

MEDIA RELEASE
2 MAY 2019

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ARA LAUNCHES FIRST PURE-PLAY U.S. UPSCALE SELECT-SERVICE HOSPITALITY TRUST
ARA US Hospitality Trust to Offer Attractive Distribution Yield and Strong Total Return^{1,2}

- First pure-play U.S. upscale select-service hospitality portfolio with superior operating performance to be listed on the SGX-ST
- Strong Sponsor support from ARA Asset Management Limited
- US\$334.2 million Offering of 379,776,300 Stapled Securities at an Offering Price of US\$0.88 per Stapled Security (the “Offering”) (subject to the Over-Allotment Option³)
- Expected distribution yield of 8.0%^{1,2} for Forecast Period 2019 and expected distribution yield growth of 2.1%⁴ in Projection Year 2020 representing a total return of 10.1%⁵
- Public Offer opens 9.00 p.m. on 2 May 2019 and closes 12.00 noon on 7 May 2019

¹ Based on the Offering Price of US\$0.88 per Stapled Security, and the forecast distribution per Stapled Security (“DPS”) for Forecast Period 2019 (on an annualised basis (see footnote 2)) together with the accompanying assumptions found in the Prospectus (as defined herein). Such yields and yield growth will vary accordingly for investors who purchase Stapled Securities in the secondary market at a market price different from the Offering Price.

² Annualised based on an 8-month forecast from 1 May 2019 to 31 December 2019.

³ Refers to the option granted by the Stapled Security Lender (as defined in the Prospectus) to the Joint Bookrunners and Underwriters to purchase from the Stapled Security Lender up to an aggregate of 22,727,000 Stapled Securities at the Offering Price, solely to cover the over-allotment of Stapled Securities (if any).

⁴ Calculated as the growth in distribution yield from Forecast Period 2019 (on an annualised basis (see footnote 2)) to Projection Year 2020.

⁵ Calculated as the sum of Forecast Period 2019 distribution yield (on an annualised basis (see footnote 2)) and distribution yield growth from Forecast Period 2019 (on an annualised basis (see footnote 2)) to Projection Year 2020.

DBS Bank Ltd. is the Sole Issue Manager for the Offering. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the Joint Financial Advisers and Joint Global Coordinators for the Offering. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Credit Suisse (Singapore) Limited are the Joint Bookrunners and Underwriters for the Offering.

SINGAPORE, 2 May 2019 – Premier global integrated real assets fund manager ARA Asset Management Limited (“**ARA**” or “**the Group**”) is pleased to announce that ARA US Hospitality Trust (“**亚腾美国酒店信托**”) – a hospitality 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 registered business trust – has registered its prospectus (“**Prospectus**”) with the Monetary Authority of Singapore (“**MAS**”) today in connection with the proposed Offering and listing of stapled securities in ARA US Hospitality Trust (the “**Stapled Securities**”) on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Mr Lee Jin Yong (李镇镕), Chief Executive Officer of the Managers⁶, said, “We are pleased to have received strong interest and support from the Cornerstone Investors and institutional investors for our Offering. This is a testament of our investment proposition to offer investors a unique opportunity to gain exposure to a high quality, upscale select-service hospitality portfolio in the U.S. in a favourable, tax-efficient manner.”

“Our Properties are all branded under associated brands of Hyatt and are positioned in the upscale select-service segment which features superior operating performance, strong operating returns, and are well-diversified across key markets with favourable hospitality market demand and supply dynamics.”

⁶ Refers to ARA Trust Management (USH) Pte. Ltd., the manager of ARA H-REIT, and ARA Business Trust Management (USH) Pte. Ltd., the trustee-manager of ARA H-BT (collectively known as the “**Managers**”).

First Pure-Play U.S. Upscale Select-Service Hospitality Portfolio with Superior Operating Performance to be Listed on the SGX-ST

The first pure-play U.S. upscale select-service hospitality portfolio to be listed on the SGX-ST, ARA US Hospitality Trust's Initial Portfolio has a Total Appraised Value⁷ of US\$719.5 million comprising 38 upscale select-service hotels totaling 4,950 rooms geographically diversified across 21 states in the U.S. — the world's largest lodging market.

27 of the hotels in the Initial Portfolio are franchised under the Hyatt Place brand (upscale select-service) while the remaining 11 are franchised under the Hyatt House brand (upscale extended-stay). Both aforementioned brands are associated brands of Hyatt – one of the largest, fastest growing and most well-respected hospitality companies in the world with 19 brands covering more than 850 properties in 60 countries, as of 31 December 2018. The Initial Portfolio is professionally managed by Aimbridge Hospitality, LLC, the largest independent hotel management company in the U.S.

Due to consumer preference for select-service hotels in the U.S., the Initial Portfolio's hotels have performed above the national average. In FY2018, the Initial Portfolio reported an occupancy rate of 77%, compared to the national average of 66%⁸. Its Revenue per Available Room ("**RevPAR**") was US\$94 in FY2018 compared to the national average of US\$86⁸.

The Initial Portfolio's performance ties in with recent industry trends where select-service hotels have outperformed full-service hotels in terms of RevPAR growth, growing at a compounded annual growth rate ("**CAGR**") of 4.6% between 2013 and 2018, compared to 3.4% for full-service hotels⁹. It is estimated that RevPAR growth for select-service hotels will continue to outpace at a CAGR of 2.0% between 2019 and 2022, compared to 1.3% for full-service hotels over the same period⁹. The Manager's forecast for the Initial Portfolio is consistent with the growth projections for select-service hotels.

⁷ The Total Appraised Value refers to the aggregate appraised valuation of the Properties, based on the higher set of two independent valuations of the Properties on a portfolio basis as at 1 December 2018.

⁸ Source: STR, CBRE.

⁹ Source: STR, CBRE, Independent Market Research Report.

Select-service hotels enjoy higher gross operating profit margins compared to full-service branded hotels, as they do not offer an extensive array of facilities, services and amenities. Within the select-service segment, upscale select-service hotels such as Hyatt Place and Hyatt House hotels provide the strongest operating returns as they typically command higher room rates, given their higher quality accommodation than the average select-service hotels. The Initial Portfolio's average gross operating profit margin has remained steady at approximately 40% over the past three financial years.

High Quality and Geographically Diversified Portfolio of Upscale Select-Service Hotels

The Initial Portfolio comprises 36¹⁰ freehold Properties out of the total 38 hotels, providing asset stability for Stapled Securityholders over time. The high quality portfolio is well maintained, as 30 out of its 38 Properties have undergone refurbishments with approximately US\$55.2 million of capital expenditure since 2015. There are current plans to invest an additional US\$14.7 million in Property Improvement Plan renovations and other capital expenditure in 2019.

The Initial Portfolio is geographically diversified across 21 states in the U.S. Over half of the Initial Portfolio's hotel rooms are situated in the economically stronger South and West regions of the U.S. Over 30%¹¹ of the Initial Portfolio are in the high GDP Northeast region in the U.S., which features the highest nominal GDP per capita and the highest ratio of GDP to hotel rooms among the four U.S. census regions in 2018. The Initial Portfolio is expected to benefit from strong correlations of real U.S. GDP growth with U.S. lodging demand growth.

¹⁰ This includes Hyatt House Richmond West, which is held under a ground leasehold (expiring in July 2072) and ARA H-REIT (through its wholly-owned subsidiary, PropCo) has the right to purchase the fee simple interest over the property at a price of US\$3.3 million. PropCo has exercised such right and the conversion is being processed.

¹¹ By number of available rooms.

Visible Growth Supported by Reputable Sponsor & Experienced Management

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited (“ARA”), a premier global integrated real assets fund manager headquartered in Singapore. The gross assets under management by the ARA Group and its associates is approximately S\$80.1 billion¹² and spans over 100 cities in 23 countries.

The ARA Group directly manages five other listed REITs, which include Fortune REIT that is primary listed in Hong Kong and secondary listed in Singapore; Suntec REIT and Cache Logistics Trust that are listed in Singapore; and Hui Xian REIT and Prosperity REIT which are listed in Hong Kong. It also indirectly manages REITs in Singapore, Malaysia, Japan and Australia through its associate companies.

Mr John Lim (林惠璋), Group Chief Executive Officer of ARA, said, “As one of the leading market players in the Singapore and Hong Kong REIT markets, ARA is pleased to support the Offering of ARA US Hospitality Trust, a high quality, sustainable REIT that seeks to offer investors differentiated value in the long term. The Group’s strong track record and experience in managing REITs as well as its dedicated team of real estate professionals with deep local knowledge and global networks will no doubt benefit the Trust greatly.”

ARA US Hospitality Trust is managed by an experienced board and key executive officers based in the U.S. and Singapore who have an established track record in hospitality management, real estate, capital management and investment.

Mr Lee said, “With the support of our Sponsor, our team is committed to actively managing the hotels in the Initial Portfolio to enhance their operating performance and achieve income growth. We will also be exploring opportunities to expand and diversify the portfolio by location and brand through strategic and accretive acquisitions, backed by our team’s on-the-

¹² Includes assets under management by the ARA Group and its associates and joint ventures as at 31 December 2018.

ground presence and familiarity with the U.S. hospitality market as well as the Sponsor's track record in originating deals via their extensive network."

Stable Distributions Backed by a Prudent Capital Structure

Based on the Offering Price of US\$0.88, ARA US Hospitality Trust offers an attractive annualised distribution yield of 8.0%^{1,2} for Forecast Period 2019 and expected distribution yield growth of 2.1%⁴ in Projection Year 2020, representing a total return of 10.1%⁵. This is backed by the Initial Portfolio's stable operating performance between FY2016 and FY2018 and a conservative aggregate leverage ratio of 33.4% at Listing Date.

ARA US Hospitality Trust's distribution policy is to distribute 100.0% of its Distributable Income for Forecast Period 2019 and Projection Year 2020 and at least 90.0% of its Distributable Income thereafter.

The semi-annual distributions will be declared in U.S. dollars and Stapled Securityholders will receive distributions in Singapore dollars equivalent of the U.S. dollars distribution declared. Stapled Securityholders can also elect to receive the relevant distribution in U.S. dollars.

The Offering

The Offering of 379,776,300 Stapled Securities (subject to the Over-Allotment Option) consists of (i) an international placement of 328,640,300 Stapled Securities to investors, outside the U.S., including 8,585,000 Stapled Securities reserved for subscription by the directors, management, employees and business associates of ARA and its subsidiaries, and (ii) an offering of 51,136,000 Stapled Securities to the public in Singapore (the "**Public Offer**").

Concurrently, but separate from the Offering, ARA US Hospitality Trust has also secured commitments of US\$116.5 million from six cornerstone investors including Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan; Bank of Singapore Limited; DBS Bank Ltd.; Credit Suisse AG; United Overseas Bank Limited and ICH Capital Pte Ltd. The Cornerstone

Investors have subscribed for an aggregate of 132,382,700 Stapled Securities, representing 23.4% of the total number of Stapled Securities in issue immediately after completion of the Offering and the Redemption (as defined in the Prospectus).

Based on the Offering Price, gross proceeds of approximately US\$498.0 million are expected to be raised from the Offering, the issuance of Cornerstone Stapled Securities, and the Sponsor Subscription Stapled Securities.

The Public Offer will open at 9.00 p.m. on Thursday, 2 May 2019 and closes 12.00 noon on Tuesday, 7 May 2019. Trading of the Stapled Securities in ARA US Hospitality Trust on the Main Board of the SGX-ST is expected to commence at 2.00 p.m. on Thursday, 9 May 2019.

Copies of the Prospectus and the application forms relating to the Offering may be obtained upon request, subject to availability, during office hours, from branches of DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, as well as from United Overseas Bank Limited at 80 Raffles Place #03-03 UOB Plaza 1, Singapore 048624; and where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST as well as merchant banks in Singapore. Copies of the Prospectus and the application forms, subject to availability, are also available at ARA US Hospitality Trust's booth at 1 Raffles Place, Singapore 048616 during business hours on 3 May 2019, 6 May 2019 and from 9.00 a.m. to 12.00 noon on 7 May 2019.

The Prospectus is also available on the SGX-ST website at <http://www.sgx.com> and the MAS' OPERA website at <https://eservices.mas.gov.sg/opera/>. Anyone wishing to acquire the Stapled Securities will need to make an application in the manner set out in the Prospectus.

DBS Bank Ltd. is the Sole Issue Manager for the Offering. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the Joint Financial Advisers and Joint Global Coordinators for the Offering. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Credit Suisse (Singapore) Limited are Joint Bookrunners and Underwriters for the Offering.

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IMPORTANT NOTICE

Capitalised words and expressions used in this media release and not otherwise defined shall have the meanings given to them in the Prospectus of ARA US Hospitality Trust dated 2 May 2019.

The Prospectus has been registered by the MAS on 2 May 2019. Capitalised words and expressions used in this media release shall unless otherwise defined, bear the same meanings assigned to them in the Prospectus. ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust, a real estate investment trust constituted in Singapore, and ARA US Hospitality Management Trust, a registered business trust constituted in Singapore. 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 U.S., as well as real estate-related assets in connection with the foregoing. On the other hand, ARA H-BT is established with the principal investment strategy of investing in a portfolio of real estate primarily used for hospitality and/or hospitality-related purposes, located in the U.S., as well as real estate-related assets in connection with the foregoing, 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.

This media release is for information purposes only and does not constitute an offer of, or invitation to subscribe or purchase or solicitation of subscriptions or purchases of Stapled Securities in ARA US Hospitality Trust in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment or any investment decision whatsoever. The information in this media release in respect of ARA US Hospitality Trust is qualified in its entirety by, and should be viewed in conjunction with, the full text of the Prospectus in relation to the Offering of the Stapled Securities. The Offering is made by the REIT Manager and Trustee-Manager. The information presented in this media release is subject to change. Anyone wishing to subscribe for or purchase Stapled Securities should read the Prospectus, and in particular, the section on "Risk Factors" for a discussion of certain factors to be considered and make his own assessment before deciding whether to purchase Stapled Securities and will need to make an application in the manner set out in the Prospectus. Any decision to purchase Stapled Securities should be made solely on the basis of information contained in the Prospectus and no reliance should be placed on any information other than that contained in the Prospectus.

The value of the Stapled Securities and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited (as trustee of ARA H-REIT), ARA Real Estate Investors 23 Pte. Ltd. (as sponsor of ARA US Hospitality Trust), the Sole Issue Manager, the Joint Financial Advisers and Joint Global Coordinators, and the Joint Bookrunners and Underwriters or any of their respective affiliates, advisers or representatives. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This media release 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. The forecast and projected yields and yield growth are calculated based on the Offering Price and the accompanying assumptions in the Prospectus. Such yields and yield growth will vary accordingly for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price.

Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of ARA US Hospitality Trust. The forecast financial performance of ARA US Hospitality Trust is not guaranteed. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events. A potential investor should read the Prospectus and, in particular, the section entitled "Forward-Looking Statements" and make his own assessment before making any decision to purchase the Stapled Securities.

*Neither this media release nor any copy or portion of it may be sent or taken, transmitted or distributed, directly or indirectly, into the United States (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")). The Stapled Securities have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. and the Stapled Securities may not be offered or sold within the US, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state*

or local securities laws. This media release is not an offer for sale of securities in the U.S.. The Managers do not intend to conduct a public offering of the Stapled Securities in the U.S..

This media release may be restricted by law in certain jurisdictions. Persons who may come into possession of this media release are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This media release may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

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DBS Bank Ltd. as the Sole Issue Manager for the Offering, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, as the Joint Financial Advisers and Joint Global Coordinators for the Offering, and DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Credit Suisse (Singapore) Limited, as the Joint Bookrunners and Underwriters for the Offering, assume no responsibility for the contents of this media release.

About ARA Asset Management Limited

ARA Asset Management Limited is a premier global integrated real assets fund manager. As at 31 December 2018, the Gross Assets Managed by ARA Group and its Associates is approximately S\$80.1 billion¹³ across over 100 cities in 23 countries.

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

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

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit <http://www.ara-group.com>.

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¹³ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates and Joint Ventures as at 31 December 2018.