

# 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.**

## MINUTES OF ANNUAL GENERAL MEETING (“AGM” or the “Meeting”)

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<b>PLACE</b>	:	Level 3, Rooms 335-336, Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Singapore 039593	
<b>DATE</b>	:	Thursday, 27 April 2023	
<b>TIME</b>	:	10.00 a.m.	
<b>IN ATTENDANCE</b>	:	Mr. Stephen Ray Finch Ms. Stefanie Yuen Thio Mr. Randy Allan Daniels Mr. Wong Choong Mann Ms. Cheryl Seow Mr. Moses K Song * Mr. Lin Daqi Stapled Securityholders as per attendance records maintained by the Managers	Independent Non-Executive Director and Chairman of the Board Independent Non-Executive Director and Chairman of the Audit Committee Independent Non-Executive Director Independent Non-Executive Director Non-Independent Non-Executive Director Non-Independent Non-Executive Director Non-Independent Non-Executive Director
<b>PRESENT</b>	:	Mr. Lee Jin Yong Ms. Maureen Low Representatives of DBS Trustee Representatives of KPMG LLP Representatives of Ernst & Young LLP Representatives of Allen & Gledhill LLP Ms. Tan Shu Bing Ms. Jacy Chuah Managers’ staff from Management team (names reflected in attendance sheet)	CEO of the Managers Company Secretary As Trustee of ARA US Hospitality Management Trust Independent Auditors (Outgoing) Independent Auditors (Incoming) Legal Advisors Representative of TMF Singapore H Pte. Ltd. Representative of TMF Singapore H Pte. Ltd.
<b>CHAIRMAN</b>	:	Mr. Stephen Ray Finch	

\* Remote attendance

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## WELCOME AND INTRODUCTION

Ms Marilyn Tan (“**Ms Tan**”), the emcee welcomed the attendees to the 4th AGM of ARA US Hospitality Trust (“**ARA H-TRUST**”) (a stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”) and ARA US Hospitality Management Trust (“**ARA H-BT**”)). Ms Tan then proceeded to introduce the following attendees who joined the AGM physically:

- Board of Directors of the Managers:
  - Mr Stephen Ray Finch – Chairman and Independent Non-Executive Director of the Board,
  - Ms Stefanie Yuen Thio – Independent Non-Executive Director and Chairperson of the Audit and Risk Committee,
  - Mr Randy Allan Daniels – Independent Non-Executive Director,
  - Mr Wong Choong Mann – Independent Non-Executive Director,
  - Ms Cheryl Seow – Non-Independent, Non-Executive Director,
  - Mr Lin Daqi – Non-Independent, Non-Executive Director; and
  - Mr. Moses K Song who joined the AGM from overseas via videoconference;
- Mr. Lee Jin Yong, Chief Executive Officer (“**CEO**”) of the Managers;
- Mr. Ling Hong Liang, Chief Financial Officer of the Managers;
- Ms. Maureen Low, Company Secretary of the Managers;
- Representatives of DBS Trustee Limited;
- Representatives of KPMG LLP, the retiring independent auditor;
- Representatives of Ernst & Young LLP, the new independent auditor to be appointed;
- Representatives of Allen & Gledhill LLP, the Legal Advisers to the Managers; and
- Management team of ARA H-Trust

In accordance with the Stapling Trust Deed constituting ARA US Hospitality Property Trust and ARA US Hospitality Management Trust, DBS Trustee Limited (the “**Trustee**”) has nominated Mr Stephen Ray Finch to preside as Chairman of the AGM.

To commence the AGM, Ms Tan invited Mr Lee Jin Yong, Chief Executive Officer of the Managers (“**CEO**”) to give his presentation on ARA US Hospitality Trust’s performance for the financial year ended 31 December 2022 (“**FY2022**”).

#### **PRESENTATION BY CEO**

Mr Lee Jin Yong delivered a presentation giving an overview of ARA H-TRUST’s performance for FY2022. The Meeting was informed that a copy of the CEO’s presentation slides would be uploaded onto ARA H-Trust’s website and SGXNet after the AGM today.

Ms Tan thanked the CEO for his presentation and handed over the conduct of the Meeting to the Chairman of the Meeting to commence the AGM proceedings.

#### **QUORUM**

The Chairman called the Meeting to order with the presence of a quorum.

The Chairman acknowledged the presence of the stapled securityholders who had attended the AGM physically.

#### **NOTICE OF MEETING AND RESOLUTIONS**

The Notice of the AGM dated 11 April 2023 had been circulated earlier and the resolutions stated therein, released to all Stapled Securityholders via SGXNET and made available on ARA H-TRUST’s website, was taken as read.

#### **CHAIRMAN’S ADDRESS AND DEMAND FOR POLL**

The Chairman informed Stapled securityholders that pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), all resolutions at the meeting would be voted upon by poll using a wireless hand-held device. The Chairman also informed Unitholders that the AGM would be conducted in physical format only. In his capacity as Chairman of the AGM, he had been appointed as proxy by a number of Unitholders and he would vote in accordance with the specific instructions of those Unitholders

A video presentation introducing the functions of real-time remote voting system and questions posting was showed to securityholders.

The Meeting was informed that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. was appointed as Scrutineer (the “**Scrutineer**”) and Boardroom Corporate & Advisory Services Pte Ltd. was appointed as the provider of the poll service (the “**Polling Agent**”). The Chairman informed that all resolutions tabled at this AGM had been voted on by poll based on the proxy forms that were submitted to the Managers at least 48 hours before this meeting.

All proxy forms lodged had been reviewed by the appointed Scrutineer and the votes of all such valid proxies have been counted and verified.

### **SUBSTANTIAL AND RELEVANT QUESTIONS, LIVE QUESTIONS AND ANSWERS**

Chairman informed that the substantial and relevant questions raised by stapled securityholders via an announcement released on 26 April 2023. All other relevant questions would be individually addressed during the Meeting.

#### **ORDINARY BUSINESS:**

#### **ORDINARY RESOLUTION 1 – REPORT OF THE DBS TRUSTEE LIMITED, IN ITS CAPACITY AS TRUSTEE OF ARA H-REIT (THE “TRUSTEE”), THE REPORT OF ARA TRUST MANAGEMENT (USH) PTE. LTD., AS MANAGER OF ARA H-REIT (THE “ARA H-REIT MANAGER”), THE REPORT OF ARA BUSINESS TRUST MANAGEMENT (USH) PTE. LTD., AS TRUSTEE-MANAGER OF ARA H-BT (THE “ARA H-BT TRUSTEE-MANAGER”, AND TOGETHER WITH THE ARA H-REIT MANAGER, THE “MANAGERS”), THE STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE ARA H-BT TRUSTEE-MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ARA H-TRUST, ARA H-REIT AND ARA H-BT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE AUDITORS’ REPORTS**

The Chairman proposed Ordinary Resolution 1 as follows and put the motion to a vote:

“That the Report of the Trustee, the Report of the ARA H-REIT Manager, the Report of the ARA H-BT Trustee-Manager, the Statement by the CEO of the ARA H-BT Trustee-Manager and the Audited Financial Statements of ARA US Hospitality Trust, ARA US Hospitality Property Trust and ARA US Hospitality Management Trust for the financial year ended 31 December 2022 together with the Auditors’ Reports, be received and adopted.”

The motion for Ordinary Resolution 1 was proposed by the Chairman and seconded by Mr Mano Sabnani (“**Mr Sabnani**”).

The Chairman invited questions from the floor.

Mr Sabnani noted that ARA US Hospitality Trust’s performance has improved over the Covid-19 period and commented that the potential downside was the rising costs of operating the hotels, staffing pressure etc which, if all added up, would ultimately affect the bottom line. He asked Management to provide some insights on this.

On this matter, CEO responded that inflation was a concern in US and globally and this had caused interest rates to go up which had affected the hospitality business in terms of rising material costs, costs of supplies etc. Due to the tight labour market conditions in the United States of America (“**USA**”), employment rate and wage pressure have been rising which had led to increase in costs of operations. With travelling restrictions lifted post-Covid-19, CEO added that the hotel businesses were on the road of recovery as shown from the high daily bookings of hotel rooms.

CEO added that Management planned to mitigate the increased costs of operations by adopting a strategy to price the hotel rooms accordingly.

On interest rates hike, Mr Sabnani would like to know the percentage points expected to increase in

terms of the DPU. Mr Ling Hong Liang (“**Mr Ling**”) referred to page 4 of the “Responses to substantial and relevant questions” announcement released via SGX-ST under the “Financials and Capital Management” section and stated that on a proforma basis, based on 31 December 2022 total debt of US\$325.9 million, every 50 basis points increase in costs of debt would translate to approximately 0.3 US cents impact to the distribution per stapled security (“DPS”).

In response to Mr Sabnani’s query on the big jump in the REIT Manager performance fees, Mr Ling stated that pursuant to the Stapling Trust Deed, the performance fee would increase based on the DPS which led to a 25% increase in FY2022. With regards to whether the performance and management fees were payable in cash, units or a combination of both, the Meeting was informed that the payment would be 50% cash and 50% in units and this has been the arrangement since IPO.

Mr Sabnani commented that although ARA H-TRUST’s performance was recovering post-Covid-19, its valuation was a bit depressed. Chairman noted Mr Sabnani’s comments that the Board could do more in terms of investor relations such as doing more publicity, CEO to give more interviews etc.

Mr Venkatachalam Alagappan (“**Mr Alagappan**”) commented that comparing the FY2022 financial results against the financial results pre-Covid days in year 2019, it appeared that the business of ARA H-TRUST had already recovered. Based on CEO’s presentation slides, Mr Alagappan also noted that the business was expecting to grow further in years 2024 and 2025 and wanted to understand which areas or factors would support the business growth. In reply, CEO shared that Management had referenced to statistics and trends available from various reliable sources for the U.S. markets. He added that leisure travels have improved while for now, business travelers were mainly the smaller scale businesses. CEO further added that based on current trends, business travelers from large multi-national corporations have not resumed entirely but overall, this resulted in some improvements and recovery for the hospitality industry.

CEO shared that the State of Florida in USA showed better recovery rates as compared with the other States in the U.S. and that Management would continue to focus on portfolio optimisation and rebalancing strategy to manage the non-performing assets.

Mr Alagappan noted that ARA-H Trust’s portfolio of hotels were spread over many States in USA and would like to know if Management intends to narrow down the scale of hotel portfolio, for example, by geographical classification. CEO responded that the plan was to hold on to a diversified portfolio to cater and support the direction for business diversification in terms of branding and customers.

Next, Mr Alagappan enquired whether ARA US Hospitality Trust would form part of the core business of ESR Group Limited. On this, Ms Stefanie Yuen Thio clarified that Board was not aware of any change in Management, Board members and business directions of ARA US Hospitality Trust—

Mr Wan Pong Boh (“**Mr Wan**”) commented that he was aware that ARA is part of the ESR Group and asked whether ARA US Hospitality Trust would be renamed for corporate identity purpose. In reply to Mr Wan, Chairman explained that ESR Group had acquired ARA Group and that the Board, at present time, was not aware of any decision or direction to change the name of ARA US Hospitality Trust.

The Meeting noted Mr Wan’s point that the branding of ESR Group was better recognised than ARA.

As there were no further questions on Ordinary Resolution 1, the Chairman proceeded to put Ordinary Resolution 1 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 1 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted “For”:	197,222,890	99.92
No. of Stapled Securities voted “Against”:	153,700	0.08
<b>Total</b>	<b>197,376,590</b>	<b>100.00</b>

Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

**ORDINARY RESOLUTION 2 – APPOINTMENT OF ERNST & YOUNG LLP (“EY”) AS INDEPENDENT AUDITOR OF ARA H-TRUST, ARA H-REIT AND ARA H-BT AND RETIREMENT OF EXISTING AUDITOR, KPMG LLP AND TO AUTHORISE THE MANAGERS TO FIX THEIR REMUNERATION**

The Chairman informed the Stapled securityholders that Ordinary Resolution 2 was to appoint Ernst & Young LLP as independent auditor of ARA H-Trust, ARA H-REIT and ARA H-BT to hold office until the conclusion of the next AGM of ARA H-Trust in place of the retiring independent auditor, KPMG LLP and to authorise the Managers to fix their remuneration.

The motion for Ordinary Resolution 2 was proposed by the Chairman and seconded by Mr Venkatachalam Alagappan.

In reply to Mr Alagappan’s inquiry on the rationale to change auditor, Ms Cheryl Seow informed that the change of auditor to Ernst & Young LLP was to align with the same group auditor of ESR Group.

As there were no further questions on Ordinary Resolution 2, the Chairman proceeded to put Ordinary Resolution 2 to a vote.

“That Messrs Ernst & Young LLP be and is hereby appointed as the Independent Auditor of ARA H-Trust, ARA H-REIT and ARA H-BT in place of the retiring Auditor, Messrs KPMG LLP, to hold office until the conclusion of the next annual general meeting of ARA H-Trust at a remuneration to be agreed upon between the Managers and the Auditors.”

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 2 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted “For”:	195,982,590	99.90
No. of Stapled Securities voted “Against”:	192,700	0.10
<b>Total</b>	<b>196,175,290</b>	<b>100.00</b>

Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

On behalf of the Board, Chairman extended his appreciation and thanks to KPMG for their hard work in the past years.

**ANY OTHER BUSINESS**

As no notice of any other ordinary business had been received by the Secretary, the Meeting proceeded to deal with the special business of the Meeting.

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 3 – GENERAL MANDATE FOR THE ISSUE OF NEW STAPLED SECURITIES AND/OR CONVERTIBLE SECURITIES**

The Chairman informed the Stapled Securityholders that Ordinary Resolution 3 was to authorize the Managers to issue new stapled securities in ARA H-TRUST and to make or grant convertible instruments pursuant to the provisions of the Listing Manual of the SGX-ST, as set out under item 3 in the Notice of the AGM.

The motion for Ordinary Resolution 3 was proposed by the Chairman and seconded by Mr Wan Pong Boh.

The Chairman invited questions from the floor.

As there was no question for this Resolution, the Chairman proposed Ordinary Resolution 3 as follows and put the motion to a vote.

“That authority be and is hereby given to the Managers to

- (a) (i) issue new units in ARA H-REIT and new units in ARA H-BT (together, the “Stapled Securities”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

at any time and upon such terms and conditions and for such purposes and to such persons as the Managers may, in their absolute discretion deem fit; and

- (b) issue Stapled Securities in pursuance of any Instrument made or granted by the Managers while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Stapled Securities are issued),

provided that:

- (A) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Stapled Securities to be issued other than on a pro rata basis to Stapled Securityholders (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below);
- (B) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (A) above, the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) shall be based on the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) as at the time this Resolution is passed, after adjusting for:
  - (i) any new Stapled Securities arising from the conversion or exercise of any Instruments which were issued and are outstanding and subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;
- (C) in exercising the authority conferred by this Resolution, the Managers shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Business Trusts Act 2004 of Singapore for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore), the trust deed constituting ARA H-REIT (as supplemented, amended and/or restated from time to time) (the “**ARA H-REIT Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore), the trust deed constituting ARA H-BT (as supplemented, amended and/or restated from time to time) (the “**ARA H-BT Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the stapling deed stapling ARA H-REIT and ARA H-BT (as supplemented, amended and/or restated from time to time) (the “**Stapling Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

- (D) unless revoked or varied by Stapled Securityholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of ARA H-Trust or (ii) the date by which the next AGM of ARA H-Trust is required by applicable law and/or regulations or the ARA H-REIT Trust Deed, the ARA H-BT Trust Deed or the Stapling Deed to be held, whichever is earlier;
- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Managers may issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Stapled Securities are issued; and
- (F) the Managers and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Managers or, as the case may be, the Trustee may consider expedient or necessary or in the interest of ARA H-Trust to give effect to the authority conferred by this Resolution”.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 3 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted “For”:	195,447,590	99.80
No. of Stapled Securities voted “Against”:	399,800	0.20
<b>Total</b>	<b>195,847,390</b>	<b>100.00</b>

Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

## **CONCLUSION**

The Chairman declared the AGM of ARA H-TRUST closed at 11.05 a.m. and thanked everyone for their attendance and the questions received. The minutes of the AGM would be posted on SGXNet and the corporate website in due course.

Confirmed as True Record of Proceedings Held

Stephen Ray Finch  
Chairman of the Meeting