rising interest rate environment?</p>	<p>The Interest Cover Ratio of 2 times as at 31 December 2021 will improve as the performance of the portfolio continues to recover this year. In addition, with the aforementioned proposed disposition of Hyatt Place Chicago Itasca hotel by 2Q 2022, the Managers plan to lower the Stapled Trust's aggregate ratio with the net proceeds from the sale. ARA US Hospitality Trust also has a healthy cash balance of approximately US\$19 million as at 31 December 2021, which can be utilized to reduce the gearing ratio as necessary.</p> <p>We manage the interest costs by striking a balance between fixed and floating interest rate borrowings. As at 31 December 2021, the hedged proportion of borrowings was 79%.</p> <p>While the general consensus is that interest rates are on an upward trend, we currently benefit from our hedging strategies. The rate of increase of interest rates is uncertain given the geo-political tensions and assessment that some of the inflationary increases are transitory stemming from Covid-related supply chain disruptions. The Managers will continue to actively monitor the interest rate environment.</p>

For enquiries, please contact:

Investor Relations

Tel: +65 6512 1422

Email: irusht@ara-group.com**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 is part of the ESR Group (the “**Group**”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (“**AUM**”), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S.. The Group provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalize on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR Cayman Limited (“**ESR**”) is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. ESR’s purpose – Space and Investment Solutions for a Sustainable Future – drives the Group to manage sustainably and impactfully and we consider the environment and the communities in which the Group operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.ara-group.com, www.esr.com.

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.