



ARA US HOSPITALITY TRUST

A stapled group comprising:

ARA US HOSPITALITY PROPERTY TRUST
(a real estate investment trust constituted on 24 September 2018 under the laws of the Republic of Singapore) managed by
ARA Trust Management (USH) Pte. Ltd.

ARA US HOSPITALITY MANAGEMENT TRUST
(a business trust constituted on 29 October 2018 under the laws of the Republic of Singapore) managed by
ARA Business Trust Management (USH) Pte. Ltd.

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

Completion of the Acquisition of a Portfolio of Three Premium Marriott-Branded Upscale Select-Service Hotels in United States and Use of IPO Proceeds

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of ARA US Hospitality Trust dated 6 November 2019 titled "Acquisition of a Portfolio of Three Premium Marriott-Branded Upscale Select-Service Hotels in United States" (the "**Acquisition Announcement**").*

Completion of Due Diligence and Acquisition

Further to the Acquisition Announcement, the Managers are pleased to announce that the Acquisition has been completed on 17 January 2020, following the satisfactory completion of due diligence and agreement of final purchase consideration ("**Final Purchase Consideration**") of US\$84.0 million.

Purchase Consideration and Valuation

In connection with the Acquisition, an independent valuation on the Portfolio was commissioned by the Managers and DBS Trustee Limited (in its capacity as trustee of ARA H-REIT) in accordance with the requirements of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. The independent valuation concluded a market value of US\$88.9 million for the Portfolio as of 1 December 2019. The Final Purchase Consideration is US\$5.9 million below, or a 5.5% discount to, the independent market valuation.

The independent valuer¹ has valued the Portfolio based on the income capitalisation approach and the sales comparison approach. The income capitalisation approach consists of a discounted cash flow analysis and a mortgage-equity valuation analysis method.

A copy of the valuation report on the Portfolio is available for inspection (prior appointment would be appreciated) during normal business hours at the registered office of the Managers located at 5 Temasek Boulevard, #12-01, Suntec Tower Five, Singapore 038985 for a period of three months commencing from the date of this announcement.

¹ HVS Consulting and Valuation Services

Use of IPO Proceeds

As disclosed in the prospectus of ARA US Hospitality Trust dated 2 May 2019 and in the unaudited financial statements announcement for the third quarter of 2019 dated 6 November 2019, the proceeds raised from the initial public offering included US\$6,520,000 for working capital purposes, and US\$28,063,000 for transaction costs purposes, of which US\$10,362,000 has not been utilised and redeployed for working capital purposes. The Managers wish to announce that the balance of US\$16,882,000 (which is the equivalent of the sum of US\$6,520,000 and US\$10,362,000) has been used to partially fund the Acquisition.

As at the date of this announcement, the Managers have fully utilised all the net proceeds from the initial public offering.

Lee Jin Yong
Chief Executive Officer

ARA TRUST MANAGEMENT (USH) PTE. LTD.
(As manager of ARA US Hospitality Property Trust)
(Company registration no. 201829676W)

ARA BUSINESS TRUST MANAGEMENT (USH) PTE. LTD.
(As trustee-manager of ARA US Hospitality Management Trust)
(Company registration no. 201829682G)

20 January 2020

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IMPORTANT NOTICE

The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited, in its capacity as trustee of ARA H-REIT, ARA Real Estate Investors 23 Pte. Ltd., as the sponsor of ARA US Hospitality Trust, the Sole Issue Manager, the Joint Financial Advisers and Joint Global Coordinators or the Joint Bookrunners and Underwriters or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of ARA US Hospitality Trust. The forecast financial performance of ARA US Hospitality Trust is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.