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**EAGLE HOSPITALITY TRUST**

**Comprising:**

**EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

managed by

**Eagle Hospitality REIT Management Pte. Ltd.**

**EAGLE HOSPITALITY BUSINESS TRUST**

(a business trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

managed by

**Eagle Hospitality Business Trust Management Pte. Ltd.**

**RESPONSE TO THE SGX-ST'S QUERIES**

Eagle Hospitality REIT Management Pte. Ltd., as manager of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”, and the manager of EH-REIT, the “**REIT Manager**”), and Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager of Eagle Hospitality Business Trust (“**EH-BT**”, and the trustee-manager of EH-BT, the “**Trustee-Manager**”, and collectively with the REIT Manager, the “**Managers**”), wish to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 1 November 2019:

**Queries from the SGX-ST:**

We refer to the Business Times article with the headlines “EHT says no requirement to disclose sponsor’s links to its largest investor” and “Frank Yuan's firm sold six hotels to the sponsor’s founders, who then injected them into the 18-hotel portfolio that forms the IPO”. Please provide clarification on the following matters:

- a. When did the Sponsor acquire the six hotels from ASAP Holdings (“**ASAP**”) and when were these injected into Eagle Hospitality Trust (“**EHT**” or the “**Trust**”). Please disclose the dates.

**Answer:**

The Sponsor entered into the purchase agreements to acquire the six hotels from the Third Party ASAP6 Portfolio Vendors (as defined in the prospectus of EHT dated 16 May 2019 (the “**Prospectus**”), i.e. ASAP, on 12 March 2019 and they were acquired by EHT from the Sponsor on 24 May 2019, being the listing date of EHT (“**Listing Date**”).

DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Eagle Hospitality Trust (“**EHT**”).

As stated at page 276 of the Prospectus: “Prior to the Listing Date, the ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors...” The definitions of the defined terms are set out in the Prospectus.

- b. What was the reason for the above arrangement as opposed to a direct sale of the hotels to the Trust? Was the payment to ASAP fully received in cash at the point of sale? Were the two transactions made at the same price and if not, were there any reasons for the differences in the consideration for the six hotels?

**Answer:**

ASAP is independent from the Sponsor and the Managers. ASAP sold the ASAP6 Portfolio to the Sponsor prior to the IPO in order to gain transaction certainty independent of the IPO process.

As disclosed at page 276 of the Prospectus: “Prior to the Listing Date, the ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors in consideration for, among others, promissory notes issued by Cayman Corp 2 and repayment of the existing debt relating to the ASAP6 Portfolio (save for the ASAP Mortgage Loans), which will be fully settled on the Listing Date with part of the proceeds from the Offering and the issuance of the Cornerstone Stapled Securities.”

The purchase consideration for the Sponsor’s acquisition from ASAP and for EHT’s acquisition from the Sponsor was different as the Sponsor would put in place master lease arrangements and incurred other additional costs. As disclosed at page 276 of the Prospectus: “The purchase consideration paid by the ASAP6 Portfolio Vendors to the Third Party ASAP6 Portfolio Vendors does not include primarily the following: (i) the value of the Master Lease Agreements provided by the Master Lessees to EH-REIT; (ii) the prepayment penalties for the prepayment of certain existing indebtedness and the Interest Differential Amount set aside in the Interest Reserve Account in view of the higher interest cost of the ASAP Mortgage Loans vis-à-vis the New Term Loan Facilities; (iii) the capital expenditure to be completed post-listing for Crowne Plaza Dallas near Galleria-Addison, Sheraton Denver Tech Center, Hilton Houston Galleria Area and Doubletree Salt Lake City Airport; and (iv) the payment to the relevant Hotel Franchisors to effect a change in control of the ASAP6 Portfolio.”

- c. Who are the beneficial shareholders and directors of ASAP? Do they have any relationships with the Sponsor, the Trust and their respective directors, substantial shareholders and key management? Please disclose specific information on these relationships, if any and how were they known to the Sponsor.

**Answer:**

The REIT Manager understands that ASAP is run by Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan, among others. ASAP is a California-based acquisition advisory and asset management firm specialising in hotel assets, which has had known business dealings with the Sponsor in the past. As stated at page 130 of the prospectus: “The Third Party ASAP6 Portfolio Vendors are unrelated to the Sponsor.” In addition, ASAP is not related to EHT, the Managers and the Managers’ respective directors, key management and other substantial stapled securityholders of EHT (“**Stapled Securityholders**”).

- d. Please advise if there are any relationships between Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan of ASAP. Please advise the aggregate shareholding interest they and their family hold in the Trust, if any.

**Answer:**

Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan have a family relationship. The respective interests of Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan was disclosed in the Rule 240 announcement issued on 24 May 2019 (“**Rule 240 Announcement**”) prior to the listing of EHT as summarised in the table below:

<b>Direct Stapled Securityholder</b>	<b>Shareholder and ultimate beneficial owner</b>	<b>Allocation of stapled securities of EHT (“Stapled Securities”)</b>
Claydon Hill Investments Ltd	Mr Frank Yuan	141,440,000 Stapled Securities
Compass Cove Assets Limited	Mr Norbert Yuan	120,000,000 Stapled Securities
Bounty Green Assets Limited	Mr Jerome Yuan	28,300,000 Stapled Securities

While a total of 289,740,000 Stapled Securities comprising 33.4% of the total number of Stapled Securities in issue on the Listing Date was allocated to Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan, based on the substantial stapled securityholding notifications filed by the relevant parties, each of them is not deemed to be interested in the stapled securityholdings of the other two parties (i.e. Mr Frank Yuan is not deemed to be interested in the stapled securityholdings of Mr Norbert Yuan and Mr Jerome Yuan, and so on).

- e. Please advise why Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan (the “**Yuans**”) did not invest in the Trust prior to IPO but only took up the placement units at IPO. Were they independently identified by the placement agent(s) or introduced by the Sponsor? Please disclose the circumstances how the placements to them were determined.

**Answer:**

Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan were introduced by the Sponsor to the placement agents during the bookbuilding process for the IPO and subscribed for Stapled Securities in the placement tranche at the IPO price of US\$0.78 per Stapled Security as part of a bookbuilding process by the placement agents.

- f. Please disclose whether, at any time, the relationships between the Yuans, ASAP, the six hotel assets held by the Trust and the aggregate percentage IPO placement to the Yuans were disclosed. If so, please provide details.

**Answer:**

It was disclosed in the Prospectus that EHT acquired the ASAP6 Portfolio directly from the Sponsor which had acquired the ASAP6 Portfolio from ASAP prior to the Listing Date. In any event, as mentioned above, ASAP is not related to the Sponsor, EHT, the Managers and their respective directors, key management and other substantial Stapled Securityholders.

Each of Mr Frank Yuan’s, Mr Norbert Yuan’s and Mr Jerome Yuan’s respective stapled securityholding interest was subsequently disclosed in the Rule 240 Announcement prior to listing as stated above.

Given that ASAP is unrelated to the Sponsor and the Managers and that EHT acquired the ASAP6 Portfolio from the Sponsor (not ASAP), there was no requirement to disclose the Yuans’ relationship to the ASAP6 Portfolio.

For and on behalf of the Board  
Salvatore G. Takoushian  
Chief Executive Officer

**Eagle Hospitality REIT Management Pte. Ltd.**  
(Company Registration No.: 201829789W)  
**as manager of Eagle Hospitality Real Estate Investment Trust**

**Eagle Hospitality Business Trust Management Pte. Ltd.**  
(Company Registration No.: 201829816K)  
**as trustee-manager of Eagle Hospitality Business Trust**

2 November 2019

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute an offer of, or invitation to subscribe or purchase or solicitation of subscriptions or purchases of Stapled Securities in EHT any jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment or any investment decision whatsoever.

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 REIT Manager, the Trustee-Manager, DBS Trustee Limited (as trustee of EH-REIT), Urban Commons, LLC (as the sponsor of EHT), the Sole Financial Adviser and Issue Manager, the 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. Holders of Stapled Securities ("**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 EHT. The forecast financial performance of EHT 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.

This announcement is not an offer or sale of the Stapled Securities in the United States. The Stapled Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Stapled Securities in the United States would be made by means of a prospectus that would contain detailed information about EHT, EH-REIT, EH-BT, the Managers and their management, as well as financial statements. The Managers do not

intend to conduct a public offering of the Stapled Securities in the United States. The Stapled Securities are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the Securities Act.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of the Securities Act or the applicable laws of other jurisdictions.