



ARA US HOSPITALITY TRUST
 Unaudited Financial Statements Announcement
 For the Second Half and Year Ended 31 December 2020

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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-Trust 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 located throughout 21 states. In January 2020, ARA H-Trust acquired 3 Marriott hotels and the portfolio currently comprises 41 upscale select-service hotels with 5,340 guest rooms located throughout 22 states.

ARA H-Trust is presenting its financial results for the second half (“**2H 2020**”) and the full year ended 31 December 2020 (“**FY2020**”). The financial information presented for FY2020 has not been audited but has been reviewed by the independent auditors in accordance with Singapore Standard on Review Engagements 2410.

Distribution Policy

ARA H-REIT’s and ARA H-BT’s distribution policies are to distribute 100% of distributable income for the financial year ended 31 December 2020, and thereafter, to distribute at least 90% of its distributable income. The actual level of distribution will be determined at the discretion of the Board of Directors of the Managers. The distributions will be made on a semi-annual basis. 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	2H 2020			FY2020		
	Actual	Forecast	Change	Actual	Forecast	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	38,816	97,668	(60.3%)	78,161	192,176	(59.3%)
Gross operating profit	6,856	39,703	(82.7%)	12,697	77,809	(83.7%)
Net property (loss) / income	(3,028)	31,142	N.M.	(5,046)	60,624	N.M.
Distributable income	-	21,148	(100.0%)	-	40,812	(100.0%)
Distribution per Stapled Security ("DPS") (US cents)	-	3.72	(100.0%)	-	7.18	(100.0%)

N.M. - not meaningful

Notes:

- (a) Forecast results for 2H 2020 is derived from Projection Year 2020 as disclosed in the IPO Prospectus.
- (b) The COVID-19 pandemic started to evolve rapidly in the U.S. from mid-March 2020 and resulted in unprecedented challenges for the travel and hospitality industry. The numerous travel restrictions and social distancing measures adopted by the government authorities and corporations resulted in significant drop in demand and occupancies. The portfolio recorded occupancy of 41.0% for FY2020 compared to Forecast at 77.0%. Average Daily Rate ("ADR") of US\$102 was 22.1% lower than Forecast. As a result, revenue was lower than Forecast by 59.3%.

The Managers implemented swift action plans to substantially reduce operating costs, including the temporary suspension and consolidation of hotel operations, and comprehensive cost and labor reductions. As a result, property expenses were lower than Forecast to record gross operating profit of US\$12,697,000 for FY2020. However, after taking into account fixed costs, ARA H-Trust recorded a net property loss of US\$5,046,000 and NIL distributable income for FY2020.



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1(a)(i) Statements of Comprehensive Income

		ARA H-Trust					
		2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019 ⁽¹⁾	Change ⁽²⁾
	Note	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue		38,816	86,129	(54.9%)	78,161	114,952	N.M.
Operating expenses	(a)	(31,960)	(55,386)	42.3%	(65,464)	(71,860)	N.M.
Gross operating profit		6,856	30,743	(77.7%)	12,697	43,092	N.M.
Hotel management fee		(1,089)	(2,583)	57.8%	(2,270)	(3,448)	N.M.
Property taxes		(7,668)	(3,782)	(>100%)	(13,231)	(4,926)	N.M.
Other expenses		(1,127)	(1,642)	31.4%	(2,242)	(2,120)	N.M.
Net property (loss)/income		(3,028)	22,736	N.M.	(5,046)	32,598	N.M.
Other income	(b)	8,812	-	N.M.	8,812	-	N.M.
Depreciation and amortisation		(12,673)	(10,635)	(19.2%)	(25,582)	(13,694)	N.M.
REIT Manager's and Trustee-Manager's Management fees	(c)	-	(1,704)	100.0%	-	(2,512)	N.M.
Trustee-Manager's trustee fee		(60)	(60)	0.0%	(120)	(77)	N.M.
REIT Trustee's fee		(59)	(55)	(7.3%)	(116)	(71)	N.M.
Net finance costs	(d)	(5,985)	(4,611)	(29.8%)	(11,660)	(5,995)	N.M.
Other trust expenses		(1,172)	(982)	(19.3%)	(2,605)	(1,341)	N.M.
Net (loss)/income for the period/year before tax and revaluation of property, plant and equipment		(14,165)	4,689	N.M.	(36,317)	8,908	N.M.
Revaluation of property, plant and equipment	(e)	(66,979)	-	N.M.	(66,979)	-	N.M.
Net (loss)/income before tax		(81,144)	4,689	N.M.	(103,296)	8,908	N.M.
Taxation	(f)	8,840	1,772	>100%	8,831	1,795	N.M.
Net (loss)/income for the period/year after tax		(72,304)	6,461	N.M.	(94,465)	10,703	N.M.
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss:							
Revaluation of property, plant and equipment	(e)	(20,275)	(1,338)	N.M.	(20,275)	(1,338)	N.M.
Deferred tax effects relating to revaluation of property, plant and equipment		1,861	(145)	N.M.	2,892	(194)	N.M.
Item that may be reclassified subsequently to profit or loss:							
Effective portion of changes in fair value of cash flow hedges	(g)	3,041	222	>100%	(9,000)	(4,951)	N.M.
Total comprehensive income for the period/year		(87,677)	5,200	N.M.	(120,848)	4,220	N.M.



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1(a)(i) Statements of Comprehensive Income

		ARA H-REIT					
		2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019 ⁽¹⁾	Change ⁽²⁾
	Note	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Rental revenue	(h)	21,546	23,827	(9.6%)	42,911	33,436	N.M.
Operating expenses		(154)	(94)	(63.8%)	(311)	(146)	N.M.
Gross operating profit		21,392	23,733	(9.9%)	42,600	33,290	N.M.
Property taxes		(7,336)	(3,495)	(>100%)	(12,702)	(4,587)	N.M.
Other expenses		(416)	(895)	53.5%	(811)	(1,155)	N.M.
Net property income		13,640	19,343	(29.5%)	29,087	27,548	N.M.
Other income	(b)	4	-	N.M.	4	-	N.M.
REIT Manager's Management fees	(c)	-	(1,278)	(100.0%)	-	(1,884)	N.M.
REIT Trustee's fee		(59)	(55)	(7.3%)	(116)	(71)	N.M.
Net finance costs	(d)	(18,944)	(17,143)	(10.5%)	(37,721)	(22,105)	N.M.
Other trust expenses		(739)	(523)	(41.3%)	(1,490)	(724)	N.M.
Net (loss)/income for the period/year before tax and fair value changes		(6,098)	344	N.M.	(10,236)	2,764	N.M.
Net change in fair value of investment properties	(e)	(105,504)	(19,227)	(>100%)	(105,504)	(19,227)	N.M.
Net loss for the period/year before tax		(111,602)	(18,883)	(>100%)	(115,740)	(16,463)	N.M.
Taxation	(f)	1,540	(18)	N.M.	2,556	(21)	N.M.
Net loss for the period/year after tax		(110,062)	(18,901)	(>100%)	(113,184)	(16,484)	N.M.
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Effective portion of changes in fair value of cash flow hedges	(g)	3,041	222	>100%	(9,000)	(4,951)	N.M.
Total comprehensive income for the period/year		(107,021)	(18,679)	(>100%)	(122,184)	(21,435)	N.M.



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1(a)(i) Statements of Comprehensive Income

		ARA H-BT					
		2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019 ⁽¹⁾	Change ⁽²⁾
	Note	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue		38,816	86,129	(54.9%)	78,161	114,952	N.M.
Operating expenses	(a)	(31,806)	(55,291)	42.5%	(65,153)	(71,714)	N.M.
Gross operating profit		7,010	30,838	(77.3%)	13,008	43,238	N.M.
Hotel management fee		(1,089)	(2,583)	57.8%	(2,270)	(3,448)	N.M.
Property taxes		(332)	(287)	(15.7%)	(529)	(339)	N.M.
Insurance		(492)	(486)	(1.2%)	(1,011)	(641)	N.M.
Rental expenses	(h)	(233)	(24,090)	99.0%	(434)	(33,761)	N.M.
Net property income		4,864	3,392	43.4%	8,764	5,049	N.M.
Other income	(b)	8,808	-	N.M.	8,808	-	N.M.
Depreciation and amortisation	(h)	(23,157)	(2,388)	(>100%)	(46,689)	(3,030)	N.M.
Trustee-Manager's Management fees	(c)	-	(426)	(100.0%)	-	(628)	N.M.
Trustee-Manager's trustee fee		(60)	(60)	0.0%	(120)	(77)	N.M.
Net finance income	(d)	10,188	12,532	(18.7%)	20,212	16,110	N.M.
Other trust expenses		(433)	(463)	6.5%	(1,119)	(621)	N.M.
Net income/(loss) for the period/year before tax		210	12,587	(98.3%)	(10,144)	16,803	N.M.
Taxation	(f)	9,160	1,627	>100%	9,167	1,605	N.M.
Net income/(loss) for the period/year after tax and total comprehensive income for the period/year		9,370	14,214	(34.1%)	(977)	18,408	N.M.



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1(a)(ii) Statement of Distributable Income

	ARA H-Trust					
	2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019 ⁽¹⁾	Change ⁽²⁾
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Net (loss)/income for the period/year after tax	(72,304)	6,461	N.M.	(94,465)	10,703	N.M.
Add/(less): Distribution adjustments						
Depreciation and amortisation	12,673	10,635	19.2%	25,582	13,694	N.M.
Revaluation of property, plant and equipment	66,979	-	N.M.	66,979	-	N.M.
Amortisation of upfront debt-related costs	133	63	>100%	263	84	N.M.
Interest expenses on lease liabilities	160	-	N.M.	279	-	N.M.
Manager's fees paid/payable in Stapled Securities	-	852	(100.0%)	-	1,256	N.M.
Deferred tax credits	(8,906)	(1,825)	(>100%)	(8,863)	(1,874)	N.M.
Others ⁽³⁾	1,265	-	N.M.	10,225	-	N.M.
Net distribution adjustments	72,304	9,725	>100%	94,465	13,160	N.M.
Distributable income	-	16,186	(100.0%)	-	23,863	N.M.

Footnotes:

- (1) The comparative figures were for the period from the Listing date of 9 May 2019 to 31 December 2019. There is no comparative financial information for 1 January 2019 to 8 May 2019 as ARA H-Trust underwent restructuring, repayment of the existing bank facilities and the redemption of the initial Stapled Securities held by ARA XVI prior to and on the Listing date.
- (2) The reporting periods for FY2020 and from Listing date to 31 December 2019 are not comparable and it is not meaningful to perform a period-on-period analysis. As a result, we have not provided any variance explanations between these reporting periods. Please refer to Section 9 for a comparison of the actual results for FY2020 against the forecast results for Projection Year 2020 as disclosed in the Prospectus.
- (3) Relates to upward adjustment to arrive at NIL distributable income for 2H 2020 and FY2020.

Notes to Statement of Comprehensive Income and Distributable Income:

(a)	Operating expenses	Operating expenses include room expenses, other operating expenses, administrative and general expenses, sales and marketing expenses, franchise fees, property operations and maintenance expenses and utilities. Administrative and general expenses include allowance for doubtful debts and bad debts written off on trade receivables of US\$220,000 (Listing date to 31 December 2019: US\$287,000).																																																																																								
(b)	Other income	Other income primarily comprise government grant income recognized in profit or loss to match the periods when the related costs are incurred, and when there is reasonable assurance that the conditions attached will be met.																																																																																								
(c)	REIT Manager's and Trustee-Manager's Management fees	REIT Manager's and Trustee-Manager's management base fees are based on 10% of the distributable income of ARA H-Trust. There are no management fees paid/payable to the Managers for FY2020.																																																																																								
(d)	Net finance (costs)/income	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="6" style="text-align: center;">ARA H-Trust</th> </tr> <tr> <th></th> <th style="text-align: center;">2H 2020</th> <th style="text-align: center;">2H 2019</th> <th style="text-align: center;">Change</th> <th style="text-align: center;">FY2020</th> <th style="text-align: center;">Listing Date to 31 December 2019</th> <th style="text-align: center;">Change</th> </tr> <tr> <th></th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">%</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Finance income</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest income from deposit accounts</td> <td style="text-align: right;">5</td> <td style="text-align: right;">305</td> <td style="text-align: right;">(98.4%)</td> <td style="text-align: right;">114</td> <td style="text-align: right;">382</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td>Finance costs</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amortisation of debt transaction costs</td> <td style="text-align: right;">(133)</td> <td style="text-align: right;">(63)</td> <td style="text-align: right;">(>100%)</td> <td style="text-align: right;">(263)</td> <td style="text-align: right;">(84)</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td>Interest expenses on lease liabilities</td> <td style="text-align: right;">(160)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">N.M.</td> <td style="text-align: right;">(279)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td>Interest paid/payable to banks</td> <td style="text-align: right;">(5,698)</td> <td style="text-align: right;">(4,853)</td> <td style="text-align: right;">(17.4%)</td> <td style="text-align: right;">(11,247)</td> <td style="text-align: right;">(6,293)</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td>Foreign exchange difference</td> <td style="text-align: right;">1</td> <td style="text-align: center;">-</td> <td style="text-align: center;">N.M.</td> <td style="text-align: right;">15</td> <td style="text-align: center;">-</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td></td> <td style="text-align: right;">(5,990)</td> <td style="text-align: right;">(4,916)</td> <td style="text-align: right;">(21.8%)</td> <td style="text-align: right;">(11,774)</td> <td style="text-align: right;">(6,377)</td> <td style="text-align: center;">N.M.</td> </tr> <tr> <td>Net finance costs</td> <td style="text-align: right;">(5,985)</td> <td style="text-align: right;">(4,611)</td> <td style="text-align: right;">(29.8%)</td> <td style="text-align: right;">(11,660)</td> <td style="text-align: right;">(5,995)</td> <td style="text-align: center;">N.M.</td> </tr> </tbody> </table>						ARA H-Trust							2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019	Change		US\$'000	US\$'000	%	US\$'000	US\$'000	%	Finance income							Interest income from deposit accounts	5	305	(98.4%)	114	382	N.M.	Finance costs							Amortisation of debt transaction costs	(133)	(63)	(>100%)	(263)	(84)	N.M.	Interest expenses on lease liabilities	(160)	-	N.M.	(279)	-	N.M.	Interest paid/payable to banks	(5,698)	(4,853)	(17.4%)	(11,247)	(6,293)	N.M.	Foreign exchange difference	1	-	N.M.	15	-	N.M.		(5,990)	(4,916)	(21.8%)	(11,774)	(6,377)	N.M.	Net finance costs	(5,985)	(4,611)	(29.8%)	(11,660)	(5,995)	N.M.
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Notes to Statement of Comprehensive Income and Distributable Income:

Net finance (costs)/income (cont'd)						
	ARA H-REIT					
	2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Finance income						
Interest income from deposit accounts	5	31	(83.9%)	104	64	N.M.
Interest income from loan to related corporation	315	202	55.9%	409	223	N.M.
	320	233	37.3%	513	287	N.M.
Finance costs						
Amortisation of debt transaction costs	(132)	(63)	(>100%)	(262)	(84)	N.M.
Interest expenses on lease liabilities	(154)	-	N.M.	(265)	-	N.M.
Interest paid/payable to banks	(5,585)	(4,853)	(15.1%)	(11,048)	(6,293)	N.M.
Interest paid/payable to related corporation	(13,394)	(12,460)	(7.5%)	(26,643)	(16,015)	N.M.
Foreign exchange difference	1	-	N.M.	(16)	-	N.M.
	(19,264)	(17,376)	(10.9%)	(38,234)	(22,392)	N.M.
Net finance costs	(18,944)	(17,143)	(10.5%)	(37,721)	(22,105)	N.M.
ARA H-BT						
	2H 2020	2H 2019	Change	FY2020	Listing Date to 31 December 2019	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Finance income						
Interest income from deposit accounts	-	274	(100.0%)	10	318	N.M.
Interest income from loan to related corporation	13,394	12,460	7.5%	26,643	16,015	N.M.
	13,394	12,734	5.2%	26,653	16,333	N.M.
Finance costs						
Amortisation of debt transaction costs	(1)	-	N.M.	(1)	-	N.M.
Interest expenses on lease liabilities	(2,777)	-	N.M.	(5,863)	-	N.M.
Interest paid/payable to banks	(113)	-	N.M.	(199)	-	N.M.
Interest paid/payable to related corporation	(315)	(202)	(55.9%)	(409)	(223)	N.M.
Foreign exchange difference	-	-	N.M.	31	-	N.M.
	(3,206)	(202)	(>100%)	(6,441)	(223)	N.M.
Net finance income	10,188	12,532	(18.7%)	20,212	16,110	N.M.

Notes to Statement of Comprehensive Income and Distributable Income:

(e)	<p>Revaluation of property, plant and equipment / Net change in fair value of investment properties</p> <p>The portfolio hotels 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 and ARA H-BT. On an annual basis, the hotel properties are appraised by independent appraisers and recorded at fair value at the reporting date. The revaluation deficit of property, plant and equipment / net fair value loss of investment properties were largely due to lower occupancies and ADR as a result of the COVID-19 pandemic. As the impact of COVID-19 is fluid and evolving, valuations of the properties are currently subject to material estimation uncertainty and values may change more rapidly and significantly than during normal market conditions.</p> <p>Revaluation deficit of property, plant and equipment / net fair value loss of investment properties has no impact on the distributable income to Stapled Securityholders.</p>
(f)	<p>Taxation</p> <p>Relates primarily to deferred tax assets recognized on FY2020 tax losses of ARA H-BT's subsidiary company and temporary differences relating to the carrying amount of property, plant and equipment used for financial reporting and for taxation purposes.</p>
(g)	<p>Effective portion of changes in fair value of cash flow hedges</p> <p>Relates to fair value changes of the interest rate swaps entered into for hedging purposes. This has no impact on distributable income.</p>
(h)	<p>Rental revenue (ARA H-REIT) and Rental expenses and Depreciation (ARA H-BT)</p> <p>Relates to rental income earned by ARA H-REIT under the master lease agreements, and recorded as rental expenses by ARA H-BT in 2019.</p> <p>With effect from 1 January 2020, the Group adopted SFRS(I)16 which introduces a single, on-balance sheet lease accounting model for lessees. As a result, ARA H-BT recorded depreciation from the right-of-use ("ROU") asset recognised and interest expenses on lease liability in place of rental expenses. Please refer to Section 5 for further details.</p>

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1(b)(i) Statements of Financial Position

	Note	As at 31 December 2020			As at 31 December 2019		
		ARA H-Trust US\$'000	ARA H-REIT US\$'000	ARA H-BT US\$'000	ARA H-Trust US\$'000	ARA H-REIT US\$'000	ARA H-BT US\$'000
Non-current assets							
Investment properties	(a)	-	656,664	-	-	673,603	-
Deferred tax assets		10,867	-	10,867	1,680	-	1,680
Property, plant and equipment	(a)	695,189	-	198,066	704,808	-	31,205
Intangible assets		524	-	524	-	-	-
Loans to related corporation	(b)	-	-	294,000	-	-	294,000
		706,580	656,664	503,457	706,488	673,603	326,885
Current assets							
Inventories		330	-	330	432	-	432
Trade and other receivables		2,745	16,417	29,398	6,451	6,369	4,074
Loans to related corporation	(b)	-	29,703	-	-	-	-
Cash and cash equivalents		26,750	6,369	20,381	45,240	33,128	12,112
		29,825	52,489	50,109	52,123	39,497	16,618
Total assets		736,405	709,153	553,566	758,611	713,100	343,503
Non-current liabilities							
Loans from related corporation	(b)	-	294,000	-	-	294,000	-
Loans and borrowings	(c)	354,427	327,504	150,312	243,739	243,739	-
Derivative financial liabilities	(d)	16,282	16,282	-	7,282	7,282	-
Deferred tax liabilities		-	-	-	2,568	2,568	-
Other payables		125	125	-	125	125	-
		370,834	637,911	150,312	253,714	547,714	-

1(b)(i) Statements of Financial Position

	Note	As at 31 December 2020			As at 31 December 2019		
		ARA H-Trust US\$'000	ARA H-REIT US\$'000	ARA H-BT US\$'000	ARA H-Trust US\$'000	ARA H-REIT US\$'000	ARA H-BT US\$'000
Current liabilities							
Trade and other payables		16,011	33,088	26,006	11,605	2,209	13,393
Loans from related corporation	(b)	-	-	29,703	-	-	-
Loans and borrowings	(c)	298	172	38,583	-	-	-
Tax payable		86	23	62	76	3	72
		16,395	33,283	94,354	11,681	2,212	13,465
Total liabilities		387,229	671,194	244,666	265,395	549,926	13,465
Represented by:							
Stapled Securityholders' funds		349,176	37,959	308,900	493,216	163,174	330,038

Notes to Statement of Financial Position:

(a)	<p>Investment properties and Property, plant and equipment</p> <p>Land and buildings comprise the portfolio 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 and ARA H-BT. The portfolio hotels comprise 38 Hyatt hotels held by ARA H-Trust at IPO and 3 new Marriott hotels acquired in January 2020. Property, plant and equipment are reported at fair value less accumulated depreciation.</p> <p>Investment properties held by ARA H-REIT and property, plant and equipment held by ARA H-Trust and ARA H-BT as at 31 December 2020 include the recognition of ROU assets arising from the adoption of SFRS(I) 16 with effect from 1 January 2020. Please refer to section 5 for further details.</p>
(b)	<p>Loans to/(from) related corporation</p> <p>Relates to interest bearing loans between ARA H-BT and ARA H-REIT.</p>
(c)	<p>Loans and borrowings</p> <p>Please refer to section 1(b)(ii) for more information. New loans were drawn in FY2020, primarily for the acquisition of the 3 new Marriott hotels.</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

Details of loans and borrowings, and collaterals

The Group has in place the following USD loan facilities:

- (a) A secured term loan and letter of credit facilities of up to US\$260.8 million. As at 31 December 2020, the Group had drawn down US\$251.8 million (31 December 2019: 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.
- (b) Unsecured loans and revolving credit facilities amounting to US\$95.3 million. As at 31 December 2020, the unsecured loans and credit facilities were fully drawn.

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

ARA H-Trust	As at 31 December 2020 US\$'000	As at 31 December 2019 US\$'000
Secured loans	251,795	244,325
Unsecured loans	95,343	-
Lease liabilities ⁽¹⁾	8,392	-
	355,530	244,325
Less: Unamortised upfront debt-related costs	(805)	(586)
	354,725	243,739

ARA H-REIT	As at 31 December 2020 US\$'000	As at 31 December 2019 US\$'000
Secured loans	244,325	244,325
Unsecured loans	76,019	-
Lease liabilities ⁽¹⁾	8,028	-
	328,372	244,325
Less: Unamortised upfront debt-related costs	(696)	(586)
	327,676	243,739

ARA H-BT	As at 31 December 2020 US\$'000	As at 31 December 2019 US\$'000
Secured loans	7,470	-
Unsecured loans	19,324	-
Lease liabilities ⁽¹⁾	162,210	-
	189,004	-
Less: Unamortised upfront debt-related costs	(109)	-
	188,895	-

- (1) The Group applied SFRS(I)16 at 1 January 2020, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases.

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

Loans and borrowings are repayable as follows:

ARA H-Trust	As at 31 December 2020			As at 31 December 2019		
	Secured	Unsecured	Lease liabilities	Secured	Unsecured	Lease liabilities
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable						
- within one year	-	-	298	-	-	-
- after one year	251,795	95,343	8,094	244,325	-	-
	251,795	95,343	8,392	244,325	-	-
Less: Unamortised upfront debt-related costs	(445)	(360)	-	(586)	-	-
	251,350	94,983	8,392	243,739	-	-

ARA H-REIT	As at 31 December 2020			As at 31 December 2019		
	Secured	Unsecured	Lease liabilities	Secured	Unsecured	Lease liabilities
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable						
- within one year	-	-	172	-	-	-
- after one year	244,325	76,019	7,856	244,325	-	-
	244,325	76,019	8,028	244,325	-	-
Less: Unamortised upfront debt-related costs	(445)	(251)	-	(586)	-	-
	243,880	75,768	8,028	243,739	-	-

ARA H-BT	As at 31 December 2020			As at 31 December 2019		
	Secured	Unsecured	Lease liabilities	Secured	Unsecured	Lease liabilities
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable						
- within one year	-	-	38,583	-	-	-
- after one year	7,470	19,324	123,627	-	-	-
	7,470	19,324	162,210	-	-	-
Less: Unamortised upfront debt-related costs	-	(109)	-	-	-	-
	7,470	19,215	162,210	-	-	-

1(c) Statements of Cash Flows

	Note	ARA H-Trust			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
Net (loss) / income before tax		(81,144)	4,689	(103,296)	8,908
Adjustments for:					
(Reversal of) / Allowance for doubtful debts and bad debts written off		(60)	257	220	287
Depreciation of property, plant and equipment		12,661	10,635	25,558	13,694
Amortisation of intangible assets		12	-	24	-
Revaluation of property, plant and equipment		66,979	-	66,979	-
Net finance costs		5,985	4,611	11,660	5,995
Manager's base fee paid/payable in Stapled Securities		-	852	-	1,256
Operating income before working capital changes		4,433	21,044	1,145	30,140
Changes in working capital:					
Inventories		40	(29)	102	(42)
Trade and other receivables		582	3,033	3,467	(1,673)
Trade and other payables		3,758	(8,443)	4,977	(2,863)
Cash generated from operations		8,813	15,605	9,691	25,562
Tax paid		(50)	-	(22)	-
Net cash from operating activities		8,763	15,605	9,669	25,562
Cash flows from investing activities					
Interest received		15	294	133	363
Acquisition of intangible assets		-	-	(548)	-
Acquisition of property, plant and equipment	(a)	-	-	(85,294)	-
Payment for capital expenditure		(3,217)	(6,169)	(9,217)	(7,098)
Net cash used in investing activities		(3,202)	(5,875)	(94,926)	(6,735)

1(c) Statements of Cash Flows (cont'd)

		ARA H-Trust			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
	Note	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from financing activities					
Proceeds from issuance of Stapled Securities	(b)	-	-	-	498,000
Redemption of existing units	(c)	-	-	-	(174,565)
Payment of transaction costs relating to the issuance of Stapled Securities	(c)	-	-	-	(16,374)
Repayment of existing loan facilities	(c)	-	-	-	(540,000)
Repayment of loans and borrowings		-	-	-	(7,500)
Proceeds from loans and borrowings	(a)	5,662	-	102,813	251,825
Payment of transaction costs relating to new loan facilities	(c)	(20)	-	(392)	(677)
Payment of lease liabilities		(285)	-	(569)	-
Distribution to Stapled Securityholders		-	-	(23,862)	-
Interest paid		(5,695)	(4,989)	(11,223)	(6,349)
Net cash (used in) / from financing activities		(338)	(4,989)	66,767	4,360
Net increase / (decrease) in cash and cash equivalents		5,223	4,741	(18,490)	23,187
Cash and cash equivalents at beginning of the period/year		21,527	40,499	45,240	22,053
Cash and cash equivalents at end of the period/year		26,750	45,240	26,750	45,240

1(c) Statements of Cash Flows (cont'd)

	Note	ARA H-REIT			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
Net loss before tax		(111,602)	(18,883)	(115,740)	(16,463)
Adjustments for:					
Net finance costs		18,944	17,143	37,721	22,105
Net change in fair value of investment properties		105,504	19,227	105,504	19,227
Manager's base fee paid/payable in Stapled Securities		-	426	-	628
Operating income before working capital changes		12,846	17,913	27,485	25,497
Changes in working capital:					
Trade and other receivables		2,423	7,473	(9,658)	348
Trade and other payables		2,023	(3,289)	4,676	(2,621)
Cash generated from operations		17,292	22,097	22,503	23,224
Tax (paid)/refund		(17)	-	11	-
Net cash from operating activities		17,275	22,097	22,514	23,224
Cash flows from investing activities					
Interest received		15	13	123	46
Acquisition of property, plant and equipment		-	-	(76,421)	-
Payment for capital expenditure		(1,647)	(1,519)	(3,949)	(1,636)
Issuance of loan to related corporation		(8,900)	-	(29,703)	-
Net cash used in investing activities		(10,532)	(1,506)	(109,950)	(1,590)

1(c) Statements of Cash Flows (cont'd)

	Note	ARA H-REIT			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		US\$'000	US\$'000	US\$'000	US\$'000
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		-	-	-	(9,722)
Repayment of existing loan facilities		-	-	-	(540,000)
Repayment of loans and borrowings		(797)	-	-	(7,500)
Proceeds from loans and borrowings	(a)	-	-	76,019	251,825
Payment of transaction costs relating to new loan facilities		-	-	(372)	(677)
Payment of lease liabilities		(215)	-	(432)	-
Proceeds from loan from related corporation		-	22,000	-	294,000
Distribution to Stapled Securityholders		-	-	(3,476)	-
Interest paid		(5,569)	(17,329)	(11,062)	(22,244)
Net cash (used in) / from financing activities		(6,581)	4,671	60,677	4,117
Net increase/(decrease) in cash and cash equivalents		162	25,262	(26,759)	25,751
Cash and cash equivalents at beginning of the period/year		6,207	7,866	33,128	7,377
Cash and cash equivalents at end of the period/year		6,369	33,128	6,369	33,128

1(c) Statements of Cash Flows (cont'd)

	Note	ARA H-BT			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
Net income/(loss) before tax		210	12,587	(10,144)	16,803
Adjustments for:					
(Reversal of) / Allowance for doubtful debts and bad debts written off		(60)	257	220	287
Depreciation of property, plant and equipment		23,145	2,388	46,665	3,030
Amortisation of intangible assets		12	-	24	-
Net finance income		(10,188)	(12,532)	(20,212)	(16,110)
Manager's base fee paid/payable in Stapled Securities		-	426	-	628
Operating income before working capital changes		13,119	3,126	16,553	4,638
Changes in working capital:					
Inventories		40	(29)	102	(42)
Trade and other receivables		(13,679)	(2,799)	1,101	440
Trade and other payables		13,604	(6,791)	12,360	(2,698)
Cash generated from operations		13,084	(6,493)	30,116	2,338
Tax refund		(63)	-	(63)	-
Net cash from / (used in) operating activities		13,021	(6,493)	30,053	2,338
Cash flows from investing activities					
Interest received		-	12,622	10	16,212
Acquisition of intangible assets		-	-	(548)	-
Acquisition of property, plant and equipment		-	-	(8,873)	-
Payment for capital expenditure		(1,570)	(4,650)	(5,268)	(5,462)
Issuance of loan to related corporation		-	(22,000)	-	(294,000)
Net cash used in investing activities		(1,570)	(14,028)	(14,679)	(283,250)

1(c) Statements of Cash Flows (cont'd)

	Note	ARA H-BT			
		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		US\$'000	US\$'000	US\$'000	US\$'000
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		-	-	-	(6,652)
Proceeds from loans and borrowings		6,459	-	26,794	-
Payment of transaction costs relating to new loan facilities		(20)	-	(20)	-
Payment of lease liabilities		(21,602)	-	(43,035)	-
Proceeds from loan from related corporation		8,900	-	29,703	-
Distribution to Stapled Securityholders		-	-	(20,386)	-
Interest paid		(126)	-	(161)	-
Net cash (used in) / from financing activities		(6,389)	-	(7,105)	278,348
Net increase / (decrease) in cash and cash equivalents		5,062	(20,521)	8,269	(2,564)
Cash and cash equivalents at beginning of the period/year		15,319	32,633	12,112	14,676
Cash and cash equivalents at end of the period/year		20,381	12,112	20,381	12,112

Footnote:

- (1) The comparative figures were for the period from the Listing date of 9 May 2019 to 31 December 2019. There is no comparative financial information for 1 January 2019 to 8 May 2019 as ARA H-Trust underwent restructuring, repayment of the existing bank facilities and the redemption of the initial Stapled Securities held by ARA XVI prior to and on the Listing date.

Notes to Statements of Cash Flows

- (a) Acquisition of property, plant and equipment in FY2020 relates mainly to the Group's acquisition of the portfolio of three premium Marriott-branded upscale select-service hotels on 17 January 2020 (the "Acquisition"). The new loans drawn in FY2020 were primarily relating to the Acquisition, as well as for operating expenses.
- (b) 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.
- (c) As disclosed in the announcement of ARA H-Trust dated 20 January 2020, the Managers had fully utilised the net proceeds raised from the initial public offering ("IPO") as follows: -

	Per Prospectus	Actual
	US\$'000	US\$'000
Redemption of existing units and repayment of existing loan facilities	715,242	715,242
Transaction costs ⁽¹⁾	28,063	17,051
Working capital	6,520	-
Proceeds for the Acquisition ⁽²⁾	-	17,532
	749,825	749,825

- (1) IPO transaction costs were lower due to savings in IPO related fees and GST refund on transaction costs. Unutilised net proceeds for transaction costs of US\$10,362,000 and working capital of US\$6,520,000 were redeployed for Acquisition purposes.
- (2) IPO Proceeds were applied to partially fund the Acquisition. Please refer to the announcements of ARA H-Trust dated 6 November 2019 and 20 January 2020 for further information on the Acquisition.



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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 1 January 2020		498,934	(16,374)	(41,775)	(7,282)	59,713	493,216
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(22,161)	-	-	(22,161)
Increase in net assets from operations		498,934	(16,374)	(63,936)	(7,282)	59,713	471,055
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges		-	-	-	(12,041)	-	(12,041)
Deferred tax effects relating to revaluation of property, plant and equipment		-	-	-	-	1,031	1,031
Total comprehensive income for the period, net of tax		-	-	-	(12,041)	1,031	(11,010)
Contribution by and distribution to Stapled Securityholders							
Distribution to Stapled Securityholders		(8,676)	-	(15,186)	-	-	(23,862)
REIT Manager's and Trustee-Manager's base fee paid in Stapled Securities	(a)	320	-	-	-	-	320
Total contribution by and distribution to Stapled Securityholders		(8,356)	-	(15,186)	-	-	(23,542)
At 30 June 2020		490,578	(16,374)	(79,122)	(19,323)	60,744	436,503
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(72,304)	-	-	(72,304)
Increase in net assets from operations		490,578	(16,374)	(151,426)	(19,323)	60,744	364,199
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges		-	-	-	3,041	-	3,041
Revaluation of property, plant and equipment		-	-	-	-	(20,275)	(20,275)
Deferred tax effects relating to revaluation of property, plant and equipment		-	-	-	-	1,861	1,861
Total comprehensive income for the period, net of tax		-	-	-	3,041	(18,414)	(15,373)
Contribution by and distribution to Stapled Securityholders							
Issue costs refund		-	350	-	-	-	350
Total contribution by and distribution to Stapled Securityholders		-	350	-	-	-	350
At 31 December 2020		490,578	(16,024)	(151,426)	(16,282)	42,330	349,176

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)	(b)			(52,478)	(2,331)	61,245	6,436
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	4,242	-	-	4,242
Increase in net assets from operations		-	-	(48,236)	(2,331)	61,245	10,678
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)	(48,236)	(7,504)	61,196	486,432
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	6,461	-	-	6,461
Increase in net assets from operations		498,000	(17,024)	(41,775)	(7,504)	61,196	492,893
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges		-	-	-	222	-	222
Revaluation of property, plant and equipment		-	-	-	-	(1,338)	(1,338)
Deferred tax effects relating to revaluation of property, plant and equipment		-	-	-	-	(145)	(145)
Total comprehensive income for the period, net of tax		-	-	-	222	(1,483)	(1,261)
Contribution by and distribution to Stapled Securityholders							
REIT Manager's and Trustee-Manager's base fee paid in Stapled Securities		934	-	-	-	-	934
Issue costs		-	650	-	-	-	650
Total contribution by and distribution to Stapled Securityholders		934	650	-	-	-	1,584
At 31 December 2019		498,934	(16,374)	(41,775)	(7,282)	59,713	493,216

(a) Represents 371,000 Stapled Securities issued as payment of 50% of Managers' base fees for the period from 1 October 2019 to 31 December 2019.

(b) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 31 December 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.

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 1 January 2020		179,747	(9,722)	431	(7,282)	163,174
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(3,122)	-	(3,122)
Increase in net assets from operations		179,747	(9,722)	(2,691)	(7,282)	160,052
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges		-	-	-	(12,041)	(12,041)
Total comprehensive income for the period, net of tax		-	-	-	(12,041)	(12,041)
Contribution by and distribution to Stapled Securityholders						
Distribution to Stapled Securityholders		(3,476)	-	-	-	(3,476)
REIT Manager's base fee paid in Stapled Securities	(a)	160	-	-	-	160
Total contribution by and distribution to Stapled Securityholders		(3,316)	-	-	-	(3,316)
At 30 June 2020		176,431	(9,722)	(2,691)	(19,323)	144,695
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(110,062)	-	(110,062)
Increase in net assets from operations		176,431	(9,722)	(112,753)	(19,323)	34,633
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges		-	-	-	3,041	3,041
Total comprehensive income for the period, net of tax		-	-	-	3,041	3,041
Contribution by and distribution to Stapled Securityholders						
Issue costs refund		-	285	-	-	285
Total contribution by and distribution to Stapled Securityholders		-	285	-	-	285
At 31 December 2020		176,431	(9,437)	(112,753)	(16,282)	37,959

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)	(b)	-	-	16,915	(2,331)	14,584
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	2,417	-	2,417
Increase in net assets from operations		-	-	19,332	(2,331)	17,001
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)	19,332	(7,504)	180,896
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(18,901)	-	(18,901)
Increase in net assets from operations		179,280	(10,212)	431	(7,504)	161,995
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges		-	-	-	222	222
Total comprehensive income for the period, net of tax		-	-	-	222	222
Contribution by and distribution to Stapled Securityholders						
REIT Manager's base fee paid in Stapled Securities		467	-	-	-	467
Issue costs		-	490	-	-	490
Total contribution by and distribution to Stapled Securityholders		467	490	-	-	957
At 31 December 2019		179,747	(9,722)	431	(7,282)	163,174

(a) Represents 186,000 Stapled Securities issued as payment of REIT Manager's share of the base fees for the period from 1 October 2019 to 31 December 2019.

(b) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 31 December 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.



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

ARA H-BT		Stapled Security	Issue Costs	Revenue Reserve	Total
	Note	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020		319,187	(6,652)	17,503	330,038
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	(10,347)	(10,347)
Increase in net assets from operations		319,187	(6,652)	7,156	319,691
Contribution by and distribution to Stapled Securityholders					
Distribution to Stapled Securityholders		(5,200)	-	(15,186)	(20,386)
Trustee-Manager's base fee paid in Stapled Securities	(a)	160	-	-	160
Total contribution by and distribution to Stapled Securityholders		(5,040)	-	(15,186)	(20,226)
At 30 June 2020		314,147	(6,652)	(8,030)	299,465
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	9,370	9,370
Increase in net assets from operations		314,147	(6,652)	1,340	308,835
Contribution by and distribution to Stapled Securityholders					
Issue costs refund		-	65	-	65
Total contribution by and distribution to Stapled Securityholders		-	65	-	65
At 31 December 2020		314,147	(6,587)	1,340	308,900



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

ARA H-BT		Stapled Security	Issue Costs	Revenue Reserve	Total
	Note	US\$'000	US\$'000	US\$'000	US\$'000
At the listing date (9 May 2019)	(b)			(905)	(905)
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	4,194	4,194
Increase in net assets from operations		-	-	3,289	3,289
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)	3,289	315,197
Total income for the period attributable to Stapled Securityholders, net of tax		-	-	14,214	14,214
Increase in net assets from operations		318,720	(6,812)	17,503	329,411
Contribution by and distribution to Stapled Securityholders					
Trustee-Manager's base fee paid in Stapled Securities		467	-	-	467
Issue costs		-	160	-	160
Total contribution by and distribution to Stapled Securityholders		467	160	-	627
At 31 December 2019		319,187	(6,652)	17,503	330,038

(a) Represents 186,000 Stapled Securities issued as payment of Trustee-Manager's share of the base fees for the period from 1 October 2019 to 31 December 2019.

(b) For purpose of presenting the statement of movements in Stapled Securityholders' Funds from Listing date to 31 December 2019, the redemption of the ARA XVI Initial Stapled Securities on 9 May 2019 was included in the balance at Listing date.



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

		2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
		Units	Units	Units	Units
	Note	'000	'000	'000	'000
Balance at beginning of period	(a)	567,342	565,909	566,971	-
New Stapled Securities issued at Initial Public Offering		-	-	-	565,909
REIT Manager's and Trustee-Manager's base fee paid in Stapled Securities	(b)	-	1,062	371	1,062
Total Issued Stapled Securities as at end of period		567,342	566,971	567,342	566,971
Stapled Securities to be issued:					
REIT Manager's and Trustee-Manager's base fee payable in Stapled Securities	(b)	-	371	-	371
Total Stapled Securities issued and to be issued as at end of period		567,342	567,342	567,342	567,342

(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) 1,062,000 and 371,000 Stapled Securities were issued as payment of 50% of the Managers' base fees for the period from Listing Date to 30 September 2019 and for the period from 1 October 2019 to 31 December 2019 respectively.

1(d)(iii) Total number of issued Stapled Securities excluding treasury Stapled Securities at the end of the current financial period reported on, and as at the end of the immediately preceding year

ARA H-Trust does not hold any treasury Stapled Securities as at 31 December 2020 and 31 December 2019. The total number of issued Stapled Securities in ARA H-Trust as at 31 December 2020 and 31 December 2019 were 567,342,000 and 566,971,000 respectively.

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 1 January 2020 to 31 December 2020 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

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial period from Listing date to 31 December 2019.

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

The Group has adopted SFRS(I) 16 Leases with effect from 1 January 2020. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

As at 1 January 2020, the Group recorded ROU assets and corresponding lease liabilities of approximately US\$8.7 million. Such adjustments have no significant impact on net assets, total return and distributable income.

6 Group Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”) for the current financial period and the corresponding period of the immediately preceding financial year

Earnings per Stapled Security:

ARA H-Trust	2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
Weighted average number of Stapled Securities in issue ('000)	567,342	566,454	567,286	566,332
Weighted average number of Stapled Securities in issue ('000) ⁽²⁾	567,342	567,156	567,286	566,979
Basic and Diluted EPS (US cents)	(12.74)	1.14	(16.65)	1.89

Distribution per Stapled Security:

ARA H-Trust	2H 2020	2H 2019	FY2020	Listing Date to 31 December 2019 ⁽¹⁾
Number of Stapled Securities on issue at the end of period ('000)	567,342	566,971	567,342	566,971
Number of Stapled Securities on issue at the end of period ('000)	567,342	567,342 ⁽²⁾	567,342	567,342 ⁽²⁾
Basic and Diluted DPS (US cents)	-	2.85	-	4.21

⁽¹⁾ The comparative figures were for the period from the Listing date of 9 May 2019 to 31 December 2019. There is no comparative financial information for 1 January 2019 to 8 May 2019 as ARA H-Trust underwent restructuring, repayment of the existing bank facilities and the redemption of the initial Stapled Securities held by ARA XVI prior to and on the Listing date.

⁽²⁾ Weighted average number of Stapled Securities in issue for the period from the Listing date to 31 December 2019 included 371,000 Stapled Securities to be issued as satisfaction of 50% of the REIT Manager's and Trustee-Manager's base management fee for the period from 1 October 2019 to 31 December 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 and immediately preceding financial year

ARA H-Trust	As at 31 December 2020	As at 31 December 2019
NAV and NTA per Stapled Security (US\$)	0.62	0.87



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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.

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	2H 2020			FY2020		
		Actual US\$'000	Forecast US\$'000	Variance %	Actual US\$'000	Forecast US\$'000	Variance %
Revenue	(a)	38,816	97,668	(60.3%)	78,161	192,176	(59.3%)
Operating expenses	(b)	(31,960)	(57,965)	44.9%	(65,464)	(114,367)	42.8%
Gross operating profit	(c)	6,856	39,703	(82.7%)	12,697	77,809	(83.7%)
Hotel management fee	(d)	(1,089)	(2,930)	62.8%	(2,270)	(5,765)	60.6%
Property taxes	(e)	(7,668)	(4,442)	(72.6%)	(13,231)	(9,044)	(46.3%)
Other expenses		(1,127)	(1,189)	5.2%	(2,242)	(2,376)	5.6%
Net property (loss)/income		(3,028)	31,142	N.M.	(5,046)	60,624	N.M.
Other income		8,812	-	N.M.	8,812	-	N.M.
Depreciation and amortisation		(12,673)	(12,633)	(0.3%)	(25,582)	(25,128)	(1.8%)
REIT Manager's and Trustee-Manager's Management fees	(f)	-	(2,226)	100.0%	-	(4,296)	100.0%
Trustee-Manager's trustee fee		(60)	(60)	0.0%	(120)	(120)	0.0%
REIT Trustee's fee		(59)	(54)	(9.3%)	(116)	(107)	(8.4%)
Net finance costs		(5,985)	(5,487)	(9.1%)	(11,660)	(10,914)	(6.8%)
Other trust expenses	(g)	(1,172)	(1,257)	6.8%	(2,605)	(2,500)	(4.2%)
Net (loss)/income for the period/year before tax and revaluation of property, plant and equipment		(14,165)	9,425	N.M.	(36,317)	17,559	N.M.
Revaluation of property, plant and equipment	(h)	(66,979)	-	N.M.	(66,979)	-	N.M.
Net (loss)/income before tax		(81,144)	9,425	N.M.	(103,296)	17,559	N.M.
Taxation	(i)	8,840	(870)	N.M.	8,831	(1,730)	N.M.
Net (loss)/income for the period/year after tax		(72,304)	8,555	N.M.	(94,465)	15,829	N.M.
Add:							
Distribution adjustments	(j)	72,304	12,593	>100%	94,465	24,983	>100%
Distributable Income		-	21,148	N.M.	-	40,812	N.M.

N.M. - not meaningful

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Notes:

(a)	<p>Revenue</p> <p>The portfolio's performance in FY2020 was adversely impacted by the COVID-19 pandemic, with significant drop in hotel occupancies and temporary hotel closures resulting in significant declines in revenue. The portfolio recorded occupancy of 41.0% compared to Forecast at 77.0%. Average Daily Rate ("ADR") was 22% lower than Forecast at US\$102. The decline in revenue was partially offset by revenue contributions from the three Marriott hotels acquired in January 2020. As a result, gross revenue was lower by 59.3% from Forecast.</p>
(b)	<p>Operating expenses</p> <p>Room expenses, other operating costs, administrative and general expenses, sales and marketing expenses, franchise fees, property operations and maintenance expenses were significantly lower than Forecast in line with the decrease in room revenue and other operating revenue. The Managers implemented swift action plans since March 2020 to substantially reduce operating costs, including the temporary suspension and consolidation of hotel operations, and comprehensive cost and labor reductions.</p>
(c)	<p>Gross operating profit</p> <p>Gross operating profit was lower than Forecast primarily due to lower gross revenue as a result of the impact of the COVID-19 pandemic.</p>
(d)	<p>Hotel management fee</p> <p>Hotel management fee is based on 3% of the total revenue. Hotel management fee was lower than Forecast due to lower total revenue.</p>
(e)	<p>Property Taxes</p> <p>Property taxes recognized based on receipt of notices during FY2020 is higher than Forecast, due mainly to the addition of the 3 Marriott properties to the portfolio and timing of receipt of notices from various counties.</p>
(f)	<p>REIT Manager's and Trustee-Manager's management fees</p> <p>REIT Manager's and Trustee-Manager's management fees are calculated based on 10.0% of ARA H-Trust's distributable income. No management fees are payable to the Managers for FY2020.</p>
(g)	<p>Other trust expenses</p> <p>Other trust expenses for FY2020 were higher than Forecast primarily due to professional fees accrued as a result of the larger portfolio.</p>
(h)	<p>Revaluation of property, plant and equipment</p> <p>The revaluation deficit of property, plant and equipment were largely due to lower occupancies and ADR as a result of the COVID-19 pandemic and has no impact on the distributable income to Stapled Securityholders.</p>
(i)	<p>Taxation</p> <p>Tax credits relates primarily to deferred tax assets recognized on FY2020 tax losses of ARA H-BT's subsidiary company and temporary differences relating to the carrying amount of property, plant and equipment used for financial reporting and taxation purposes.</p>
(j)	<p>Distribution adjustments</p> <p>Relates to adjustments for non-cash depreciation and amortisation, amortisation of upfront debt-related costs, interest expenses on lease liabilities, deferred tax expense, revaluation of property, plant and equipment and upward adjustment to arrive at NIL distributable income for FY2020.</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

The COVID-19 pandemic upended the U.S. economy and hospitality industry starting mid-March 2020 and the U.S. economy contracted by -3.5%¹ in 2020 as a result of the extensive government travel restrictions, mandatory lockdown measures and consumers' fear of travel. Although real GDP increased by 4.0% in Q4 and 33.4% in Q3, the decreases of 5.0% in Q1 and -31.4% in Q2 resulted in a net decrease for the year. The International Monetary Fund (IMF) forecasts the U.S. economy to grow 5.1%² in 2021, reflecting the positive effects from the start of vaccinations, additional fiscal support and partial return to business and consumer normality as the impact of the pandemic gradually wanes.

While the recent resurgence and discovery of new strains of the coronavirus have made for a challenging start to 2021, Tourism Economics expects a strong rebound in travel activity, which will occur in the second half of the year. Since the start of the year, the average daily number of COVID-19 cases in the U.S. has steadily declined from a high of approximately 250,000 cases in January 2021 to below 70,000 cases as of 21 February 2021. On average, 1.6 million doses of the COVID-19 vaccination in U.S. are administered daily, with 64.2 million doses administered as of 22 February 2021.³ The ongoing vaccination is expected to accelerate in pace with the U.S. government's goal to deliver sufficient vaccine supply for the U.S. population by the end of July 2021.

Consequently, travel is expected to restart with the domestic leisure segment leading the recovery. This will be closely followed by the significant return of the domestic business travel segment as corporations may consider easing their travel restrictions in 2H 2021 in view of widespread vaccination and growing travel confidence. U.S. hotel occupancy and RevPAR are forecasted to grow 16.6% and 21.6% in 2021 respectively, with complete recovery projected by 2024.⁴

The COVID-19 pandemic has not impacted all hotel types and locations to the same degree. Extended-stay and select-service hotels have outperformed full-service hotels in 2020. Hotels located in drive-to suburban and smaller markets have also outperformed hotels located in urban and airport markets. Furthermore, hotels catering to transient leisure and business travelers have performed better than hotels oriented towards meeting, incentive and group demand, as large gatherings and conventions were postponed due to social-distancing requirements. Industry analysts such as JLL and STR project that limited and select service hotels will lead the recovery path in the immediate term.

All 41 properties within the ARA H-Trust portfolio have been operating since July 2020 and are currently generating positive cash flows from operations. ARA H-Trust had a cash balance of US\$26.8 million as at 31 December 2020 and will adopt a prudent approach in its capital and cashflow management. Going forward, the Managers will continue its focus on improving operating performance, preserving liquidity, and protecting the assets.

¹ U.S. Bureau of Economic Analysis, January 2021

² World Economic Outlook Update, January 2021

³ CDC COVID Data Tracker, February 2021

⁴ STR and Tourism Economics, January 2021

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?	Yes
Distribution period	Listing Date to 31 December 2019
Distribution per stapled security	Distribution of 4.206 US cents per Stapled Security comprising two components: <ol style="list-style-type: none"> 1. Tax-exempt income: 2.677 US cents 2. Capital: 1.529 US cents
(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. Due to the impact of the COVID-19 pandemic, ARA H-Trust reported no distributable income for FY2020. Please refer to Sections 9 and 10 for further details.

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 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.

15 Segmented revenue and results for business or geographical segments in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Total revenue and net property income ("NPI") information based on reportable segments are as follows:

ARA H-Trust	FY2020		Listing Date to 31 December 2019	
	Total Revenue	NPI	Total Revenue	NPI
	US\$'000	US\$'000	US\$'000	US\$'000
Hyatt Place	42,395	(6,705)	72,000	18,899
Hyatt House	26,564	(175)	42,952	13,699
Marriott	9,202	1,834	-	-
Total	78,161	(5,046)	114,952	32,598

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to section 9.

17 Breakdown of revenue

ARA H-Trust	FY2020	FY2019	Variance
	US\$'000	US\$'000	%
Total revenue for first half year	39,345	28,823 ⁽¹⁾	N.M.
Net (loss)/income for first half year	(22,161)	4,242 ⁽¹⁾	N.M.
Total revenue for second half year	38,816	86,129	(54.9%)
Net (loss)/income for second half year	(72,304)	6,461	N.M.

⁽¹⁾ For the period from 9 May 2019 to 30 June 2019

18 Breakdown of total annual distribution

ARA H-Trust	FY2020	Listing Date to 31 December 2019
	US\$'000	US\$'000
Total distribution	-	23,863



19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Pursuant to Rule 704(13) of the Listing Manual, the REIT Manager and Trustee-Manager confirm that there is no person occupying a managerial position in the Managers or in any of the principal subsidiaries of ARA H-Trust who is a relative of a director, chief executive officer, substantial shareholder of the Managers or substantial Stapled Securityholder of ARA H-Trust.

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
24 February 2021

Seow Bee Lian
Director
24 February 2021



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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, the 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 Financial Statements

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

23 February 2021

Dear Sirs

ARA US Hospitality Trust

Introduction

We have reviewed the accompanying financial statements (the “Financial Statements”) of ARA US Hospitality Trust (“ARA H-Trust”) for the year ended 31 December 2020. 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 Financial Statements consists of the following:

- Statement of financial position of ARA H-Trust as at 31 December 2020;
- Statement of comprehensive income of ARA H-Trust for the year ended 31 December 2020;
- Statement of movements in stapled securityholders’ funds of ARA H-Trust for the year ended 31 December 2020;
- Statement of cash flows of ARA H-Trust for the year ended 31 December 2020; and
- Summary of significant accounting policies and other explanatory notes.

The management of ARA Business Trust Management (USH) Pte. Ltd. (the “Trustee-Manager” of ARA H-BT) is responsible for the preparation and presentation of these Financial Statements in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I”). Our responsibility is to express a conclusion on these Financial Statements 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 Financial Statements 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 Financial Statements do not present fairly, in all material respects, the financial position of ARA H-Trust as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with SFRS(I).

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 Financial Statements 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 Financial Statements for the information of its stapled securityholders. 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
23 February 2021