

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.

MINUTES OF ANNUAL GENERAL MEETING (“AGM” or the “Meeting”)

PLACE	:	Level 3, Rooms 324-325, The Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Singapore 039593	
DATE	:	Friday, 19 April 2024	
TIME	:	10.00 a.m.	
IN ATTENDANCE	:	Mr. Stephen Ray Finch Ms. Stefanie Yuen Thio Mr. Randy Allan Daniels Mr. Wong Choong Mann Ms. Cheryl Seow Bee Lian * Mr. Moses K Song Mr. Lin Daqi Stapled Securityholders as per attendance records maintained by the Managers	Independent Non-Executive Director and Chairman of the Board Independent Non-Executive Director and Chairman of the Audit Committee Independent Non-Executive Director Independent Non-Executive Director Non-Independent Non-Executive Director Non-Independent Non-Executive Director Non-Independent Non-Executive Director
PRESENT	:	Mr. Lee Jin Yong Ms. Low Mei Mei, Maureen Representatives of DBS Trustee Representatives of Ernst & Young LLP Representatives of Allen & Gledhill LLP Ms. Tan Shu Bing Ms. Jacy Chuah Managers’ staff from Management team (names reflected in attendance sheet)	Chief Executive Officers of the Managers Company Secretary As Trustee of ARA US Hospitality Management Trust Independent Auditors Legal Advisors Representative of TMF Singapore H Pte. Ltd. Representative of TMF Singapore H Pte. Ltd.
CHAIRMAN	:	Mr. Stephen Ray Finch	

*Remote attendance

WELCOME AND INTRODUCTION

Ms. Dawn Lee (“**Ms. Lee**”), the emcee welcomed the attendees to the 5th Annual General Meeting (“**AGM**” or the “**Meeting**”) of ARA US Hospitality Trust (“**ARA H-TRUST**”) (a stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”) and ARA US Hospitality Management Trust (“**ARA H-BT**”). Ms. Lee then proceeded to introduce the following attendees:

- Board of Directors of the Managers:
Mr. Stephen Ray Finch – Chairman and Independent Non-Executive Director of the Board,
Ms. Stefanie Yuen Thio – Independent Non-Executive Director and Chairperson of the Audit and Risk Committee,

- Mr. Randy Allan Daniels – Independent Non-Executive Director,
Mr. Wong Choong Mann – Independent Non-Executive Director,
Ms. Cheryl Seow Bee Lian – Non-Independent, Non-Executive Director, who joined the AGM via videoconference; and
Mr. Lin Daqi – Non-Independent, Non-Executive Director;
Mr. Moses K Song, Non-Independent, Non-Executive Director;
- Mr. Lee Jin Yong, Chief Executive Officer of the Managers;
 - Mr. Lim Kai Lun, Head of Finance of the Managers;
 - Ms. Low Mei Mei, Maureen, Company Secretary of the Managers;
 - Representatives of DBS Trustee Limited;
 - Representatives of Ernst & Young LLP, the Independent Auditors to the Managers;
 - Representatives of Allen & Gledhill LLP, the Legal Advisers to the Managers; and
 - Management team of ARA H-Trust.

In accordance with the Stapling Trust Deed constituting ARA US Hospitality Property Trust and ARA US Hospitality Management Trust, DBS Trustee Limited (the “Trustee”) has nominated Mr. Stephen Ray Finch to preside as Chairman of the AGM (the “Chairman”).

To commence the AGM, Ms. Lee invited Mr. Lee Jin Yong, Chief Executive Officer of the Managers (“CEO”) to give his presentation on ARA US Hospitality Trust’s (“ARA H-Trust”) performance for the financial year ended 31 December 2023 (“FY2023”).

PRESENTATION BY CEO

The CEO delivered a presentation giving an overview of ARA H-Trust’s performance for FY2023. The Meeting was informed that a copy of the CEO’s presentation slides would be uploaded onto ARA H-Trust’s website and SGXNet after the AGM today.

Ms. Lee thanked the CEO for his presentation and handed over the conduct of the Meeting to the Chairman to commence the AGM proceedings.

QUORUM

The Chairman called the Meeting to order with the presence of a quorum.

The Chairman acknowledged the presence of the stapled securityholders who had attended the AGM physically.

NOTICE OF MEETING AND RESOLUTIONS

The Notice of the AGM dated 4 April 2024 had been circulated earlier and the resolutions stated therein, released to all stapled securityholders via SGXNET and made available on ARA H-Trust’s website, was taken as read.

CHAIRMAN’S ADDRESS AND DEMAND FOR POLL

The Chairman informed stapled securityholders that pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), all resolutions at the meeting would be voted upon by poll using a wireless hand-held device. The Chairman also informed securityholders that the AGM would be conducted in physical format only. In his capacity as Chairman of the AGM, he had been appointed as proxy by a number of securityholders and he would vote in accordance with the specific instructions of those securityholders.

A video presentation introducing the functions of real-time remote voting system and questions posting was shown to securityholders.

Further, the Meeting was informed that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. was appointed as scrutineer (the “**Scrutineer**”) and Boardroom Corporate & Advisory Services Pte Ltd. was appointed as the provider of the poll service (the “**Polling Agent**”). The validity of the proxy forms submitted by the stapled securityholders by the submission deadline of 10.00 a.m. on 17 April 2024 had been reviewed and the votes of all such valid proxies have been counted and verified.

SUBSTANTIAL AND RELEVANT QUESTIONS, LIVE QUESTIONS AND ANSWERS

The Chairman informed that substantial and relevant questions raised by stapled securityholders before the AGM have been addressed via an announcement released on 17 April 2024. All other relevant questions would be individually addressed during the Meeting.

ORDINARY BUSINESS:

ORDINARY RESOLUTION 1 – REPORT OF DBS TRUSTEE LIMITED, IN ITS CAPACITY AS TRUSTEE OF ARA H-REIT (THE “TRUSTEE”), THE REPORT OF ARA TRUST MANAGEMENT (USH) PTE. LTD., AS MANAGER OF ARA H-REIT (THE “ARA H-REIT MANAGER”), THE REPORT OF ARA BUSINESS TRUST MANAGEMENT (USH) PTE. LTD., AS TRUSTEE-MANAGER OF ARA H-BT (THE “ARA H-BT TRUSTEE-MANAGER”), AND TOGETHER WITH THE ARA H-REIT MANAGER, THE “MANAGERS”), THE STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE ARA H-BT TRUSTEE-MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ARA H-TRUST, ARA H-REIT AND ARA H-BT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE AUDITORS’ REPORTS

The Chairman proceeded to table Ordinary Resolution 1 to be adopted by securityholders, which was to receive and adopt the Report of the Trustee, the Statement by the Managers and the Audited Financial Statements of ARA H-Trust for FY2023, together with the Auditor’s Report thereon.

The motion for Ordinary Resolution 1 was proposed by the Chairman and seconded by Mr. Manohar P Sabnani (“**Mr. Sabnani**”).

The Chairman invited questions from the floor.

Mr. Sabnani complimented the Board and Management on the relatively good performance of ARA H-Trust for FY2023, which included the sale of some of its properties at good valuation and yield. However, Mr. Sabnani expressed concerns about the current valuation of ARA H-Trust, citing that with a current trading price of US\$0.29 per stapled security, the yield is almost 12% and the price/net asset value (“**NAV**”) ratio is 0.4x. Mr. Sabnani added that this could potentially be due to a structural problem, acknowledging that market conditions today are very different from market conditions at the time of the initial public offering (“**IPO**”).

Mr. Sabnani asked the Board to consider the option of liquidation or other options such as merging with another better performing REIT or selling off hotels above valuation.

On this matter, the CEO explained that the valuation of the portfolio has remained fairly stable. Despite inflationary concerns and elevated interest rates, ARA H-Trust’s performance in terms of revenue, profits and distributions has been improving each year post-Covid 19. Although ARA H-Trust continues to demonstrate growth in distribution, its progress is not reflected in the security price.

The CEO added that a big challenge has been the loose definition of commercial real estate market in the United States (“**U.S.**”). While U.S. offices have performed poorly, U.S. hotels have seen a strong recovery post-COVID. Although ARA H-Trust’s security price improved post-COVID, it has suffered a set-back due to the negative perceptions stemming from the performance of U.S. strategy office S-REITs. The CEO added that the Management believes there is still upside in the demand for hotel rooms, as not all segments of the hospitality industry have fully recovered from the COVID-19 pandemic. With the continued improvement in the performance of ARA H-Trust, the Management hopes that ARA H-Trust’s security price will improve over time.

The Chairman added that the Managers are re-arranging ARA H-Trust’s portfolio, selling weaker assets that demand significant capital expenditures and re-investing in newer assets that generate higher yield. The CEO shared that U.S. hotel transactions typically involve 60-75% leverage and current elevated

interest rates have impacted the transaction volume. Thus, the concept of liquidation may not be a good idea in the current environment.

Next, Mr. Venkatachalam Alagappan (“**Mr. Alagappan**”) referred the Meeting to page 108 of the Annual Report and noted that under the Statements of Comprehensive Income of ARA H-TRUST, a net loss for the year after tax of approximately US\$11 million was recorded. This loss was mainly attributable to the revaluation of property, plant and equipment, and finance costs. Mr. Alagappan asked if ARA H-Trust is performing well operationally.

The CEO replied that the occupancy rates have yet to fully return to pre-pandemic levels due to “lagging” business travel demand, which is about 85-90% of pre-COVID levels. The increasing emphasis on hybrid work arrangements had contributed to the rise in “bleisure” demand, where corporate travelers arrange their travel schedules to combine business trips with leisure travels.

Mr. Alagappan asked if operating margins can be further improved. The CEO replied that hotels enjoy high operating leverage and the ability for re-pricing based on daily supply and demand conditions will result in a pricing keeping pace or ahead of expense increases, which flows through to the bottom line.

Mr. Alagappan thanked the CEO for the response and added that he hopes that Management will focus on the net loss in the Statements of Comprehensive Income as it affects the NAV and gearing of ARA H-Trust.

Mr. Benjamin Ng Heok Seng (“**Mr. Ng**”) commented that the current scale of ARA H-Trust’s business and its small market capitalization size of approximately US\$165 million, would pose a challenge for ARA H-Trust to grow organically and to acquire more assets. Mr. Ng asked the Board to look into creating value or liquidation to realise value.

The Chairman informed that the Board is aware of the price conundrum and has been deliberating on possible options.

Mr. Satinder Singh Bedi (“**Mr. Bedi**”) commented that the stock is not liquid, and the trust needs to scale up; however, if scaling up is a challenge, then liquidation might not be a bad solution. Mr. Bedi also asked what, other than higher interest costs, accounts for the slack to the distribution per unit of about US\$0.07 at IPO and what are the key operating imperatives that the Management is focusing on?

The CEO informed that from an operational standpoint, Management has been focusing on maximizing profitability by driving as much business as possible into the hotels, controlling operating costs which have increased due to high inflation and judiciously controlling capital expenditure. The Managers have also been divesting assets at or near valuation, confirming that the NAV of ARA H-Trust is not fictional.

Mr. Anselm Richter (“**Mr. Richter**”) said that banks have generally been reluctant to lend to U.S. real estate. Given that ESR is HK/China-based, Mr. Richter asked if ARA H-Trust has encountered any difficulty with securing loans. Mr. Richter also enquired if Management had taken the opportunity to do interest rate swaps.

The Chairman informed that ARA H-Trust’s banks are Singapore banks that have been very supportive. He also shared that Management has taken steps to add on more interest rate swaps.

Mr. Michael Seow Ming Liang (“**Mr. Seow**”) commented that ARA H-Trust’s security price is undervalued and said Management could get more coverage from other analysts. Mr. Seow also suggested undertaking security buyback and exploring the possibility of transferring the listing to U.S. to attract greater value appreciation from U.S. investors.

Mr. Seow also noted some changes in the ownership of the securities and asked if ESR’s ownership has changed.

The CEO replied that it has always been Management’s intention to engage with more analysts and to get more research coverage. The CEO added that he would be open to any suggestions Mr. Seow has on research coverage. He added that the answer to the question on buyback was posted on 17 April 2024 under “Responses to Substantial and Relevant Questions”.

Mr. Lim Kai Lun, Head of Finance of the Managers, explained that the recent announcements on changes of ownership were merely transfers between ESR entities. There has been no change in the interest of the Sponsor.

As there were no further questions on Ordinary Resolution 1, the Chairman proceeded to put Ordinary Resolution 1 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 1 were as follows:

	Votes	Percentage (%)
No. of Stapled Securities voted "For":	195,315,912	99.67
No. of Stapled Securities voted "Against":	653,700	0.33
Total	195,969,612	100.00

Based on the results of the poll, Chairman declared Ordinary Resolution 1 carried.

ORDINARY RESOLUTION 2 – RE-APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS OF ARA H-TRUST, ARA H-REIT and ARA H-BT AND TO AUTHORISE THE MANAGERS TO FIX THEIR REMUNERATION'

The Chairman proceeded to table Ordinary Resolution 2 to be adopted by securityholders, which was to re-appoint Ernst & Young LLP ("EY") as independent auditors of ARA H-Trust, ARA H-REIT and ARA H-BT to hold office until the conclusion of the next AGM of ARA H-TRUST and to authorise the Managers to fix their remuneration. EY had expressed their willingness to continue in office.

The motion for Ordinary Resolution 2 was proposed by the Chairman and seconded by Mr. Tang Chun Fatt.

The Chairman invited questions from the floor.

As there were no questions for this Resolution, the Chairman proceeded to put Ordinary Resolution 2 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 2 were as follows:

	Votes	Percentage (%)
No. of Stapled Securities voted "For":	194,677,412	99.63
No. of Stapled Securities voted "Against":	723,700	0.37
Total	195,401,112	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

ANY OTHER BUSINESS

As no notice of any other ordinary business had been received by the Secretary, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

ORDINARY RESOLUTION 3 – GENERAL MANDATE FOR THE ISSUE OF NEW STAPLED SECURITIES AND/OR CONVERTIBLE SECURITIES

The Chairman proceeded to table Ordinary Resolution 3 to be adopted by securityholders, which was to authorize the Managers to issue new stapled securities in ARA H-Trust and to make or grant convertible instruments pursuant to the provisions of the Listing Manual of the SGX-ST, as set out under item 3 in the Notice of the AGM.

The motion for Ordinary Resolution 3 was proposed by the Chairman and seconded by Mr. Tang Chun Fatt.

The Chairman invited questions from the floor.

Mr. Seow asked for the removal of Resolution 3 and to replace it with a resolution for a security buyback.

Ms. Stefanie Yuen Thio replied that it would not be possible to remove or add a resolution at the AGM.

As there were no further questions for this Resolution, the Chairman proceeded to put Ordinary Resolution 3 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 3 were as follows:

	Votes	Percentage (%)
No. of Stapled Securities voted "For":	191,554,212	99.41
No. of Stapled Securities voted "Against":	1,134,800	0.59
Total	192,689,012	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

CONCLUSION

The Chairman declared the AGM of ARA H-Trust closed at 11.10 a.m. and thanked everyone for their attendance and the questions received. The minutes of the AGM would be posted on SGXNet and the corporate website in due course.

Confirmed as True Record of Proceedings Held

Stephen Ray Finch
Chairman of the Meeting