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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.**

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### **Clarification on The Edge Singapore's Article**

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Eagle Hospitality REIT Management Pte. Ltd., as manager (the “**REIT Manager**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”), and Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager (the “**Trustee-Manager**”, collectively with the REIT Manager, the “**Managers**”) of Eagle Hospitality Business Trust (“**EH-BT**”) would like to make certain clarifications regarding The Queen Mary asset.

The REIT Manager refers to the article dated 23 October 2019 entitled “Eagle Hospitality Trust could get wings clipped as key asset The Queen Mary sinks into disrepair” by The Edge Singapore and related articles. The Edge Singapore article refers to a series of reports and a letter (the “**Letter**”) from the City of Long Beach (the “**City**”) to Urban Commons, LLC (“**UC**”), the sponsor of Eagle Hospitality Trust, stating that it has failed to meet obligations under The Queen Mary ground lease to make certain repairs required under the ground lease. When the REIT Manager became aware of the Letter, it immediately communicated with UC to seek clarifications on the Letter.

UC has confirmed to the REIT Manager that they are **not in default on The Queen Mary ground lease** and that The Queen Mary **remains safe and structurally sound**. UC has also informed the REIT Manager that they are preparing a response, which will be imminently released to the City addressing items referenced in the Letter. The response will include specific maintenance items that have already been completed, are underway and planned in the future for the long-term preservation of the ship.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust (“ <b>EHT</b> ”).
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UC further added, “We have worked alongside the City on this project over the past three years and the City has taken the initiative to address and clarify matters referenced in the Letter.” In an article on 16 October 2019 published by Long Beach Post, Long Beach Economic Director, John Keisler, noted that UC has been open and transparent in its work with the city, performing beyond the requirements for a private company. He said the city is working with the company on a maintenance plan to address the most critical issues. “It’s a very unique situation, and they have been very open to the extent that they have exceeded the requirements of the contract.”

In another article on 19 October 2019 published by Long Beach Press Telegram, Keisler was quoted as saying, “I can say without any reservations that the ship is far safer than it was three years ago, or the day before Urban Commons took over the contract ... They’ve shown they’re being very responsive, and they intend to not only meet those deadlines, but they want to make sure they fulfil those obligations.”

Shane Fitzgerald, SE, DBIA, partner at John A. Martin (“**JAMA**”) & Associates, Inc, the marine engineering company which Urban Common had hired prior to the Initial Public Offering (“**IPO**”) of Eagle Hospitality Trust in an effort to ensure the structural integrity of The Queen Mary, has informed UC as follows: “JAMA used a 3D finite element model (FEM) to accurately evaluate critical structural components of the ship which led to a nominal amount of steel plate reinforcements in the hull and tank tops, but overall and as a result of these structural upgrades, The Queen Mary remains in excellent structural condition.”

Before the IPO of Eagle Hospitality Trust, US\$23.5 million of capital expenditure had been invested in The Queen Mary. UC had completed major life safety and structural projects, including the repair of the Fire and Life Safety System ship-wide, replacement of expansion joints, and additional major structural repairs and renovations.

Taylor Woods, Principal at and co-founder of UC and non-independent, non-executive deputy chairman of the REIT Manager said, “We have a great partnership with the City of Long Beach and have worked closely to establish a perpetual funding mechanism, which includes the Historical Preservation Capital Improvement Plan (HPCIP) fund that will help provide continued resources into the future to ensure The Queen Mary’s viability. In addition, UC is also committed to fund a Capital Improvement Fund (CIF) Reserve which is equal to 2% of the revenues in 2019 and 3% of revenues thereafter for repairs and maintenance, including ordinary maintenance and capital items.”

Of EH-REIT’s 18-asset portfolio that are under master lease agreements, The Queen Mary has the added security of a “triple net” master lease. In addition, The Queen Mary benefits from multiple capital reserves to support continued investment.

UC is fully committed to their partnership with the City of Long Beach and the shared vision of preserving and enhancing The Queen Mary as a first-class, all-inclusive entertainment destination.

The REIT Manager will continue to monitor the situation and keep Holders of Stapled Securities of Eagle Hospitality Trust updated.

### **About The Queen Mary:**

The Queen Mary is one of the City of Long Beach’s most iconic landmark and tourist destination. The Queen Mary Long Beach is a landmark Southern California attraction and special event venue surrounding a 347-room hotel and banquet facility aboard the historic British ocean liner, including 1,600 parking spaces. It is conveniently located within a 15-minute drive (five miles) from Long Beach Airport and a 35-minute drive (18 miles) from Los Angeles International Airport. Facilities include a total meeting space of approximately 80,000 sq ft, a fitness gym, three restaurants and three bars. The Hotel both puts on and hosts prominent events, such as annual winter event and a Halloween event that enjoy

significant and consistent community support. More recently, following an agreement with Goldenvoice, a large-scale concert promoter, the Property has started to host numerous sizeable concerts per year since 2018.

Salvatore Gregory Takoushian  
Executive Director and 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**

24 October 2019

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