



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.

DBS Bank Ltd. ("**DBS**") was the Sole Issue Manager for the initial public offering of ARA US Hospitality Trust (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.

UPDATE TO STAPLED SECURITYHOLDERS ON COVID-19 SITUATION

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 provide an update on the COVID-19 pandemic in the United States of America ("**U.S.**") and the steps taken by the Managers to mitigate its impact on the portfolio of ARA US Hospitality Trust.

The COVID-19 pandemic in the U.S. is rapidly evolving and has created unprecedented challenges for the travel and hospitality industry. As government authorities and corporations adopt containment mitigants to restrict travel and social contact in the U.S., hotels around the country are grappling with an extraordinary drop in demand and occupancies. Similarly, our portfolio is facing increasing booking cancellations and a reduced pace in new reservations. These developments have led to significant declines in room occupancies for the portfolio since mid-March 2020, a trend that is expected to continue in the coming weeks or months.

In light of the escalating COVID-19 pandemic and the uncertainty of its magnitude and duration, the Managers have initiated a series of proactive cost mitigation and capital preservation measures to safeguard Stapled Securityholders' interests and preserve the value and performance of our portfolio. Specifically, these include cost controls through reduction in labour cost hours and staffing, closure of certain facilities and amenities, and review of all operating contracts. Additional measures may include temporary closure of hotels with low occupancy and consolidation of business and operations of hotels in the same geographic vicinity. The Managers are also taking further steps to proactively protect and conserve cash flow by postponing non-essential capital expenditures and actively managing working capital. As a precautionary measure, the Managers have recently drawn down on a revolving credit facility. This facility was extended by a syndicate of local Singapore banks who provided our IPO financing and augments our existing cash position. The Stapled Group has no scheduled debt maturities in 2020, with the earliest loan maturity in January 2023.

The Managers remain confident in the strength of our platform and the structure of our business model to navigate through these unprecedented times. We have an experienced and hands-on executive team of U.S. hospitality specialists based in the U.S. who are in constant touch with the hotel managers to stay updated on the situation. In addition, our properties are managed directly by ARA H-BT.

In addition to the interests of Stapled Securityholders, the well-being of our guests and employees are our top priority and we will continue to make decisions with these priorities in mind. The Managers will continue to monitor the situation closely and will keep Stapled Securityholders apprised of the situation periodically.

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
25 March 2020

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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. 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, a leading APAC real assets fund manager with a global reach. As of 31 December 2019, gross assets managed by ARA Group and its Associates is more than S\$88 billion¹ across over 100 cities in 28 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 www.ara-group.com.

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates.

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.