



## 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.**

## COMPLETION OF THE ACQUISITION OF HOME2 SUITES BY HILTON COLORADO SPRINGS SOUTH

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of ARA US Hospitality Trust dated 4 January 2023 titled "Proposed Acquisition Of Home2 Suites By Hilton Colorado Springs South" (the "Acquisition Announcement").*

### Completion of Acquisition

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 announcement dated 4 January 2023 titled "Proposed Acquisition Of Home2 Suites By Hilton Colorado Springs South".

The Managers are pleased to announce that the acquisition of the Home2 Suites By Hilton Colorado Springs South (the "**Property**") has been completed on 18 April 2023 (U.S. time) ("**Completion**"), following the satisfactory completion of due diligence, at a Purchase Consideration of US\$29.0 million ("**Purchase Consideration**"), subject to post-Completion adjustments in accordance with the PSA.

### Purchase Consideration and Valuation

In connection with the Acquisition, an independent valuation on the Property 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 valuer<sup>1</sup> concluded a market value of US\$30.2 million for the Property as of 8 April 2023. The Purchase Consideration is below the independent market valuation.

The independent valuer has valued the Property based on the income approach and the sales comparison approach. The income approach comprises the discounted cash flow and direct capitalization analyses.

---

<sup>1</sup> Newmark Valuation & Advisory, LLC

A copy of the valuation report on the Property 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.

### **Hotel Management Arrangements**

Pursuant to the PSA, the management agreement between the Vendor and Chartwell Hospitality LLC, the third-party hotel manager of the Property (“**CHL**”) has been terminated. To ensure continuity in the management and operation of the hotel after Completion, the ARA Hotel Manager (as defined herein) has on 18 April 2023 (U.S. time) entered into a new management agreement with CHL (the “**Chartwell HMA**”). In this respect, a new hotel management agreement has in turn been entered into between ARA CS Tenant LLC (“**ARA CS**”) (the “**New ARA Hotel Management Agreement**”), a wholly-owned subsidiary of ARA H-BT, and ARA US Hospitality Management, Inc. (the “**ARA Hotel Manager**”) for an initial term of five years, pursuant to which the ARA Hotel Manager will oversee the operation, management and maintenance of the Property by CHL. The ARA Hotel Manager will be paid a fee equivalent to 3.0% of total revenue of the Property, out of which, 2.5% will be paid to CHL for hotel management duties performed by CHL.

The ARA Hotel Manager is a wholly-owned subsidiary and hence an associate of ARA Asset Management Limited (“**ARA**”), being a controlling Stapled Securityholder of ARA H-Trust and a controlling shareholder of each of the Managers. Accordingly, the ARA Hotel Manager is an interested person of ARA H-Trust and the entry into the New ARA Hotel Management Agreement is an interested person transaction of ARA H-Trust for the purposes of Chapter 9 of the Listing Manual.

The total fee payable to the ARA Hotel Manager under the New ARA Hotel Management Agreement, when aggregated with other interested person transactions entered into between ARA H-Trust and ARA and its associates to date for the current financial year ending 31 December 2023 (excluding those transactions whose value is less than S\$100,000), is less than 3% of the ARA H-Trust’s latest audited net tangible assets of US\$459.2 million for the financial year ended 31 December 2022.

### **Disclosure of Interests**

As at the date of this announcement, certain directors of the Managers collectively hold an aggregate direct and deemed interest in 840,000 Stapled Securities, which comprises approximately 0.1% of the total number of existing Stapled Securities in issue. The Managers are wholly-owned subsidiaries of ARA (part of the ESR Group), a controlling Stapled Securityholder, which has a deemed interest in 128,227,190 Stapled Securities, which comprises approximately 22.23% of the total number of existing Stapled Securities in issue. Save for the foregoing, ARA H-Trust does not have any other controlling Stapled Securityholders.

Based on the information available to the Managers as at the date of this announcement, save as disclosed in this announcement, none of the directors of the Managers or the controlling Stapled Securityholder has an interest, direct or indirect, in the Acquisition and the New ARA Hotel Management Agreement.

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

19 April 2023

## **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. As at the date of this announcement, ARA US Hospitality Trust’s portfolio comprises 37 select-service hotels with a total of 4,826 rooms across 19 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](http://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**”).

ARA Asset Management is part of the ESR Group (the “**Group**”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$156 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at [www.ara-group.com](http://www.ara-group.com), [www.esr.com](http://www.esr.com).

## 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.