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## PRESS RELEASE

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### ACQUISITION OF A PORTFOLIO OF THREE PREMIUM MARRIOTT-BRANDED UPSCALE SELECT-SERVICE HOTELS IN THE UNITED STATES

- **DPS Accretive - Enhance pro forma<sup>1</sup> DPS by 8.1% from 3.13 US cents to 3.38 US cents**
- **High quality assets with strong financial performance**
- **Strategic locations in dynamics markets**
- **World class franchise affiliation with an experienced hotel operator**

**Singapore, 6 November 2019** – ARA US Hospitality Trust (“ARA H-Trust”) is pleased to announce that it has today entered into a conditional purchase and sales agreement to acquire a portfolio of three Marriott-branded upscale select-service hotels in the United States for US\$84.5 million. The three freehold properties are located within the markets of Raleigh, North Carolina and San Antonio, Texas, that benefit from diversified demand from nearby corporations, universities and leisure attractions.

The accretive acquisition at a net property income yield of 8.0%<sup>2</sup> is expected to increase ARA H-Trust’s pro forma distribution income from the listing date on 9 May 2019 to 30 September 2019 by US\$1.4 million, translating to a rise in distribution per stapled security from 3.13 US cents<sup>3</sup> to 3.38 US cents assuming the acquisition was completed on listing date. The acquisition will be funded primarily with debt and by internal cash resources. Following this acquisition, ARA H-Trust’s portfolio will grow to 41 hotels with 5,340 guest rooms geographically diversified throughout 22 states in the United States.

Mr Lee Jin Yong, the Chief Executive Officer of the Managers, said, “This acquisition demonstrates our ability to execute third-party transactions at an attractive yield in the world’s largest lodging market. We will continue to explore acquisition opportunities to further diversify our portfolio by location and by brand, and most importantly to enhance stapled securityholders’ returns.”

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**”).

<sup>1</sup> For the period from 9 May 2019 (Listing Date) to 30 September 2019.

<sup>2</sup> NPI is net of 4% of total revenue set aside for capital requirements based on the purchase consideration of US\$84.5 million.

<sup>3</sup> Based on ARA H-Trust’s unaudited financial statements for the period from listing date on 9 May 2019 to 30 September 2019.

Mr Lee added, “We are excited with the addition of this high quality freehold portfolio which will broaden our earnings base with diversified and increased net property income. The portfolio has outperformed its competitive set recording RevPAR indices<sup>4</sup> between 120% to 146%. The superior revenue per available room (RevPAR) performance will contribute robust, stable cashflows to our bottom-line. In addition, the acquisition will affiliate ARA H-Trust with Marriott, a leading global hotel brand, and Concord Hospitality, a well-regarded, experienced hotel developer and operator in the US. The new relationship with Concord is expected to broaden our network to source future accretive acquisitions.”

The portfolio consists of AC by Marriott Raleigh North Hills, Courtyard San Antonio at The Rim and Residence Inn San Antonio at The Rim.

AC by Marriott Raleigh North Hills is the newest hotel within the heart of Raleigh’s North Hills - one of Raleigh/Durham’s premier live-work-play destinations. North Hills is a mixed-use development that contains more than 1 million square feet of office space, with notable tenants such as PwC, KPMG and Bank of America, plus retail, entertainment, and residences. Universities around the area include North Carolina State University (35,000 students), Duke University (15,000 students) and University of North Carolina (29,000 students). It is also strategically located 20 to 30 minutes to the airport, downtown Raleigh, and the Research Triangle Park. The Research Triangle Park is one of the most prominent high-tech research and development parks in the United States and houses 200 companies (including IBM, SAS, GlaxoSmithKline, Cisco and Lenovo) with over 50,000 workers.

Courtyard San Antonio at The Rim and Residence Inn San Antonio at The Rim are located adjacent to each other in one of the most desirable submarkets in San Antonio. The local market features attractive residential, retail, office developments, as well as popular leisure attractions. Key demand drivers include Fortune 500 corporations (Valero, Nustar and USAA); Six Flags Fiesta Texas amusement park; The Rim, a 2.8 million square feet master development with retail, dining, and service amenities; the University of Texas at San Antonio (31,000 students); and Camp Bullis, a 28,000 acres US Army training facility with 6,000 employees and training throughput of over 170,000 annually.

**– End –**

Lee Jin Yong  
Chief Executive Officer  
6 November 2019

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<sup>4</sup> The RevPAR Index measures a hotel’s market penetration. Specifically, a hotel’s RevPAR index is calculated by dividing the hotel’s RevPAR by the average RevPAR of a group of competitive hotels within the same trade area (comp set). An index greater than 100% represents greater-than-fair share performance by the hotel relative to its comp set.

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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.

As at Listing Date, ARA US Hospitality Trust’s initial portfolio comprises 38 upscale Hyatt-branded select-service hotels across 21 states in the United States (the world’s largest lodging market) with a total of 4,950 rooms valued at US\$719.5 million. 36 out of the 38 hotels have freehold land titles.

ARA US Hospitality Property Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA US Hospitality Management Trust is managed by ARA Business Trust Management (USH) Pte. Ltd., collectively, the Managers. The Managers are 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, a premier global integrated real assets fund manager. As of 30 June 2019, Gross Assets Managed by ARA Group and its Associates is more than S\$83 billion<sup>5</sup> across over 100 cities in 23 countries.

Driven by a vision to be best-in-class real assets fund management company. ARA Group and its Associates’ businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia Pacific. The Group directly manages Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Fortune REIT, Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (e) **Real estate management services** – As part of the Group’s investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets globally.

ARA’s multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in- depth local knowledge, enables the Group to offer enduring value to investors. 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 <http://www.ara-group.com/>.

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<sup>5</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates.

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Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events. 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.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Holders of Stapled Securities ("Stapled Securityholders") have no right to request that the REIT Manager or Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the 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 does not guarantee a liquid market for the Stapled Securities.

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