



ACROPHYTE HOSPITALITY TRUST

A stapled group comprising:

ACROPHYTE HOSPITALITY PROPERTY TRUST

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

ACROPHYTE HOSPITALITY MANAGEMENT TRUST

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

PROPOSED SALE OF HYATT PLACE MEMPHIS PRIMACY PARKWAY

1. Introduction

Acrophyte Hospitality Trust Management Pte. Ltd., in its capacity as manager of Acrophyte Hospitality Property Trust (“**ACRO-REIT**”), and Acrophyte Hospitality Business Trust Management Pte. Ltd., in its capacity as trustee-manager of Acrophyte Hospitality Management Trust (“**ACRO-BT**”) (collectively known as the “**Managers**”), refer to the announcement released on 17 December 2025 titled “Proposed Sale of Hyatt Place Memphis Primacy Parkway” (the “**17 December Announcement**”) and the announcement released on 16 March 2026 titled “Termination of Proposed Sale of Hyatt Place Memphis Primacy Parkway” (the “**16 March Announcement**”). *Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the 17 December Announcement and the 16 March Announcement.*

Further to the 17 December Announcement in relation to the proposed sale of Hyatt Place Memphis Primacy Parkway (“**HPMPP**”, the “**Hotel**” or the “**Property**”), and the 16 March Announcement in relation to the termination of the proposed sale, the Managers wish to announce that the same purchaser has re-engaged to acquire HPMPP at a purchase price of US\$6.93 million. The Managers are of the view that the proposed sale remains beneficial to ACRO-HT notwithstanding the revised purchase price, taking into account, among others, the reduced exposure to the Property’s declining operating performance and future capital expenditure requirements. In addition, the purchaser has agreed to proceed with an amendment to the existing sale and purchase agreement with a non-refundable deposit payable upon signing and with a waiver of further due diligence (except for customary non-invasive pre-completion inspections approved by the vendor) and termination rights in connection therewith.

Accordingly, the Managers wish to announce that Acrophyte Hospitality Trust (“**ACRO-HT**”), through its indirect wholly-owned subsidiary, ARA USH Chicago, LLC (the “**Vendor**”), has on 20 May 2026 (U.S. Time) entered into an amendment agreement to the conditional PSA executed on 16 December 2025 (U.S. Time) (the “**Amendment Agreement**” and collectively with the PSA and as further varied, amended and/or modified, the “**Amended PSA**”) with Shivam Patel (the “**Purchaser**”), pursuant to which the Vendor has agreed to sell to the Purchaser (or its designated

affiliated assignee in accordance with the terms of the Amended PSA), (the “**Proposed Sale**”), for a consideration of US\$6.93 million (the “**Sale Consideration**”), subject to closing adjustments in accordance with the Amended PSA.

2. Information on the Proposed Sale

Description of the Property

The Hotel, which commenced operations in 1996, features 126 rooms and is located in Memphis, Tennessee. The Hotel sits directly east across Primacy Parkway from the St. Francis – Memphis, 11.3 miles southeast of the Memphis central business district, and 7.7 miles northeast of the Memphis International Airport.

Sale Consideration and Valuation

For the purposes of the Proposed Sale, an independent valuation on HPMPP was commissioned by DBS Trustee Limited, as trustee of ACRO-HT (the “**Trustee**”). The independent appraiser, HVS Consulting and Valuation, valued the Hotel at US\$7.7 million (the “**Independent Valuation**”) as at 31 December 2025 based on the income capitalization and the sales comparison approach. The Sale Consideration is negotiated on a willing-buyer and willing-seller basis, taking into account the Independent Valuation, and represents a 10.0% discount to the Independent Valuation. The Sale Consideration will be satisfied wholly in cash.

In accordance with the trust deed dated 24 September 2018 constituting ACRO-REIT, the trust deed dated 29 October 2018 constituting ACRO-BT and the stapling deed dated 17 April 2019, each as amended, supplemented and/or restated from time to time (the “**Trust Deeds**”), the Managers are entitled to a divestment fee of approximately US\$35,000, being 0.5% of the Sale Consideration. In addition, the sale is expected to incur approximately US\$442,000 of transaction costs. Accordingly, the net divestment proceeds are estimated to be approximately US\$6.5 million.

The divestment is expected to be completed in the third quarter of 2026.

3. Rationale for the Proposed Sale

The Managers believe that the Proposed Sale will bring the following key benefits to the stapled securityholders of ACRO-HT (the “**Stapled Securityholders**”):

3.1 HPMPP is a Non-Core and Underperforming Asset

HPMPP is considered a non-core and underperforming asset within ACRO-HT’s portfolio. The Hotel ranks in the bottom quartile in terms of its contribution to both valuation and gross operating profit (“**GOP**”), accounting for only 1.1% of the total portfolio value as at 31 December 2025. Operational performance has deteriorated significantly in recent years. Its GOP margin stood at 17.3% in 2025, significantly below ACRO-HT’s portfolio average of 33.6% in 2025.

The Hotel continues to face operational challenges arising from weak market fundamentals in Memphis, including declining corporate demand and increased hotel supply in the market. In addition, the Hotel will require significant near-term capital expenditure, including brand-mandated renovations and other property upgrades, representing a substantial proportion of the assets’ value. The Proposed Sale therefore allows ACRO-HT to avoid significant capital outlay and reduce exposure to a persistently underperforming asset, while enabling capital to be redeployed towards higher-performing assets and markets within the portfolio.

Since the initial execution of the PSA in December 2025, market conditions for U.S. hospitality assets have remained challenging amid continued macroeconomic uncertainty, elevated financing costs and cautious transaction sentiment. In addition, hotel purchasers and operators continue to face rising renovation and operating costs, which have impacted pricing expectations and transaction activity levels across the sector. Against this backdrop, the Managers are of the view that the revised sale consideration remains commercially reasonable, taking into account that it remains within 90% of the Property's latest valuation, while the amended transaction structure provides greater completion certainty through the payment of a non-refundable deposit upon signing and the waiver of further due diligence and related termination rights by the Purchaser. The Managers further note that the Purchaser has strategic interest in the local market and that the purchaser pool for the Property remains limited.

3.2 Strengthen Balance Sheet and Fund Capital Expenditure Requirements

The Proposed Sale will free up capital which can be redeployed to either 1) fund the capital expenditure needs in relation to the ongoing renovation requirements of the existing portfolio; or 2) meet general working capital needs.

4. Salient Terms of the Amended PSA

The Amended PSA contains provisions customary to the Property's jurisdiction, including representations and warranties, indemnities and other commercial terms. The principal terms of the Amended PSA (as reinstated and amended pursuant to the Amendment Agreement) include, amongst others, the following:

- 1) Pursuant to the Amendment Agreement, the Vendor and the Purchaser have agreed to reinstate the PSA (as amended), subject to the Purchaser depositing an amount of US\$75,000 (the "**Deposit**") with the escrow agent by the deadline specified in the Amendment Agreement. The Deposit shall be non-refundable immediately upon receipt by the escrow agent and shall constitute the Deposit for all purposes under the Amended PSA. In the event the Amended PSA is terminated for any reason other than a default by the Vendor or pursuant to limited termination rights expressly provided under the Amended PSA, the Vendor shall be entitled to retain the Deposit.
- 2) The Purchaser has acknowledged and agreed that it had previously completed all due diligence investigations in relation to the Property and has irrevocably waived any further due diligence (except for customary non-invasive pre-completion inspections approved by the Vendor) and termination rights in connection therewith, save for limited termination rights expressly provided under the PSA. Accordingly, no further due diligence period shall apply to the current transaction. The Purchaser has also waived discretionary termination rights relating to due diligence, investigations, financing or satisfaction with the Property, save for limited termination rights expressly provided under the Amended PSA.
- 3) Completion shall take place in the third quarter of 2026 (the "**Completion Date**"), unless otherwise agreed between the Vendor and the Purchaser in accordance with the terms of the Amended PSA. The Purchaser shall have no further right to extend the Completion Date.
- 4) The Amended PSA is subject to the fulfilment of (unless otherwise waived) of certain conditions precedent, including but not limited to, the following:
 - (a) Each of the representations and warranties made by the Purchaser be true and

correct in all material aspects when made and on as of the Completion Date as though such representations and warranties were made on and as of the Completion Date;

- (b) the covenants and obligations of the Purchaser required to be performed or complied with by the Purchaser on or before Completion having been performed or complied with in all material aspects;
 - (c) the Vendor having terminated the existing management agreement between Avion Hospitality, LLC (the “**Manager**”), as the manager of the Property and the Vendor (or its affiliate), with respect to the Property and any lease agreement with ARA USH Chicago Tenant, LLC, the tenant;
 - (d) (I) the Vendor having received termination of the existing franchise agreement (the “**Existing FA**”) from Hyatt Place Franchising L.L.C, the franchisor of the Hotel (the “**Franchisor**”), and (II) the Vendor, together with any of its affiliates that are directly or indirectly obligated under the Existing FA, having been released by the Franchisor from any obligations under the Existing FA and/or any guaranty(ies) thereof, pertaining to the period on and after Completion;
 - (e) no order or injunction of any court or administrative agency of competent jurisdiction nor any statute, rule, regulation or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of Completion which restrains, materially delays or prohibits the Proposed Sale or the consummation of any other transaction contemplated hereby;
 - (f) the Vendor having received all of the relevant completion deliverables required to be delivered by the Purchaser under the Amended PSA;
 - (g) (i) the Vendor having received from the Purchaser the Sale Consideration and all other amounts due to the Vendor from the Purchaser under the Amended PSA ; and (ii) subject to the payment of all applicable title insurance premiums as provided under the Amended PSA, the title insurer being prepared to issue the owner’s title insurance policy without endorsements insuring the Purchaser’s title to the Property, subject to permitted exceptions under the Amended PSA, in an amount equal to the portion of the Sale Consideration allocated to the real property pursuant to the allocation set out in the Amended PSA.
- 5) Representations and warranties customary to a transaction of this nature and in line with usual market practice in the U.S. have been given by the Vendor under the Amended PSA.

5. Use of Proceeds

The Managers intend to use the net proceeds from the Proposed Sale in the near term to fund the capital expenditure needs related to ongoing renovations of the existing portfolio, and/or meet general working capital needs.

6. Pro Forma Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Sale on the distribution per stapled security of ACRO-HT (“**Stapled Security**”) and the distribution per Stapled Security, “**DPS**”) and Net Asset Value (“**NAV**”) per Stapled Security presented below were prepared based on the audited financial statements of ACRO-HT for the financial year ended 31 December 2025 (“**FY 2025**”).

For the purposes of the pro forma financial effects of the Proposed Sale, it is assumed that (i) (for

the purposes of computing the pro forma DPS) the sale of the Property was completed on 1 January 2025, and (ii) (for the purposes of computing the pro forma NAV per Stapled Security) the sale of the Property was completed on 31 December 2025.

Pro Forma DPS

The pro forma financial effects of the Proposed Sale on ACRO-HT's DPS as at 31 December 2025, as if ACRO-HT had completed the sale on 1 January 2025, are as follows:

	Before the Divestment	After the Divestment
Distributable Income available (after retention) ⁽¹⁾ (US\$'000)	4,928	5,039
Total number of Stapled Securities ⁽²⁾ ('000)	580,103	580,103
DPS (US Cents)	0.850	0.869

Notes:

- (1) The figures set out are purely for illustrative purposes only and assumes the corresponding reduction in reserves set aside for HPMP's capital expenditure for FY 2025. 10% of the total amount for distribution was retained for general corporate and working capital purposes.
- (2) Number of Stapled Securities in issue and to be issued as at 31 December 2025.

Pro Forma NAV

The pro forma financial effects of the Proposed Sale on ACRO-HT's NAV per Stapled Security as at 31 December 2025, as if the Proposed Sale was completed on 31 December 2025, are as follows:

	Before the Divestment	After the Divestment
NAV (US\$'000)	402,227	400,981
Total number of Stapled Securities ⁽¹⁾ ('000)	580,103	580,103
NAV per Stapled Security (US\$)	0.69	0.69

Notes:

- (1) Number of Stapled Securities in issue and to be issued as at 31 December 2025.

7. Disclosable Transaction

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, the Proposed Sale is a "Disclosable Transaction" within the meaning of Rule 1010 of the Listing Manual. The relative figures for the Proposed Sale using the applicable bases in Rule 1006(a), (b) and (c) of the Listing Manual are set out in the table below.

Comparison of	Proposed Sale	ACRO-HT	Relative figure
NAV (US\$'000)	7,700 ⁽¹⁾	402,227 ⁽²⁾	1.9%
NPI ⁽³⁾ (as defined below) (US\$'000)	0	37,094	0.0%

Consideration against market capitalization (US\$'000)	6,930	121,822 ⁽⁴⁾	5.7%
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Notes:

- (1) Refers to the NAV of HPMPP
- (2) Refers to the NAV of the portfolio of ACRO-HT
- (3) In the case of a property trust, the net property income (“NPI”) is a close proxy to the net profits or loss attributable to its assets.
- (4) The figure is calculated based on 580,102,394 Stapled Securities in issue multiplied by the weighted average price of US\$0.210 per Stapled Security on the SGX-ST as 20 May 2026, being the market day immediately prior to 21 May 2026 (being the date of exchange of the Amended PSA on 20 May 2026 (U.S. time)).

8. Interest of Directors and Controlling Stapled Securityholders.

As at the date of this announcement, certain directors of the Managers collectively hold an aggregate direct and deemed interest in 248,000 Stapled Securities. The Managers are wholly-owned subsidiaries of Acrophyte Asset Management Pte. Ltd., a wholly-owned subsidiary of the sponsor of ACRO-HT.

Save as disclosed in this announcement and based on the information available to the Managers as at the date of this announcement, none of the directors of the Managers or the controlling Stapled Securityholders has an interest, direct or indirect, in the Proposed Sale.

9. Directors’ Service Contracts

No person is proposed to be appointed as a director of the Managers in connection with the Proposed Sale or any other transactions contemplated in relation to the Proposed Sale.

10. Documents for Inspection

Copies of the Amended PSA and the valuation report for the Independent Valuation are available for inspection, by appointment, at the Managers’ registered office located at 10 Anson Road #23-15, International Plaza, Singapore 079903 during business hours for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

ACROPHYTE HOSPITALITY TRUST MANAGEMENT PTE. LTD.

(Company registration no. 201829676W)

As manager of Acrophyte Hospitality Property Trust

ACROPHYTE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company registration no. 201829682G)

As trustee-manager of Acrophyte Hospitality Management Trust

Lee Jin Yong

Chief Executive Officer

21 May 2026

For enquiries, please contact:
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Email: ir-enquiry@acrophyte.com

ABOUT ACROPHYTE HOSPITALITY TRUST

Listed on the Singapore Exchange on 9 May 2019, Acrophyte Hospitality Trust (“**ACRO-HT**”) is a hospitality stapled group comprising Acrophyte Hospitality Property Trust (“**ACRO-REIT**”) and Acrophyte Hospitality Management Trust (“**ACRO-BT**”). ACRO-HT invests in income-producing real estate assets used primarily for hospitality and/or hospitality-related purposes located in the United States. As at the date of this announcement, ACRO-HT’s portfolio comprises 31 upscale select-service hotels with a total of 4,061 rooms across 16 states in the United States.

ACRO-HT is managed by Acrophyte Hospitality Trust Management Pte. Ltd. (“**REIT-Manager**”) and Acrophyte Hospitality Business Trust Management Pte. Ltd. (“**Trustee-Manager**”), collectively known as the “**Managers**”. The Managers are wholly-owned subsidiaries of Acrophyte Asset Management Pte. Ltd. (“**Acrophyte AM**”).

ABOUT THE SPONSOR

Acrophyte AM is a wholly-owned subsidiary of Tang Organization Pte. Ltd. (“**Tang Organization**”, or the “**Sponsor**”), the sponsor of ACRO-HT.

Tang Organization (formerly known as Acrophyte Pte. Ltd. or Chip Eng Seng Corporation Ltd.) is a multinational conglomerate company with businesses in property development and property investment, construction (building construction, civil infrastructure, environmental and sustainability, prefabrication technology and procurement), hospitality, as well as education.

Tang Organization established itself as a prominent real estate player in the 1990s and has since grown into a multinational conglomerate that includes capabilities (i) across the real estate value chain, comprising real estate construction, real estate development, property investment and asset management, and (ii) in the hospitality industry. As an established player in the hospitality industry, Tang Organization is an owner of hotels in Singapore, Maldives, and Australia, as well as a hotel operator in Singapore.

IMPORTANT NOTICE

The value of the stapled securities in Acrophyte Hospitality Trust (“**Stapled Securities**”) (where each Stapled Security comprises 1 unit in ACRO-REIT stapled to 1 unit in ACRO-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 the ACRO-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 market are not necessarily indicative of the future or likely performance of Acrophyte Hospitality Trust. The forecast financial performance of Acrophyte 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 Manager’s current view of future events.

The directors of the Managers (including any director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. The directors of the Managers jointly and severally accept responsibility accordingly.