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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 Query

1. INTRODUCTION

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**”, collectively with EH-REIT, “**EHT**”) wish to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 May 2020 in relation to the announcement “Update Announcement – (1) Termination of Interest Rate Swap Agreement, (2) Discovery of Interested Person Transactions, and (3) Liabilities of Master Lessees” dated 15 May 2020 (the “**15 May 2020 Announcement**”).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given to them in the 15 May 2020 Announcement.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
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2. QUERY FROM THE SGX-ST

We refer to EHT's announcement dated 15 May 2020 relating to the failure to disclose material interested person transactions resulting from "Further Non-Disturbance Agreements" entered into between Oct 2019 to February 2020 by the Sponsor Directors, namely, Mr Howard Wu and Mr Taylor Woods (the Non-Independent and Non-Executive Chairman and Deputy Chairman respectively), on behalf of certain Master Lessors with the corresponding Master Lessees and relevant hotel manager. Despite requirements to do so pursuant to EHT's interested person transaction compliance manuals, the Further Non-Disturbance Agreements were not internally reported, disclosed and declared in accordance with compliance policies nor were copies of these Further Non-Disturbance Agreements provided to the Board prior to their execution by the relevant Master Lessors. In addition, it is noted that *"Having received the advice of the Managers' United States legal counsel which has opined that the additional terms as set out under paragraph 3.3 are not customarily included in non-disturbance agreements and FTI's assessment of the "value at risk", the Audit and Risk Committee of the REIT Manager has considered the terms and rationale for the entry into the Further Non-Disturbance Agreements and is of the view that the entry into the Further Non-Disturbance Agreements is not on usual commercial terms and is therefore prejudicial to the interests of EHT and its minority Stapled Securityholders."*

Having regard to the above, please provide the Nominating Committee's views and justify why they consider the Sponsor Directors still suitable to continue serving on the Board of the REIT Manager.

3. RESPONSE TO THE SGX-ST'S QUERY

The Nominating and Remuneration Committee ("**NRC**") wishes to update that Mr. Howard Wu and Mr. Taylor Woods have confirmed that they will resign from the Boards of Directors of the Managers.

Subject to formalities, it is expected that their resignations will take effect by 26 May 2020.

Given Mr. Howard Wu and Mr. Taylor Woods' intention to step down as directors of the Managers, this development supersedes the SGX-ST's query in paragraph 2 above.

Stapled Securityholders are advised to read this Announcement and any further announcements by the Managers carefully. Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

For Strategic Review and related matters, please contact:

Email: boardsc@eagleht.com

Any queries relating to this Announcement should be directed to the following:

Contact Investor Relations
Telephone: +65 6653 4434
Email: enquiry@eagleht.com

For and on behalf of the Nominating and Remuneration Committee

Carl Gabriel Florian Stubbe
Chairman, Nominating and Remuneration Committee

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

Date: 20 May 2020

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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 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. 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 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.

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