



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.

PROFIT GUIDANCE ON UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

ARA Trust Management (USH) Pte. Ltd., as manager of ARA US Hospitality Property Trust ("**ARA H-REIT**"), and ARA Business Trust Management (USH) Pte. Ltd, as trustee-manager of ARA US Hospitality Management Trust ("**ARA H-BT**") (collectively known as the "**Managers**"), refer to the following announcements which contain information on the impact of the COVID-19 pandemic on ARA US Hospitality Trust's ("**ARA H-Trust**") performance:

- Update to Stapled Securityholders on COVID-19 Situation issued on 25 March 2020;
- Update on COVID-19 Pandemic issued on 16 April 2020;
- Business and Operational Updates for 1Q 2020 issued on 8 May 2020;
- Responses to Substantial and Relevant Questions in relation to Annual General Meeting issued on 24 June 2020; and
- Annual General Meeting presentation slides issued on 24 June 2020.

The Managers have previously guided that the unprecedented and detrimental impact of the COVID-19 pandemic on both the U.S. economy and hospitality industry will adversely affect the financial performance of ARA H-Trust in the coming quarters. Based on the preliminary estimates of ARA H-Trust's financial results for the six months ended 30 June 2020 ("**1H 2020**"), the Managers wish to advise stapled securityholders of ARA H-Trust ("**Stapled Securityholders**") that:

- (i) The unprecedented decline in hotel occupancies and temporary hotel closures as a result of the impact of the COVID-19 pandemic since March 2020 has resulted in a significant decline in gross revenues. The Managers implemented swift action plans to substantially reduce operating cost by leveraging on the select-service hotels' flexible cost structure, thereby

enabling ARA H-Trust to maintain positive gross operating profit for 1H 2020. However, after taking into account fixed costs, ARA H-Trust is expected to report net property loss and no distributable income for 1H 2020.

- (ii) The hotel properties of ARA H-Trust are accounted for at fair value less accumulated depreciation and impairment. ARA H-Trust currently performs annual property valuations and assesses at each reporting period if the properties may be subject to potential impairment. For the 1H 2020 reporting period, the Managers are of the view that conducting any valuation on the hotel properties would not be meaningful as the immediate operating environment remains fluid and uncertain. In particular, there is insufficient reliability in current market benchmarks and relevant data underpinning industry-standard valuation assumptions due to the uncertainty of the duration of the COVID-19 pandemic crisis and its ultimate impact on the U.S. economy and hospitality industry. The Managers will continue to closely monitor the evolving situation and perform property valuation updates by the end of the financial year.

Notwithstanding the foregoing, ARA H-Trust continues to be in a secure financial position and has adequate liquidity to meet its operational needs and financial commitments to navigate through the crisis. The Managers will continue to exercise caution and prudence in their capital and cashflow management.

The Managers will closely monitor the situation and keep Stapled Securityholders apprised of further updates as and when there are material developments in accordance with the listing manual of Singapore Exchange Securities Trading Limited. The Managers expect to release the 1H 2020 financial results on 5 August 2020 before market opens.

Stapled Securityholders and potential investors are advised to exercise caution when dealing or trading in the stapled securities of ARA H-Trust.

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

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

Lee Jin Yong
Chief Executive Officer
17 July 2020

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About ARA US Hospitality Trust

Listed on the Singapore Exchange on 9 May 2019, ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”) and ARA US Hospitality Management Trust (“**ARA H-BT**”). ARA US Hospitality Trust invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. ARA US Hospitality Trust’s portfolio currently comprises 41 select-service hotels with a total of 5,340 rooms across 22 states in the United States.

ARA US Hospitality Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd., (collectively known as the “**Managers**”). The Managers are indirect wholly-owned subsidiaries of ARA Asset Management Limited.

For more information, please visit www.araushotels.com.

About the Sponsor

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited.

ARA Asset Management Limited (ARA or the Group) is a leading APAC real assets fund manager with a global reach. With S\$88 billion¹ in gross assets under management as at 31 December 2019, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate credit and equity funds, and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

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

For more information, please visit www.ara-group.com.

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 31 December 2019

IMPORTANT NOTICE

The value of the stapled securities in ARA US Hospitality Trust ("**Stapled Securities**") (where each Stapled Security comprises 1 unit in ARA H-REIT stapled to 1 unit in ARA H-BT), and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited, in its capacity as trustee of ARA H-REIT, or any of their respective affiliates.

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

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