



ACROPHYTE HOSPITALITY TRUST

A stapled group comprising:

ACROPHYTE HOSPITALITY PROPERTY TRUST

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

ACROPHYTE HOSPITALITY MANAGEMENT TRUST

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

PROPOSED SALE OF HYATT PLACE MEMPHIS PRIMACY PARKWAY

1. Introduction

Acrophyte Hospitality Trust Management Pte. Ltd., in its capacity as manager of Acrophyte Hospitality Property Trust (“**ACRO-REIT**”), and Acrophyte Hospitality Business Trust Management Pte. Ltd., in its capacity as trustee-manager of Acrophyte Hospitality Management Trust (“**ACRO-BT**”) (collectively known as the “**Managers**”), wish to announce that Acrophyte Hospitality Trust (“**ACRO-HT**”), through its indirect wholly-owned subsidiary, ARA USH Chicago, LLC (the “**Vendor**”), has on 16 December 2025 (U.S. Time) entered into a conditional purchase and sale agreement (the “**PSA**”) with Shivam Patel (the “**Purchaser**”), pursuant to which the Vendor has agreed to sell to the Purchaser, Hyatt Place Memphis Primacy Parkway (“**HPMPP**”, the “**Hotel**” or the “**Property**”) (the “**Proposed Sale**”), for a consideration of US\$7.75 million (the “**Sale Consideration**”), subject to closing adjustments in accordance with the PSA.

2. Information on the Proposed Sale

Description of the Property

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

Sale Consideration and Valuation

For the purposes of the Proposed Sale, an independent valuation on HPMPP was commissioned by DBS Trustee Limited, as trustee of ACRO-REIT (the “**Trustee**”). The independent appraiser, HVS Consulting and Valuation, valued the Hotel at US\$8.5 million (the “**Independent Valuation**”) as at 31 July 2025 based on the income capitalization and the sales comparison approach. The Sale Consideration is negotiated on a willing-buyer and willing-seller basis, taking into account the Independent Valuation, and represents an 8.8% discount to the Independent Valuation. The Sale Consideration will be satisfied wholly in cash.

In accordance with the trust deed dated 24 September 2018 constituting ACRO-REIT, the trust deed dated 29 October 2018 constituting ACRO-BT and the stapling deed dated 17 April 2019, each as amended, supplemented and/or restated from time to time (the “**Trust Deeds**”), the Managers are entitled to a divestment fee of approximately US\$39,000, being 0.5% of the Sale Consideration. In addition, the sale is expected to incur approximately US\$456,000 of transaction costs. Accordingly, the net divestment proceeds are estimated to be approximately US\$7.3million.

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

3. Rationale for the Proposed Sale

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

3.1 HPMPP is a Non-Core and Underperforming Asset

HPMPP is considered a non-core and underperforming asset within ACRO-HT’s portfolio. The Hotel ranks in the bottom quartile in terms of its contribution to both valuation and gross operating profit (“**GOP**”), accounting for only 1.2% of the total portfolio value as at 31 December 2024. Operational performance has deteriorated significantly in recent years. Its GOP margin stood at 17.2% in 2024, significantly below ACRO-HT’s portfolio average of 35.3% in 2024. The Hotel also continues to underperform with a revenue per available room (“**RevPAR**”) Index (“**RPI**”) of just 87% in 2024.

The Memphis hotel suffers from an imbalance of supply and demand, resulting in marketwide performance erosion. A significant portion of market demand is driven by FedEx. With the rise of competing logistics providers such as Amazon DSP, FedEx continues to downsize, reducing corporate demand in the Memphis market. Meanwhile, the Memphis market has experienced robust supply growth, particularly in the downtown submarket, which has reduced compression to the outer submarket where the HPMPP is located. As a result of weakened market conditions and continuing property underperformance, the property value has declined by 34.6% over the past 5 years. Moreover, the property has had multiple management changes due to the unavailability of talent in the local market, which has contributed to rising operational inefficiencies.

As one of the older assets within the portfolio, the Hotel will require substantial capital expenditure relative to its value. In the near term, brand-required lifecycle renovations to the guestrooms and public areas will require capital investment of approximately US\$3,700,000, or 44% of the asset value to maintain as a Hyatt Place. In addition, there is an additional US\$800,000 in roofing, parking lot resurfacing, elevator upgrade, technology and life safety equipment upgrades expected over the next few years. A material portion of this investment would be allocated to curing deferred maintenance rather than driving incremental market positioning or profitability, given the prevailing competitive conditions in the Memphis submarket. Any capital deployed into this asset would therefore be dilutive to distributable income. The Proposed Sale allows ACRO-HT to avoid significant capital outlay while reducing exposure to a persistently underperforming asset, thereby enabling resources to be redeployed toward higher-performing markets within the portfolio.

3.2 Strengthen Balance Sheet and Fund Capital Expenditure Requirements

The Proposed Sale will free up capital which can be redeployed to either 1) fund the capital expenditure needs in relation to the ongoing renovation requirements of the existing portfolio; or 2) pare down existing bank borrowings to improve the portfolio’s average leverage ratio and increase debt headroom; or 3) acquire accretive and higher yield properties; or 4) meet general working capital needs.

4. Salient Terms of the PSA

The PSA contains provisions customary to the Property's jurisdiction, including representations and warranties, indemnities and other commercial terms. The principal terms of the PSA include, amongst others, the following:

- 1) An initial deposit of US\$100,000 shall be payable by the Purchaser to an escrow agent under the PSA (the "**Deposit**"). Save in accordance with the terms of the PSA, the Deposit is non-refundable and will be applied towards the Sale Consideration payable at completion of the Proposed Sale ("**Completion**"). The due diligence period of the Proposed Sale for the Purchaser to conduct due diligence on the Property commenced on the date of signing of the PSA and shall continue until 5.00 P.M. (Eastern Time) on the date that is 60 days from the date of signing of the PSA, and Completion shall take place on the date that is 30 days after the expiration of the due diligence period (the "**Completion Date**").
- 2) The PSA is subject to the fulfilment of (unless otherwise waived) of certain conditions precedent, including but not limited to, the following:
 - (a) Completion of the Purchaser's due diligence on the Property, the results of which are satisfactory to the Purchaser;
 - (b) Each of the representations and warranties made by the Purchaser be true and correct in all material aspects when made and on as of the Completion Date as though such representations and warranties were made on and as of the Completion Date;
 - (c) the covenants and obligations of the Purchaser required to be performed or complied with by the Purchaser on or before Completion having been performed or complied with in all material aspects;
 - (d) the Vendor having terminated the existing management agreement between Chartwell Hospitality, LLC (the "**Manager**"), as the manager of the Property and the Vendor (or its affiliate), with respect to the Property and any lease agreement with ARA USH Chicago Tenant, LLC, the tenant;
 - (e) (I) the Vendor having received termination of the existing franchise agreement (the "**Existing FA**") from Hyatt Place Franchising L.L.C, the franchisor of the Hotel (the "**Franchisor**"), and (II) the Vendor, together with any of its affiliates that are directly or indirectly obligated under the Existing FA, having been released by the Franchisor from any obligations under the Existing FA and/or any guaranty(ies) thereof, pertaining to the period on and after Completion;
 - (f) no order or injunction of any court or administrative agency of competent jurisdiction nor any statute, rule, regulation or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of Completion which restrains, materially delays or prohibits the Proposed Sale or the consummation of any other transaction contemplated hereby;
 - (g) the Vendor having received all of the relevant completion deliverables required to be delivered by the Purchaser under the PSA;
 - (h) (i) the Vendor having received from the Purchaser the Sale Consideration and all other amounts due to the Vendor from the Purchaser under the PSA ; and (ii) subject to the payment of all title insurance premiums as provided under the PSA, the title insurer being prepared to issue a title insurance policy without endorsements insuring the Purchaser's title to the Property, subject to permitted exceptions under the PSA, in an amount equal to the portion of the Sale Consideration allocated to the real property pursuant to the allocation set out in the PSA.

- 3) Representations and warranties customary to a transaction of this nature and in line with usual market practice in the U.S. have been given by the Vendor under the PSA.

5. Use of Proceeds

The Managers intend to use the net proceeds from the Proposed Sale in the near term to fund the capital expenditure needs related to ongoing renovations of the existing portfolio, pare down existing bank borrowings, acquire accretive and higher yield properties, and/or meet general working capital needs.

6. Pro Forma Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Sale on the distribution per stapled security of ACRO-HT ("**Stapled Security**") and the distribution per Stapled Security, "**DPS**") and Net Asset Value ("**NAV**") per Stapled Security presented below were prepared based on the audited financial statements of ACRO-HT for the financial year ended 31 December 2024 ("**FY 2024**").

For the purposes of the pro forma financial effects of the Proposed Sale, it is assumed that (i) (for the purposes of computing the pro forma DPS) the sale of the Property was completed on 1 January 2024, and (ii) (for the purposes of computing the pro forma NAV per Stapled Security) the sale of the Property was completed on 31 December 2024.

Pro Forma DPS

The pro forma financial effects of the Proposed Sale on ACRO-HT's DPS as at 31 December 2024, as if ACRO-HT had completed the sale on 1 January 2024, are as follows:

	Before the Divestment	After the Divestment
Distributable Income available ⁽¹⁾ (US\$'000)	10,282	10,725
Total number of Stapled Securities ⁽²⁾ ('000)	580,103	580,103
DPS (US Cents)	1.772	1.849

Notes:

- (1) The figures set out are purely for illustrative purposes only and assumes the corresponding reduction in reserves set aside for HPMPP's capital expenditure for FY 2024 and the repayment of loan and borrowings using the net proceeds from the Proposed Sale as if it was completed on 1 January 2024.
- (2) Number of Stapled Securities in issue and to be issued as at 31 December 2024.

Pro Forma NAV

The pro forma financial effects of the Proposed Sale on ACRO-HT's NAV per Stapled Security as at 31 December 2024, as if the Proposed Sale was completed on 31 December 2024, are as follows:

	Before the Divestment	After the Divestment
NAV ⁽¹⁾ (US\$'000)	423,907	422,164
Total number of Stapled Securities ('000)	580,103	

NAV per Stapled Security (US\$)	0.73	0.73
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Notes:

(1) Number of Stapled Securities in issue and to be issued as at 31 December 2024.

7. Disclosable Transaction

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

Comparison of	Proposed Sale	ACRO-HT	Relative figure
NAV (US\$'000)	8,500 ⁽¹⁾	423,907 ⁽²⁾	2.0%
NPI ⁽³⁾ (as defined below) (US\$'000)	139	44,337	0.3%
Consideration against market capitalization (US\$'000)	7,750	147,926 ⁽⁴⁾	5.2%

Notes:

(1) Refers to the NAV of HPMPP

(2) Refers to the NAV of the portfolio of ACRO-HT

(3) In the case of a property trust, the net property income (“NPI”) is a close proxy to the net profits or loss attributable to its assets.

(4) The figure is calculated based on 580,102,394 Stapled Securities in issue multiplied by the weighted average price of US\$0.255 per Stapled Security on the SGX-ST as 16 December 2025, being the market day immediately prior to 17 December 2025 (being the date of exchange of the PSA on 16 December 2025 (U.S. time)).

8. Interest of Directors and Controlling Stapled Securityholders.

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

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

9. Directors’ Service Contracts

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

10. Documents for Inspection

Copies of the PSA and the valuation report for the Independent Valuation are available for inspection, by appointment, at the Managers’ registered office located at 10 Anson Road #23-15,

International Plaza, Singapore 079903 during business hours for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

ACROPHYTE HOSPITALITY TRUST MANAGEMENT PTE. LTD.

(Company registration no. 201829676W)

As manager of Acrophyte Hospitality Property Trust

ACROPHYTE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD.

(Company registration no. 201829682G)

As trustee-manager of Acrophyte Hospitality Management Trust

Lee Jin Yong

Chief Executive Officer

17 December 2025

For enquiries, please contact:

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ABOUT ACROPHYTE HOSPITALITY TRUST

Listed on the Singapore Exchange on 9 May 2019, Acrophyte Hospitality Trust (formerly known as ARA US Hospitality Trust) ("**ACRO-HT**") is a hospitality stapled group comprising Acrophyte Hospitality Property Trust ("**ACRO-REIT**") (formerly known as ARA US Hospitality Property Trust) and Acrophyte Hospitality Management Trust ("**ACRO-BT**") (formerly known as ARA US Hospitality Management Trust). ACRO-HT invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. As at the date of this announcement, ACRO-HT's portfolio comprises 32 select-service hotels with a total of 4,188 rooms across 17 states in the United States.

ACRO-HT is managed by Acrophyte Hospitality Trust Management Pte. Ltd. (formerly known as ARA Trust Management (USH) Pte. Ltd.) and Acrophyte Hospitality Business Trust Management Pte. Ltd. (formerly known as ARA Business Trust Management (USH) Pte. Ltd.), collectively known as the "**Managers**". The Managers are wholly-owned subsidiaries of Acrophyte Asset Management Pte. Ltd. ("**Acrophyte AM**").

ABOUT THE SPONSOR

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

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

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

IMPORTANT NOTICE

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

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

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

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