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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

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**”) wishes to announce their response to the query raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to Eagle Hospitality Trust’s (“**EHT**”) annual report for the financial period ended 31 December 2019 (the “**Annual Report**”).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given to them in the Annual Report.

The following information is in response to the SGX-ST’s query dated 28 August 2020.

SGX-ST’s Query:

On page 48 of the Annual report, it is disclosed that “A significant and appropriate proportion of the remuneration of the Executive Director and Key Management Personnel comprises a variable component or annual award which is meant to be linked to corporate and individual performance or contractual guarantees and is aligned with the interests of Stapled Securityholder”. Please explain what are the corporate and individual performance KPIs or contractual guarantees and how it is aligned with the interest of Stapled Securityholders.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
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Response:

The performance bonuses of the REIT Manager's personnel (excluding the CEO and COO) were based on their corporate and individual performance, including their respective contributions to the REIT Manager. As a newly established REIT management company, establishing processes and procedures in an effort to manage EH-REIT was an important corporate objective of the REIT Manager. Human resource management, including hiring and retaining necessary personnel, was critical in attempting to fulfil this objective. The REIT Manager sought to reward its personnel for their continued commitment and contributions in connection with the anticipated demand of and challenges faced by a new company, as well as the unique challenges faced by EH-REIT.

Compensation for the Directors and the REIT Manager's personnel, including the CEO and COO, is paid by the REIT Manager and not by Eagle Hospitality Trust. The CEO and COO's compensation, including annual awards, was pursuant to contractual guarantees. As the Sponsor indirectly owns the REIT Manager, and also indirectly owns the Master Lessees, contractual guarantees promote greater independence of these key executives from the Sponsor as their compensation was not subject to the discretion of the Sponsor. The REIT Manager believes that a compensation policy that promotes personnel retention and greater independence of key executives in 2019 was appropriate and in the best interest of Stapled Securityholders.

Specific KPIs that were envisaged to be used to assess performance bonuses in 2019 were overtaken by several events including corporate challenges related to personnel retention as well as the contractual nature of key executive guarantees. Specific corporate and individual performance KPIs were anticipated to be introduced in 2020 as the REIT Manager entered into 2020, a new CFO was intended to be hired and the other key executives (being the CEO and COO) came off their contractual guarantees. Specific KPIs for 2020 would relate to share price performance, increased capital markets access and improvements in process and procedures covering internal audit, compliance and other corporate functions.

Issued by:

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

30 August 2020

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 Eagle Hospital Trust ("**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, Eagle Hospitality REIT Management Pte. Ltd., as manager of EH-REIT (the "**REIT Manager**"), Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager of EH-BT (the "**Trustee-Manager**"), together with the REIT Manager, the "**Managers**"), DBS Trustee Limited (as trustee of EH-REIT), Urban Commons, LLC (as sponsor of EHT) 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.