



ARA US HOSPITALITY TRUST

Unaudited Financial Statements Announcement

For the third quarter 2019 and period from 9 May 2019 (Listing date) to 30 September 2019

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DBS Bank Ltd. ("DBS") was the Sole Issue Manager for initial public offering of ARA US Hospitality Trust (the "Offering"). DBS, Oversea-Chinese Banking Corporation Limited ("OCBC") and United Overseas Bank Limited ("UOB") were the Joint Financial Advisers and Joint Global Coordinators for the Offering. DBS, OCBC, UOB and Credit Suisse (Singapore) Limited were the Joint Bookrunners and Underwriters for the Offering.



INTRODUCTION

ARA US Hospitality Trust (“**ARA H-Trust**” or “**Group**”) is a stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”), a real estate investment trust, and ARA US Hospitality Management Trust (“**ARA H-BT**”), a business trust. ARA H-Trust was listed on Singapore Exchange Securities Trading Limited (“**SGX**”) on 9 May 2019 (the “**Listing date**”).

The units in ARA H-REIT and ARA H-BT are stapled together as Stapled Securities in ARA H-Trust (“**Stapled Securities**”) under the terms of a stapling deed dated 17 April 2019 (the “**Stapling Deed**”) entered into between ARA Trust Management (USH) Pte. Ltd. (in its capacity as manager of ARA H-REIT)(the “**REIT Manager**”), DBS Trustee Limited (in its capacity as the trustee of ARA H-REIT)(the “**REIT Trustee**”) and ARA Business Trust Management (USH) Pte. Ltd. (in its capacity as trustee-manager of ARA H-BT)(the “**Trustee-Manager**”). Each Stapled Security in ARA H-Trust comprises one unit in ARA H-REIT and one unit in ARA H-BT and cannot be traded separately.

ARA H-REIT is established with the principal investment strategy of investing primarily, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, located in the United States of America (“**U.S.**”), as well as real estate-related assets in connection with the foregoing. ARA H-BT is established with the same principal investment strategy as ARA H-REIT, and to carry on the business of managing and operating real estate used primarily for hospitality and/or hospitality-related purposes, located in the U.S.. The Managers presently intend for ARA H-REIT to hold income-producing real estate while ARA H-BT will be the master-lessee to manage and operate these assets.

The initial portfolio of properties held by ARA H-REIT comprises 38 hotels (the “**Properties**” or “**Hotels**”), consisting of 27 Hyatt Place hotels and 11 Hyatt House hotels located in the U.S., with a total of 4,950 hotel rooms.

ARA H-Trust is presenting its financial results for the period from 9 May 2019, being the Listing date, to 30 September 2019. The financial information presented has not been audited but has been reviewed by the independent auditors in accordance with Singapore Standard on Review Engagements.

Distribution Policy

ARA H-REIT’s and ARA H-BT’s distribution policies are to distribute 100% of distributable income for the period from the Listing date to 31 December 2019, and the financial year ending 31 December 2020, and thereafter, to distribute at least 90% of its distributable income. The distributions will be made on a semi-annual basis, with the first distribution, which will be in respect of the period from the Listing date to 31 December 2019, to be paid on or before 31 March 2020. Distributions will be declared in United States dollar. Each Stapled Securityholder will receive his/her distribution in Singapore dollar equivalent of the United States dollar declared, unless he/she elects to receive otherwise.



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SUMMARY OF RESULTS

| ARA H-Trust | 3Q 2019 | | | Listing Date to 30 September 2019 | | |
|---|----------|----------|---------|--------------------------------------|----------|---------|
| | Actual | Forecast | Change | Actual | Forecast | Change |
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Gross Revenue | 46,837 | 50,890 | (8.0%) | 75,660 | 80,085 | (5.5%) |
| Net Property Income | 13,504 | 17,326 | (22.1%) | 23,366 | 27,147 | (13.9%) |
| Distributable Income | 10,077 | 11,385 | (11.5%) | 17,754 | 18,824 | (5.7%) |
| Distribution per Stapled Security ("DPS") (US cents) | 1.77 | 2.01 | (11.5%) | 3.13 | 3.32 | (5.7%) |

Notes:

- (a) No comparative financial information is presented as ARA H-Trust underwent restructuring, repayment of the existing bank facilities and the redemption of the initial Stapled Securities held by ARA Real Estate Investors XVI Limited ("ARA XVI") prior to and on the Listing date. However, where appropriate, comparisons to the profit forecast disclosed in the Prospectus dated 2 May 2019 ("forecast") will be made.
- (b) The Prospectus presented the 8-month profit forecast for the period from 1 May 2019 to 31 December 2019. Forecast results for the period from the Listing date to 30 September 2019 is derived by pro-rating the 1 May 2019 to 30 September 2019 profit forecast accordingly.
- (c) For the period from Listing date to 30 September 2019, Occupancy remained strong at 81.3% while Average Daily Rate ("ADR") was 4% lower than forecast at US\$124, with gross revenue lower by 5.5% from forecast. Property expenses were mainly in line with forecast for the period from Listing date to 30 September 2019 while management fees and borrowing costs were lower. Distributable Income and DPS were 5.7% below forecast for the period from listing date to 30 September 2019.



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1(a)(i) Statements of Comprehensive Income

| | | ARA H-Trust | |
|---|------|---------------|---|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| | Note | | |
| Room revenue | | 44,736 | 72,299 |
| Other operating revenue | | 2,101 | 3,361 |
| Total Revenue | | 46,837 | 75,660 |
| Room expenses | | (12,989) | (20,474) |
| Other operating expenses | | (1,328) | (2,101) |
| Administrative and general expenses | (a) | (4,044) | (6,282) |
| Sales and marketing expenses | | (3,870) | (6,085) |
| Franchise fee | | (2,237) | (3,608) |
| Property operations and maintenance expenses | | (2,641) | (4,112) |
| Utilities | | (1,942) | (2,863) |
| Gross operating profit | | 17,786 | 30,135 |
| Hotel management fee | | (1,405) | (2,270) |
| Property taxes | | (1,973) | (3,117) |
| Other expenses | | (904) | (1,382) |
| Net Property Income | | 13,504 | 23,366 |
| Depreciation | | (5,313) | (8,372) |
| REIT Manager's and Trustee-Manager's Management fees | (b) | (1,061) | (1,869) |
| Trustee-Manager's trustee fee | | (30) | (47) |
| REIT Trustee's fee | | (28) | (44) |
| Net finance cost | (c) | (2,339) | (3,723) |
| Other trust expenses | | (488) | (847) |
| Net income for the period before tax | | 4,245 | 8,464 |
| Taxation | | (17) | 6 |
| Net income for the period after tax | | 4,228 | 8,470 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Deferred tax effects relating to revaluation of property, plant and equipment | | (71) | (120) |
| Effective portion of changes in fair value of cash flow hedges | (d) | (1,569) | (6,742) |
| Total comprehensive income for the period | | 2,588 | 1,608 |



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1(a)(i) Statements of Comprehensive Income

| | Note | ARA H-REIT | |
|--|------|----------------|-----------------------------------|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| Rental revenue | (e) | 12,686 | 22,295 |
| Total Revenue | | 12,686 | 22,295 |
| Other operating expenses | | (27) | (47) |
| Administrative and general expenses | | (45) | (70) |
| Utilities | | (12) | (19) |
| Gross operating profit | | 12,602 | 22,159 |
| Property taxes | | (1,922) | (3,014) |
| Other expenses | | (545) | (805) |
| Net Property Income | | 10,135 | 18,340 |
| REIT Manager's and Trustee-Manager's Management fees | (b) | (796) | (1,402) |
| REIT Trustee's fee | | (28) | (44) |
| Net finance cost | (c) | (8,556) | (13,518) |
| Other trust expenses | | (275) | (476) |
| Net income for the period before tax | | 480 | 2,900 |
| Taxation | | (43) | (46) |
| Net income for the period after tax | | 437 | 2,854 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Effective portion of changes in fair value of cash flow hedges | (d) | (1,569) | (6,742) |
| Total comprehensive income for the period | | (1,132) | (3,888) |



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1(a)(i) Statements of Comprehensive Income

| | Note | ARA H-BT | |
|--|------|---------------|-----------------------------------|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| Room revenue | | 44,736 | 72,299 |
| Other operating revenue | | 2,101 | 3,361 |
| Total Revenue | | 46,837 | 75,660 |
| Room expenses | | (12,989) | (20,474) |
| Other operating expenses | | (1,301) | (2,054) |
| Administrative and general expenses | (a) | (3,999) | (6,213) |
| Sales and marketing expenses | | (3,870) | (6,085) |
| Franchise fee | | (2,237) | (3,608) |
| Property operations and maintenance expenses | | (2,641) | (4,112) |
| Utilities | | (1,929) | (2,843) |
| Gross operating profit | | 17,871 | 30,271 |
| Hotel management fee | | (1,405) | (2,270) |
| Property taxes | | (54) | (106) |
| Other expenses | (e) | (13,045) | (22,871) |
| Net Property Income | | 3,367 | 5,024 |
| Depreciation | | (1,145) | (1,787) |
| REIT Manager's and Trustee-Manager's Management fees | (b) | (265) | (467) |
| Trustee-Manager's trustee fee | | (30) | (47) |
| Net finance income | (c) | 6,217 | 9,795 |
| Other trust expenses | | (212) | (370) |
| Net income for the period before tax | | 7,932 | 12,148 |
| Taxation | | (47) | (69) |
| Net income for the period after tax and total comprehensive income for the period | | 7,885 | 12,079 |

1(a)(ii) Statement of Distributable Income

| | ARA H-Trust | |
|---|---------------|---|
| | Q3 2019 | Listing Date to 30 September 2019 |
| | US\$'000 | US\$'000 |
| Net income for the period after tax | 4,228 | 8,470 |
| Add/(less): Distribution adjustments | | |
| Depreciation | 5,313 | 8,372 |
| Amortisation of upfront debt-related costs | 35 | 56 |
| Manager's fees paid/payable in Stapled Securities | 530 | 934 |
| Deferred tax credits | (29) | (78) |
| Net distribution adjustments | 5,849 | 9,284 |
| | | |
| Distributable income | 10,077 | 17,754 |

Notes to Statement of Comprehensive Income and Distributable Income:

| (a) | <p>Administrative and general expenses</p> <p>Administrative and general expenses include allowance for doubtful debts of US\$105,000 and US\$120,000 for 3Q 2019 and period from Listing date to 30 September 2019 respectively. Bad debts written off for 3Q 2019 and period from Listing date to 30 September 2019 amounted to US\$14,000 and US\$29,000 respectively.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------------|---|--|---------|---|----------|----------|------------------------|--|--|-------------------------------------|-----|-----|-------------------------|--|--|--|------|------|--------------------------------|---------|---------|--|---------|---------|-------------------------|----------------|----------------|
| (b) | <p>REIT Manager's and Trustee-Manager's Management fees</p> <p>The Managers have elected to receive 50% of its base fees in the form of Stapled securities for the period from Listing date to end of 2020.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) | <p>Net finance (cost)/income</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">ARA H-Trust</th> </tr> <tr> <th>Q3 2019</th> <th>Listing Date to 30 September 2019</th> </tr> <tr> <th>US\$'000</th> <th>US\$'000</th> </tr> </thead> <tbody> <tr> <td>Interest income</td> <td></td> <td></td> </tr> <tr> <td>Interest income from fixed deposits</td> <td>157</td> <td>234</td> </tr> <tr> <td>Finance expenses</td> <td></td> <td></td> </tr> <tr> <td>Amortisation of debt related transaction costs</td> <td>(35)</td> <td>(56)</td> </tr> <tr> <td>Interest paid/payable to banks</td> <td>(2,461)</td> <td>(3,901)</td> </tr> <tr> <td></td> <td>(2,496)</td> <td>(3,957)</td> </tr> <tr> <td>Net finance cost</td> <td>(2,339)</td> <td>(3,723)</td> </tr> </tbody> </table> | | ARA H-Trust | | Q3 2019 | Listing Date to 30 September 2019 | US\$'000 | US\$'000 | Interest income | | | Interest income from fixed deposits | 157 | 234 | Finance expenses | | | Amortisation of debt related transaction costs | (35) | (56) | Interest paid/payable to banks | (2,461) | (3,901) | | (2,496) | (3,957) | Net finance cost | (2,339) | (3,723) |
| | ARA H-Trust | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Q3 2019 | | Listing Date to 30 September 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | US\$'000 | US\$'000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest income from fixed deposits | 157 | 234 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amortisation of debt related transaction costs | (35) | (56) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest paid/payable to banks | (2,461) | (3,901) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (2,496) | (3,957) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net finance cost | (2,339) | (3,723) | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes to Statement of Comprehensive Income and Distributable Income:

| | | | |
|---------------------------|---|-------------------|--|
| (c) | Net finance (cost)/income | ARA H-REIT | |
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| | Interest income | | |
| | Interest income from fixed deposits | - | 33 |
| | Interest income from loan to related corporation | 110 | 131 |
| | | 110 | 164 |
| | Finance expenses | | |
| | Amortisation of debt related transaction costs | (35) | (56) |
| | Interest paid/payable to banks | (2,461) | (3,901) |
| | Interest paid/payable to related corporation | (6,170) | (9,725) |
| | | (8,666) | (13,682) |
| | Net finance cost | (8,556) | (13,518) |
| | | | |
| | | ARA H-BT | |
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| | Interest income | | |
| | Interest income from fixed deposits | 157 | 201 |
| | Interest income from loan to related corporation | 6,170 | 9,725 |
| | | 6,327 | 9,926 |
| | Finance expenses | | |
| | Interest paid/payable to related corporation | (110) | (131) |
| Net finance income | 6,217 | 9,795 | |
| | | | |
| (d) | Effective portion of changes in fair value of cash flow hedges | | |
| | Relates to fair value changes of the interest rate swaps entered into for hedging purposes. This has no impact on distributable income. | | |
| (e) | Rental revenue and Other expenses | | |
| | Relates to rental income earned by ARA H-REIT under the master lease agreement, and recorded within other expenses by ARA H-BT. | | |



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1(b)(i) Statements of Financial Position

| As at 30 September 2019 | | | | |
|---------------------------------------|------|----------------|----------------|----------------|
| | | ARA H-Trust | ARA H-REIT | ARA H-BT |
| | Note | US\$'000 | US\$'000 | US\$'000 |
| Non-current assets | | | | |
| Investment properties | (a) | - | 697,188 | - |
| Property, plant and equipment | (a) | 712,482 | - | 29,168 |
| Loan to related corporation | (b) | - | - | 272,000 |
| | | 712,482 | 697,188 | 301,168 |
| Current assets | | | | |
| Inventories | | 424 | - | 424 |
| Trade and other receivables | | 5,942 | 26,898 | 11,873 |
| Cash and cash equivalents | | 47,241 | 1,450 | 45,791 |
| | | 53,607 | 28,348 | 58,088 |
| Total assets | | 766,089 | 725,536 | 359,256 |
| Non-current liabilities | | | | |
| Loan from related corporation | (b) | - | 272,000 | - |
| Loans and borrowings | (c) | 243,704 | 243,704 | - |
| Derivative financial liabilities | (d) | 9,073 | 9,073 | - |
| Deferred tax liabilities | | 2,593 | 2,593 | - |
| Other payables | | 125 | 125 | - |
| | | 255,495 | 527,495 | - |
| Current liabilities | | | | |
| Trade and other payables | | 15,228 | 9,122 | 38,937 |
| Tax payable | | 72 | 3 | 68 |
| | | 15,300 | 9,125 | 39,005 |
| Total liabilities | | 270,795 | 536,620 | 39,005 |
| Represented by: | | | | |
| Stapled Securityholders' funds | | 495,294 | 188,916 | 320,251 |

Notes to Statement of Financial Position:

| | |
|-----|--|
| (a) | <p>Investment properties and Property, plant and equipment</p> <p>Land and buildings comprise the 38 Hyatt hotels which are presented as investment properties in the books of ARA H-REIT and as property, plant and equipment in the books of ARA H-Trust. Property, plant and equipment are reported at fair value less accumulated depreciation.</p> |
| (b) | <p>Loan to/(from) related corporation</p> <p>Relates to interest bearing loan extended by ARA H-BT to ARA H-REIT.</p> |
| (c) | <p>Loans and borrowings</p> <p>Please refer to section 1(b)(ii) for more information.</p> |
| (d) | <p>Derivative financial liabilities</p> <p>Relates to fair value of the interest rate swaps entered into by ARA H-REIT for hedging purposes.</p> |

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

| ARA H-Trust and ARA H-REIT | As at 30 September 2019 | |
|--|-------------------------|-----------|
| | Secured | Unsecured |
| | US\$'000 | US\$'000 |
| Amount repayable within one year | - | - |
| Amount repayable after one year | 244,325 | - |
| | 244,325 | - |
| Less: unamortised upfront debt-related costs | (621) | - |
| | 243,704 | - |

Details of loans and borrowings, and collaterals

The Group has in place committed USD loan facilities as follows:

- Secured term loan and letter of credit facilities of up to US\$260.8 million
- Unsecured revolving facility of up to US\$10.0 million

As at 30 September 2019, the Group has drawn down US\$244.3 million of secured facilities. The facilities are secured on the following:

- mortgages, assignment of leases and rents, security agreement and fixture filings over the hotel properties;
- an assignment of the Franchise Agreement and Aimbridge Hotel Management Agreement;
- an assignment of insurances taken in respect of each hotel property; and
- a charge over certain bank accounts of the Group.



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1(c) Statements of Cash Flows

| | Note | ARA H-Trust | |
|---|------|----------------|---|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| Cash flows from operating activities | | | |
| Net income before tax | | 4,245 | 8,464 |
| Adjustments for: | | | |
| Allowance for doubtful debts and bad debts written off | | 119 | 149 |
| Depreciation of property, plant and equipment | | 5,313 | 8,372 |
| Net finance costs | | 2,339 | 3,723 |
| Manager's base fee paid/payable in Stapled securities | | 530 | 934 |
| Operating income before working capital changes | | 12,546 | 21,642 |
| Changes in working capital: | | | |
| Inventories | | (21) | (34) |
| Trade and other receivables | | 4,232 | (474) |
| Trade and other payables | | (5,958) | 272 |
| Net cash from operating activities | | 10,799 | 21,406 |
| Cash flows from investing activities | | | |
| Interest received | | 156 | 225 |
| Payment for capital expenditure | | (1,691) | (2,620) |
| Net cash used in investing activities | | (1,535) | (2,395) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of Stapled securities | (a) | - | 498,000 |
| Redemption of existing units | (b) | - | (174,565) |
| Payment of transaction costs relating to the issuance of Stapled securities | (b) | - | (17,024) |
| Repayment of existing loan facilities | (b) | - | (540,000) |
| Repayment of loans and borrowings | | - | (7,500) |
| Proceeds from loans and borrowings | | - | 251,825 |
| Payment of transaction costs relating to new loan facilities | (b) | - | (677) |
| Interest paid | | (2,522) | (3,882) |
| Net cash (used in) / from financing activities | | (2,522) | 6,177 |
| Net increase in cash and cash equivalents | | 6,742 | 25,188 |
| Cash and cash equivalents at beginning of the period | | 40,499 | 22,053 |
| Cash and cash equivalents at end of the period | | 47,241 | 47,241 |



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1(c) Statements of Cash Flows

| | | ARA H-REIT | |
|---|------|----------------|---|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| | Note | | |
| Cash flows from operating activities | | | |
| Net income before tax | | 480 | 2,900 |
| Adjustments for: | | | |
| Net finance costs | | 8,556 | 13,518 |
| Manager's base fee paid/payable in Stapled securities | | 265 | 467 |
| Operating income before working capital changes | | 9,301 | 16,885 |
| Changes in working capital: | | | |
| Trade and other receivables | | (13,662) | (20,787) |
| Trade and other payables | | 788 | 1,946 |
| Net cash used in operating activities | | (3,573) | (1,956) |
| Cash flows from investing activities | | | |
| Interest received | | - | 33 |
| Payment for capital expenditure | | (321) | (438) |
| Net cash used in investing activities | | (321) | (405) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of Stapled securities | | - | 179,280 |
| Redemption of existing units | | - | (140,845) |
| Payment of transaction costs relating to the issuance of Stapled securities | | - | (10,212) |
| Repayment of existing loan facilities | | - | (540,000) |
| Repayment of loans and borrowings | | - | (7,500) |
| Proceeds from loans and borrowings | | - | 251,825 |
| Payment of transaction costs relating to new loan facilities | | - | (677) |
| Proceeds from loan from related corporation | | - | 272,000 |
| Interest paid | | (2,522) | (7,437) |
| Net cash used in financing activities | | (2,522) | (3,566) |
| Net decrease in cash and cash equivalents | | (6,416) | (5,927) |
| Cash and cash equivalents at beginning of the period | | 7,866 | 7,377 |
| Cash and cash equivalents at end of the period | | 1,450 | 1,450 |



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1(c) Statements of Cash Flows

| | | ARA H-BT | |
|---|------|----------------|---|
| | | Q3 2019 | Listing Date to 30 September 2019 |
| | | US\$'000 | US\$'000 |
| | Note | | |
| Cash flows from operating activities | | | |
| Net income before tax | | 7,932 | 12,148 |
| Adjustments for: | | | |
| Allowance for doubtful debts and bad debts written off | | 119 | 149 |
| Depreciation of property, plant and equipment | | 1,145 | 1,787 |
| Net finance income | | (6,217) | (9,795) |
| Manager's base fee paid/payable in Stapled securities | | 265 | 467 |
| Operating income before working capital changes | | 3,244 | 4,756 |
| Changes in working capital: | | | |
| Inventories | | (21) | (34) |
| Trade and other receivables | | (63) | 3,176 |
| Trade and other payables | | 11,213 | 15,466 |
| Net cash from operating activities | | 14,373 | 23,364 |
| Cash flows from investing activities | | | |
| Interest received | | 156 | 3,746 |
| Payment for capital expenditure | | (1,371) | (2,183) |
| Issuance of loan to related corporation | | - | (272,000) |
| Net cash used in investing activities | | (1,215) | (270,437) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of Stapled securities | | - | 318,720 |
| Redemption of existing units | | - | (33,720) |
| Payment of transaction costs relating to the issuance of Stapled securities | | - | (6,812) |
| Net cash from financing activities | | - | 278,188 |
| Net increase in cash and cash equivalents | | 13,158 | 31,115 |
| Cash and cash equivalents at beginning of the period | | 32,633 | 14,676 |
| Cash and cash equivalents at end of the period | | 45,791 | 45,791 |

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Notes to Statements of Cash Flows

- (a) An aggregate of 565,909,000 Stapled Securities at US\$0.88 per Stapled Security amounting to US\$498 million were issued on the Listing Date.
- (b) The use of proceeds raised from the initial public offering is in accordance with the stated uses as disclosed in the Prospectus, and is set out below: -

| | Actual | Per Prospectus | Variance |
|--|-----------------|-----------------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 |
| Redemption of existing units and repayment of existing loan facilities | 715,242 | 715,242 | - |
| Transaction costs | 17,701 | 28,063 | 10,362 |
| Working capital | 6,520 | 6,520 | - |
| | 739,463 | 749,825 | 10,362 |

The favorable variance is largely due to savings in IPO related fees and GST refund on the transaction costs. These savings will be used for working capital purposes. The Managers will make the appropriate announcements regarding any material development on the use of proceeds in compliance with the listing requirements of the SGX-ST, as and when required.



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1(d)(i) Statements of Movements in Stapled Securityholders' Funds

| ARA H-Trust | | Stapled Security | Issue Costs | Revenue Reserve | Hedging Reserve | Revaluation Reserve | Total |
|--|------|------------------|-----------------|-----------------|-----------------|---------------------|----------------|
| | Note | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| At the listing date (9 May 2019) | (a) | - | - | (52,164) | (2,331) | 66,801 | 12,306 |
| Total income for the period attributable to unitholders, net of tax | | - | - | 4,242 | - | - | 4,242 |
| Increase in net assets from operations | | - | - | (47,922) | (2,331) | 66,801 | 16,548 |
| Other comprehensive income | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | - | - | - | (5,173) | - | (5,173) |
| Deferred tax effects relating to revaluation of property, plant and equipment | | - | - | - | - | (49) | (49) |
| Total comprehensive income for the period, net of tax | | - | - | - | (5,173) | (49) | (5,222) |
| Contribution by and distribution to Stapled Securityholders | | | | | | | |
| Issue of new units on Initial Public Offering | | 498,000 | - | - | - | - | 498,000 |
| Issue costs | | - | (17,024) | - | - | - | (17,024) |
| Total contribution by and distribution to Stapled Securityholders | | 498,000 | (17,024) | - | - | - | 480,976 |
| At 30 June 2019 | | 498,000 | (17,024) | (47,922) | (7,504) | 66,752 | 492,302 |
| Total income for the period attributable to unitholders, net of tax | | - | - | 4,228 | - | - | 4,228 |
| Increase in net assets from operations | | 498,000 | (17,024) | (43,694) | (7,504) | 66,752 | 496,530 |
| Other comprehensive income | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | - | - | - | (1,569) | - | (1,569) |
| Deferred tax effects relating to revaluation of property, plant and equipment | | - | - | - | - | (71) | (71) |
| Total comprehensive income for the period, net of tax | | - | - | - | (1,569) | (71) | (1,640) |
| Contribution by and distribution to Stapled Securityholders | | | | | | | |
| REIT Manager's and Trustee-Manager's base fee paid/payable in Stapled Securities | (b) | 404 | - | - | - | - | 404 |
| Total contribution by and distribution to Stapled Securityholders | | 404 | - | - | - | - | 404 |
| At 30 September 2019 | | 498,404 | (17,024) | (43,694) | (9,073) | 66,681 | 495,294 |

(a) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 30 September 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.

(b) Represents 456,000 Stapled Securities issued as payment of 50% of Managers' base fees for the period from Listing date to 30 June 2019.



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1(d)(i) Statements of Movements in Stapled Securityholders' Funds

| ARA H-REIT | | Stapled Security | Issue Costs | Revenue Reserve | Hedging Reserve | Total |
|--|------|------------------|-------------|-----------------|-----------------|----------|
| | Note | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| At the listing date (9 May 2019) | (a) | - | - | 25,865 | (2,331) | 23,534 |
| Total income for the period attributable to unitholders, net of tax | | - | - | 2,417 | - | 2,417 |
| Increase in net assets from operations | | - | - | 28,282 | (2,331) | 25,951 |
| Other comprehensive income | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | - | - | - | (5,173) | (5,173) |
| Total comprehensive income for the period, net of tax | | - | - | - | (5,173) | (5,173) |
| Contribution by and distribution to Stapled Securityholders | | | | | | |
| Issue of new units on Initial Public Offering | | 179,280 | - | - | - | 179,280 |
| Issue costs | | - | (10,212) | - | - | (10,212) |
| Total contribution by and distribution to Stapled Securityholders | | 179,280 | (10,212) | - | - | 169,068 |
| At 30 June 2019 | | 179,280 | (10,212) | 28,282 | (7,504) | 189,846 |
| Total income for the period attributable to unitholders, net of tax | | - | - | 437 | - | 437 |
| Increase in net assets from operations | | 179,280 | (10,212) | 28,719 | (7,504) | 190,283 |
| Other comprehensive income | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | - | - | - | (1,569) | (1,569) |
| Total comprehensive income for the period, net of tax | | - | - | - | (1,569) | (1,569) |
| Contribution by and distribution to Stapled Securityholders | | | | | | |
| REIT Manager's base fee paid/payable in Stapled Securities | (b) | 202 | - | - | - | 202 |
| Total contribution by and distribution to Stapled Securityholders | | 202 | - | - | - | 202 |
| At 30 September 2019 | | 179,482 | (10,212) | 28,719 | (9,073) | 188,916 |

(a) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 30 September 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.

(b) Represents 228,000 Stapled Securities issued as payment of REIT Manager's share of the base fees for the period from Listing date to 30 June 2019.



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1(d)(i) Statements of Movements in Stapled Securityholders' Funds

| ARA H-BT | | Stapled Security | Issue Costs | Revenue Reserve | Revaluation Reserve | Total |
|--|------|------------------|----------------|-----------------|---------------------|----------------|
| | Note | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| At the listing date (9 May 2019) | (a) | - | - | (6,716) | 2,778 | (3,938) |
| Total income for the period attributable to unitholders, net of tax | | - | - | 4,194 | - | 4,194 |
| Increase in net assets from operations | | - | - | (2,522) | 2,778 | 256 |
| Contribution by and distribution to Stapled Securityholders | | | | | | |
| Issue of new units on Initial Public Offering | | 318,720 | - | - | - | 318,720 |
| Issue costs | | - | (6,812) | - | - | (6,812) |
| Total contribution by and distribution to Stapled Securityholders | | 318,720 | (6,812) | - | - | 311,908 |
| At 30 June 2019 | | 318,720 | (6,812) | (2,522) | 2,778 | 312,164 |
| Total income for the period attributable to unitholders, net of tax | | - | - | 7,885 | - | 7,885 |
| Increase in net assets from operations | | 318,720 | (6,812) | 5,363 | 2,778 | 320,049 |
| Contribution by and distribution to Stapled Securityholders | | | | | | |
| Trustee-Manager's base fee paid/payable in Stapled Securities | (b) | 202 | - | - | - | 202 |
| Total contribution by and distribution to Stapled Securityholders | | 202 | - | - | - | 202 |
| At 30 September 2019 | | 318,922 | (6,812) | 5,363 | 2,778 | 320,251 |

(a) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 30 September 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.

(b) Represents 228,000 Stapled Securities issued as payment of Trustee-Manager's share of the base fees for the period from Listing date to 30 June 2019.



1(d)(ii) Details of any changes in the Stapled Securities

| | | ARA H-Trust |
|---|-------------|--------------------|
| | | Units |
| | Note | '000 |
| Balance at Listing Date | (a) | - |
| New Stapled Securities issued at Initial Public Offering | | 565,909 |
| Total Issued Stapled Securities as at 30 June 2019 | | 565,909 |
| New Stapled Securities issued: | | |
| REIT Manager's and Trustee-Manager's base fee paid in Stapled Securities | | 456 |
| Total Issued Stapled Securities as at 30 September 2019 | | 566,365 |
| Stapled Securities to be issued: | | |
| REIT Manager's and Trustee-Manager's base fee payable in Stapled Securities | (b) | 606 |
| Total Stapled Securities issued and to be issued as at 30 September 2019 | | 566,971 |

- (a) For purposes of presentation, the redemption of 198,392,000 ARA XVI Initial Stapled Securities held by ARA XVI on 9 May 2019 was included in the balance at Listing date.
- (b) The Stapled Securities to be issued to the REIT Manager and Trustee-Manager in satisfaction of 50% of their management base fees for the period from 1 July 2019 to 30 September 2019. The number of Stapled Securities is determined based on volume weighted average price for the last 10 business days immediately preceding 30 September 2019.

1(d)(iii) Total number of issued Stapled Securities excluding treasury Stapled Securities at the end of the current financial period reported on

ARA H-Trust does not hold any treasury Stapled Securities as at 30 September 2019. The total number of issued Stapled Securities in ARA H-Trust was 566,365,000 as at 30 September 2019.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury Stapled Securities as at the end of the current financial period reporting on

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures for the financial period from 9 May 2019 to 30 September 2019 have not been audited but have been reviewed by the independent auditors in accordance with Singapore Standard on Review Engagements 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*.

3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter)

Please see attached review report.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited financial statements have been applied

There is no change in the accounting policies and methods of computation adopted as disclosed in the Prospectus.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There is no change in the accounting policies and methods of computation adopted.

6 Group Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the financial period

Earnings per Stapled Security:

| ARA H-Trust | Q3 2019 | Listing Date to 30 September 2019 |
|--|---------|-----------------------------------|
| Weighted average number of Stapled Securities in issue ('000) | 566,221 | 566,107 |
| Weighted average number of Stapled Securities in issue ('000) ⁽¹⁾ | 566,971 | 566,749 |
| Basic EPS (US cents) | 0.75 | 1.50 |
| Diluted EPS (US cents) | 0.75 | 1.49 |

Distribution per Stapled Security:

| ARA H-Trust | Q3 2019 | Listing Date to 30 September 2019 |
|--|---------|-----------------------------------|
| Number of Stapled Securities on issue at the end of period ('000) | 566,365 | 566,365 |
| Number of Stapled Securities on issue at the end of period ('000) ⁽¹⁾ | 566,971 | 566,971 |
| Basic and Diluted DPS (US cents) | 1.78 | 3.13 |

⁽¹⁾ Included 606,000 Stapled Securities to be issued as satisfaction of REIT Manager's and Trustee-Manager's base management fee for the period from 1 July 2019 to 30 September 2019.

7 Group Net Asset Value (“NAV”) per Stapled Security and Net Tangible Asset (“NTA”) per Stapled Security at the end of current financial period

| ARA H-Trust | As at 30 September 2019 |
|---|-------------------------|
| NAV and NTA per Stapled Security (US\$) | 0.87 |

8 Review of the performance of the Group

Please refer to section 9 on the review of the performance against the forecast as disclosed in the Prospectus.



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9 Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

| ARA H-Trust | Note | Q3 2019 | | | Listing Date to 30 September 2019 | | |
|--|------|--------------------|----------------------|----------------|-----------------------------------|----------------------|----------------|
| | | Actual US\$'000 | Forecast US\$'000 | Variance % | Actual US\$'000 | Forecast US\$'000 | Variance % |
| Room revenue | | 44,736 | 48,461 | (7.7%) | 72,299 | 76,392 | (5.4%) |
| Other operating revenue | (a) | 2,101 | 2,429 | (13.5%) | 3,361 | 3,693 | (9.0%) |
| Total Revenue | | 46,837 | 50,890 | (8.0%) | 75,660 | 80,085 | (5.5%) |
| Room expenses | | (12,989) | (13,057) | 0.5% | (20,474) | (20,666) | 0.9% |
| Other operating expenses | | (1,328) | (1,451) | 8.5% | (2,101) | (2,208) | 4.8% |
| Administrative and general expenses | | (4,044) | (4,049) | 0.1% | (6,282) | (6,389) | 1.7% |
| Sales and marketing expenses | | (3,870) | (3,798) | (1.9%) | (6,085) | (6,003) | (1.4%) |
| Franchise fee | | (2,237) | (2,438) | 8.2% | (3,608) | (3,837) | 6.0% |
| Property operations and maintenance expenses | | (2,641) | (2,628) | (0.5%) | (4,112) | (4,140) | 0.7% |
| Utilities | | (1,942) | (1,856) | (4.6%) | (2,863) | (2,928) | 2.2% |
| Gross operating profit | (b) | 17,786 | 21,613 | (17.7%) | 30,135 | 33,914 | (11.1%) |
| Hotel management fee | | (1,405) | (1,527) | 8.0% | (2,270) | (2,403) | 5.5% |
| Property taxes | | (1,973) | (2,170) | 9.1% | (3,117) | (3,431) | 9.2% |
| Other expenses | (c) | (904) | (590) | (53.2%) | (1,382) | (933) | (48.1%) |
| Net Property Income | | 13,504 | 17,326 | (22.1%) | 23,366 | 27,147 | (13.9%) |
| Depreciation | (d) | (5,313) | (6,069) | 12.5% | (8,372) | (9,565) | 12.5% |
| REIT Manager's and Trustee-Manager's Management fees | (e) | (1,061) | (1,456) | 27.1% | (1,869) | (2,257) | 17.2% |
| Trustee-Manager's trustee fee | | (30) | (31) | 3.2% | (47) | (48) | 2.1% |
| REIT Trustee's fee | | (28) | (27) | (3.7%) | (44) | (42) | (4.8%) |
| Net finance costs | (f) | (2,339) | (2,743) | 14.7% | (3,723) | (4,324) | 13.9% |
| Other trust expenses | (g) | (488) | (630) | 22.5% | (847) | (993) | 14.7% |
| Net income for the period before tax | | 4,245 | 6,370 | (33.4%) | 8,464 | 9,918 | (14.7%) |
| Taxation | | (17) | 20 | N.M. | 6 | (8) | N.M. |
| Net income for the period after tax | | 4,228 | 6,390 | (33.8%) | 8,470 | 9,910 | (14.5%) |
| Add: | | | | | | | |
| Distribution adjustments | (h) | 5,849 | 4,995 | 17.1% | 9,284 | 8,914 | 4.2% |
| Distributable Income | | 10,077 | 11,385 | (11.5%) | 17,754 | 18,824 | (5.7%) |

N.M. - not meaningful

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Notes:

| | |
|-----|---|
| (a) | <p>Other operating revenue</p> <p>Other operating revenue was lower than forecast due to lower food & beverage sales for 3Q 2019.</p> |
| (b) | <p>Gross operating profit</p> <p>Gross operating profit was lower than forecast primarily due to lower gross revenue. For the period from Listing date to 30 September 2019, occupancy remained strong at 81.3% while Average Daily Rate (“ADR”) at US\$124 was 4% lower than forecast, with gross revenue lower by 5.5% from forecast. Property expenses were mainly in line with forecast for 3Q 2019 and period from Listing date to 30 September 2019.</p> |
| (c) | <p>Other expenses</p> <p>Other expenses primarily comprise insurance and rental expenses, which were higher than forecast. The portfolio is currently insured under Aimbridge’s master insurance program and premiums increased in 2019 based on the claims history of the other hotels managed by Aimbridge that were affected by natural disasters. Lease expenses relating to Richmond West Hyatt House ground lease continued to be incurred prior to the completion of the purchase of the leasehold interest to be converted to freehold interest.</p> |
| (d) | <p>Depreciation</p> <p>Relates to non-cash accounting depreciation expense of land & building, and furniture, fixtures and equipment.</p> |
| (e) | <p>REIT Manager’s and Trustee-Manager’s management fees</p> <p>REIT Manager’s and Trustee-Manager’s management fees for 3Q 2019 were lower than forecast due to lower distributable income.</p> |
| (f) | <p>Net finance costs</p> <p>Net finance costs were lower than forecast mainly due to lower interest rates, interest income from fixed deposits and the repayment of US\$7.5m revolving credit facility in May 2019.</p> |
| (g) | <p>Other trust expenses</p> <p>Other trust expenses for 3Q 2019 were lower than forecast primarily due to lower professional fees and miscellaneous expenses.</p> |
| (h) | <p>Distribution adjustments</p> <p>Relates to adjustments for non-cash depreciation, amortisation of upfront debt-related costs, manager’s fees paid/payable in Stapled Securities and deferred tax credits.</p> |

10 **Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

For the period 9 May (listing date) till 30 September 2019, the portfolio generated a robust GOP margin of 39.8% and NPI margin of 30.9%, underscoring the highly profitable nature of upscale select-service hotels. The cash flow from operations, coupled with additional savings from our financing, resulted in DPS of 3.13 US cents for the cumulative period since listing.

For the same period, the portfolio recorded a RevPAR of US\$101, or 5.1% lower than forecast. The variance in performance is primarily attributable to new supply impact in various markets. Supply headwinds were exacerbated with demand dislocations (e.g., Hurricane Dorian in September) and property management turnover in some instances. Nevertheless, the portfolio achieved an occupancy of 81.3%, a testament to the appeal of our Hyatt-branded portfolio and affirmation of our upscale select-service segment investment strategy. Furthermore, the portfolio's RevPAR index of 106.4% demonstrates the strength of the portfolio in outperforming its competition.

The upscale select-service segment experienced supply growth of 4.7%¹ (compared to 2.0%¹ for the US) for the first three quarters of this year as hotel brands and developers continue to favor select-service hotels because of the superior demand profile driven by customer preference. Meanwhile, demand growth for the segment lagged at 3.7%¹, yet still continued to outpace total US demand growth of 2.0%¹ for the first three quarters. The temporary supply and demand imbalance resulted in a 1.0%¹ decline in occupancy with a 0.6%¹ increase in ADR. As a result, RevPAR for this segment decreased by 0.5%¹. While supply headwinds have impacted RevPAR growth, it is considered to be a temporary condition and RevPAR performance is expected to gradually improve as new supply is absorbed and introductory rates taper off.

In order to combat the effects of new supply, the Managers have initiated a comprehensive action plan for the portfolio: 1.) Revenue management initiatives to optimize pricing (ADR); 2.) Sales initiatives to enhance group captures and improve digital marketing; 3.) Cost management strategies focused on productivity improvements and detailed expense reviews; and 4.) Asset enhancement initiatives (AEI) concentrated on enhancing guest appeal, such as television platform upgrades and improved internet access. These initiatives will help defend occupancy in the short term and accelerate RevPAR growth as the supply-demand imbalance subsides.

The overall economy reflects the underlying demand backdrop for US. The US reported an annualized real GDP growth rate of 2.0% for the second quarter of 2019 compared to 3.1% for the first quarter of 2019². The US labor market continues to tighten with unemployment rate at 3.5% in September 2019, compared to 3.7% in June 2019³. With full employment, the US consumer has been the primary driver behind continued economic growth, as consumer consumption accounts for nearly 70% of GDP growth. As lodging demand is highly correlated with GDP growth, the continued health of the US economy bodes well for the US lodging industry, particularly for a domestic-travel oriented hotel portfolio such as ours.

Adding to our premium select service portfolio, on 6 November 2019, the Managers announced the proposed acquisition of a portfolio of three premium Marriott-branded upscale select-service hotels for an estimated consideration of US\$84.5 million. The three properties, which are located in prime locations with robust key demand drivers, will further enhance our geographical and brand diversification and increase our earnings base. The proposed acquisition is expected to be funded by bank loans and internal cash resources and will be DPS accretive to the Stapled Securityholders. The proposed acquisition demonstrates the Managers' ability to originate deals in the world's largest lodging market and execute third-party transactions at attractive yields.

The acquisition pipeline remains robust, and the Managers are continuing to source for potential yield accretive acquisitions to enhance Stapled Securityholder value.

Barring unforeseen circumstances, the Managers expect the Distributable Income for the period from Listing date to 31 December 2019 to be in line with its IPO forecast.

¹ STR report for September 2019

² Bureau of Economic Analysis, United States Department of Commerce

³ Bureau of Labor Statistics, United States Department of Labor

11 Distributions

| | |
|---|----------------|
| (a) Current financial period | |
| Any distribution declared for the current period | No |
| (b) Corresponding period of the immediately preceding financial year | |
| Any distribution declared for the corresponding period of the immediately preceding financial year? | Not applicable |
| (c) Date payable | |
| | Not applicable |
| (d) Books Closure date | |
| | Not applicable |

12 If no distribution has been declared/(recommended), a statement to that effect and the reason(s) for the decision

No distribution has been declared/recommended for the current financial period.

The first distribution after Listing date will be for the period from Listing date to 31 December 2019 and will be paid on or before 31 March 2020 as stated in the Prospectus dated 2 May 2019.

13 Aggregate value of Interested Person Transactions under Rule 920(1)(a)(ii) of the Listing Manual

The Group has not obtained a general mandate from Stapled Securityholders for Interested Person Transactions.

14 Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the ARA Trust Management (USH) Pte. Ltd. (as manager of ARA US Hospitality Property Trust) and ARA Business Trust Management (USH) Pte. Ltd. (as trustee-manager of ARA US Hospitality Management Trust), hereby confirm that, to the best of our knowledge, nothing has come to our attention which may render the unaudited interim financial statements of ARA US Hospitality Trust for the period ended 30 September 2019 to be false or misleading in any material respect.



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15 Confirmation pursuant to Rule 720(1) of the Listing Manual

The REIT Manager and Trustee-Manager confirm that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors
ARA Trust Management (USH) Pte. Ltd.
ARA Business Trust Management (USH) Pte. Ltd.

Stephen Ray Finch
Independent Chairman and Director
6 November 2019

Seow Bee Lian
Director
6 November 2019

Important Notice

This release may contain forward-looking statements that involve 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of the Stapled Securities in ARA H-Trust ("Stapled Securities") and the income derived by them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, REIT Manager, Trustee-Manager or any of its affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the REIT Manager or the Trustee-Manager to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on Singapore Exchange Securities Trading Limited ("SGX-ST"). It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of ARA H-Trust is not necessarily indicative of the future performance of ARA H-Trust.



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Report on review of Interim Financial Information

The Board of Directors
ARA Trust Management (USH) Pte. Ltd.
(in its capacity as Manager of
ARA US Hospitality Property Trust) (“Manager”)
5 Temasek Boulevard
#12-01 Suntec Tower Five
Singapore 038985

The Board of Directors
ARA Business Trust Management (USH) Pte. Ltd.
(in its capacity as Trustee-Manager of
ARA US Hospitality Management Trust) (“Trustee-Manager”)
5 Temasek Boulevard
#12-01 Suntec Tower Five
Singapore 038985

5 November 2019

Dear Sirs

ARA US Hospitality Trust

Introduction

We have reviewed the accompanying interim financial information (the “Interim Financial Information”) of ARA US Hospitality Trust (“ARA H-Trust”) for the period from 9 May 2019 (Listing date) to 30 September 2019. ARA H-Trust comprises ARA US Hospitality Property Trust (“ARA H-REIT”) and its subsidiaries and ARA US Hospitality Management Trust (“ARA H-BT”) and its subsidiaries. The Interim Financial Information consists of the following:

- Statement of financial position of ARA H-Trust as at 30 September 2019;
- Statement of comprehensive income of ARA H-Trust for the period from 9 May 2019 (Listing date) to 30 September 2019;
- Statement of movements in unitholders’ funds of ARA H-Trust for the period from 9 May 2019 (Listing date) to 30 September 2019;
- Statement of cash flows of ARA H-Trust for the period from 9 May 2019 (Listing date) to 30 September 2019; and
- Certain explanatory notes to the above Interim Financial Information.



The management of ARA Trust Management (USH) Pte. Ltd. (the “Manager” of ARA H-REIT) and ARA Business Trust Management (USH) Pte. Ltd. (the “Trustee-Manager” of ARA H-BT) (collectively, the “Managers”) are responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting ARA H-Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in ARA H-Trust’s announcement of its Interim Financial Information for the information of the holders of its stapled securities. We do not assume responsibility to anyone other than ARA H-Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

5 November 2019